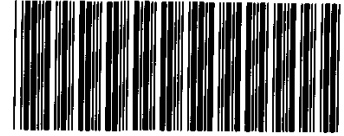


This document prepared by & return
to:

Carl A. Bertoch, P.A.
7655 W. Gulf to Lake Hwy., Suite #13
Crystal River, FL 34429



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**DECLARATION
OF
VILLAS OF ANTON, A CONDOMINIUM**

WILLIS CRAWFORD, L.L.C., a Florida corporation, hereby declares:

1. Introduction and Submission.

1.1 Description of the Land: The following described property constitutes the condominium property:

Lot 16 of Block B-B, Cypress Village, Sugarmill Woods,
according to the plat thereof as recorded in Plat Book 9,
Pages 86 through 150, Plat Book 10, Pages 1 through
150 and Plat Book 11, Pages 1 through 16, public records
of Citrus County, Florida, as amended in Plat Book 9,
Page 87-A, public records of Citrus County, Florida.

1.2 Submission Statement. The Developer hereby submits the Land to the condominium form of ownership and use in the manner provided for in the Florida Condominium Act as it exists on the date hereof. No improvements, real, personal or mixed, to the property, not located within or upon the condominium parcel, shall be deemed part of the Condominium and be subject to the jurisdiction of the Association, the operation and effect of the Florida Condominium Act or any rules or regulations promulgated pursuant thereto. The condominium parcel owner; however, shall be subject to the Declaration and the Rules promulgated by the Condominium Association that governs the use of the condominium parcel.

1.3 Name. The name by which this condominium is to be identified is VILLAS OF ANTON, A CONDOMINIUM (hereinafter called the "Condominium")

2. Definitions. The following terms when used in this Declaration and in its exhibits, and as it and they may hereafter be amended, shall have the respective meanings ascribed to them in this Section, except where the context clearly indicates a different meaning:

2.1 "Act" means the Condominium Act (Chapter 718 of the Florida Statutes) as it exists on the date hereof.

2.2 "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Association, as amended from time to time.

2.3 "Assessment" means a share of the funds required for the payment of Common Expenses which from time to time is assessed against the Villa Site Owner.

2.4 "Association" means VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, the sole entity responsible for the operation of the Condominium.

2.5 "Association Property" means the property, real and personal, in which title or ownership is vested in, or which is dedicated on, a recorded plat or leased to the Association for the use and benefit of its members.

2.6 "Board of Directors" or "Board" means the Board of Directors of the Association.

2.7 "Villas" means the structures that are constructed on the five (5) condominium sites, which are located on the Condominium Property.

2.8 "By-Laws" mean the By-Laws of the Association, as amended from time to time.

2.9 "Common Elements" mean and include:

(a) The portions of the Condominium Property not included within the condominium.

(b) Easements through Villa Sites for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Villas Sites and the Common Elements.

(c) An easement of support of each Villa Site.

(d) The property and installations required for the furnishing of utilities and other services to more than one Condominium site or to the Common Elements.

(e) Any other parts of the Condominium Property designated as Common Elements in this Declaration.

2.10 "Common Expenses" mean all expenses incurred by the Association for the Condominium and charges assessed or imposed against Villas Sites in the Condominium by the Association, as authorized by the Act. "Common Expenses" shall include the cost of telephone, cable television and Internet services obtained pursuant to a bulk contract. For all purposes of this Declaration, "Common Expenses" shall also include all reserves required by the Act or otherwise established by the Association, regardless of when reserve funds are expended.

2.11 "Common Surplus" means the amount of all receipts or revenues of the Condominium . (including Assessments, rents, or profits collected by the Association which exceeds Common Expenses).

2.12 "Condominium Site or Sites" means one of five (5) Villa Sites as created and shown on Exhibit "____", together with the undivided share in the Common Elements which is appurtenant to said Villa Site; and when the context permits, the term includes all other appurtenances to the Villa Site. The term "Condominium Site" is equivalent to a "Condominium Parcel" as defined in Section 718.103(12), Florida Statutes.

2.13 "Condominium Property" means the Land, Improvements and other property described in Section 1.2 hereof, subject to the limitations thereof and exclusions therefrom.

2.14 "County" means the County of Citrus, State of Florida.

2.15 "Declaration" or "Declaration of Condominium" means this instrument, as it may be amended from time to time.

2.16 "Developer" means WILLIS CRAWFORD, L.L.C., a Florida limited liability corporation, its successors and such of its assigns as to which its rights hereunder are assigned by written instrument recorded in the public records of the County. Such assignment may be made on an exclusive or non-exclusive basis, may be conditional or unconditional, and may be an assignment of all or only portions of its rights as Developer hereunder; provided, however, that no such assignment shall make any assignee the "Developer" for purposes hereof unless such assignment is an assignment of all of Developer's rights hereunder, is exclusive, except as to any previously assigned rights, and the assignee expressly accepts said assignment by written instrument recorded in the public records of the County.

2.17 "Improvements" mean all structures and artificial changes to the natural environment (including landscaping) located on the Condominium Property, however excluding the Villa Sites.

2.18 "Institutional First Mortgagee" means a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, mortgage banker, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or any other lender generally recognized as an institutional lender, or the Developer, holding a first mortgage on a Home or Villa Site. A "Majority of Institutional First Mortgagees" shall mean and refer to Institutional First Mortgagees of Villa Sites to which at least fifty-one percent (51 %) of the voting interests of Villa Sites subject to mortgages held by Institutional First Mortgagees are appurtenant.

2.19 "Land" shall mean the Land described in Exhibit "1" annexed hereto.

2.20 "Limited Common Elements" mean those Common Elements the use of which is reserved to a certain Villa Sites to the exclusion of all other Villa Sites, as specified in this Declaration. References herein to Common Elements also shall include all Limited Common Elements unless the context would prohibit or it is otherwise expressly provided.

2.21 "Villa Owner" or "Owner of a Villa site" or "Owner" means the record owner of legal title to a Villa Site.

2.22 "Villa Site" means a part of the condominium property which is subject to exclusive ownership. A Villa Site is the equivalent of a "Unit" as defined in Section 718.103(27), Florida Statutes, and consists of land only.

3. Description of Condominium and Development Plan.

3.1 **Description of Residential Villa:** Any Villa constructed on any of the five Villa Sites depicted on Exhibit "2" will be individually owned and are not part of the condominium or property

owned by the Condominium Association. The villas are expected to be constructed by SanderSon Bay Fine Homes, Inc., a Florida licensed general contractor who will, in the contract for the purchase of Villa, give certain warranties. (See Exhibit "3".)

3.2 Villa Site Boundaries. Each Villa Site shall be individually owned as designated on Exhibit "2".

Exceptions. In cases not specifically covered above, and/or in any case of conflict or ambiguity, the survey of the Villa Site set forth as Exhibit "A " hereto shall control in determining the boundaries of the Villa Sites.

3.3 Common Elements. The following sites will be created within the Condominium Property for the exclusive use Villa Owners and their family members, guests, tenants and invitees. The common elements consist of the following: The land described in Section 1 less and except the five Villa Sites described as follows:

Villa Site 1, Villa Site 2, Villa Site 3,
Villa Site 4, Villa Site 5, as depicted on Exhibit "2"

and includes the access road, limited common elements, sprinkler system, water distribution system, sewage collection system, all as described on Exhibit "2".

3.4 Easements. The following easements are hereby created (in addition to any easements created under the Act.

(a) **Utility and Other Services; Drainage.** Easements are reserved under, through and over the Condominium Property as may be required from time to time for utility, cable television, communications and security systems, and other services and drainage in order to serve the Condominium Sites. A Villa Site Owner shall do nothing within or outside his or her Villa Site that interferes with or impairs, or may interfere with or impair, the provision of such utility, cable television, communications and security systems, or other service or drainage facilities or the use of these easements. The Board of Directors of the Association or its designee shall have a right of access to each Villa Site to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits and other utility, cable television, communications and similar systems, service and drainage facilities, and Common Elements constructed on the Villa Site or elsewhere in the Condominium Property, and to remove any Improvements interfering with or impairing such facilities or easements herein reserved; provided such right of access, except in the event of an emergency, shall not unreasonably interfere with the Villa Site Owner's use of the Villa Site, and except in the event of an emergency, entry on the Villa Site shall be made on not less than one (1) day's notice (which notice shall not, however, be required if the Villa Site Owner is absent when the giving of notice is attempted).

(b) **Encroachments.** If (a) any portion of the Common Elements encroaches upon any Villa Site; (b) any Villa Site encroaches upon any other Villa Site or upon any portion of the Common Elements; or (c) any encroachment shall hereafter occur as a result of (i) construction of the Improvements; (ii) settling or shifting of the Improvements; (iii) any alteration or repair to the

Common Elements made by or with the consent of the Association or Developer, as appropriate, or (iv) any repair or restoration of the Improvements (or any portion thereof) or any Villa Site after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Villa Site or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Improvements shall stand.

(c) **Ingress and Egress.** A non-exclusive easement in favor of each Homeowner and resident, their guests and invitees, shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes. None of the easements specified in this subparagraph (c) shall be encumbered by any leasehold or lien other than those on the Condominium Villa Sites. Any such lien encumbering such easements automatically shall be subordinate to the rights of Homeowners and the Association with respect to such easements.

(d) **Construction Maintenance.** The Developer (including its designees, contractors, successors and assigns) shall have the right, in its (and their) sole discretion from time to time, to enter the Condominium Property and take all other action necessary or convenient for the purpose of completing the construction thereof, or any part thereof, or any Improvements or VILLAS located or to be located thereon, and for repair, replacement and maintenance purposes or where the Developer, in its sole discretion, determines that it is required or desires to do so.

(e) **Sales Activity.** For as long as there are any unsold Villa Sites, the Developer, its designees, successors and assigns, shall have the right to use any such Villa Site and parts of the Common Elements for guest accommodations, sales, management and to show model VILLAS and the Common Elements to prospective purchasers of Villa Sites and VILLAS within the Condominium and to erect on the Condominium Property signs and other promotional material to advertise Villa Sites and VILLAS for sale or lease.

(f) **Association.** The Association shall have an easement of access over, under and through the Condominium Property, except the Villa Sites, for the purpose of performing its lawful functions pursuant to this Declaration, including, without limitation, the maintenance of improvements, parking areas, utility lines and equipment, driveways, landscaped areas and any privacy wall/fence located along the boundary of the Condominium Property.

(g) **Additional Easements.** The Developer or Association, by and through the Board of Directors on behalf of all Villa Site Owners, shall have the right to grant such additional general ("blanket") and specific electric, gas or other utility, cable television, security systems, communications, service or other easements (and appropriate bills of sale for equipment, conduits, pipes, lines and similar installations pertaining thereto), or relocate any such existing easements or drainage facilities, in any portion of the Condominium Property and to grant access easement or relocate any existing access easements in any portion of the Condominium Property as the Developer or Board shall deem necessary or desirable, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Villa Sites for transient occupancy and commercial purposes.

4. **Restraint Upon Separation and Partition of Common Elements.** The undivided share in the Common Elements and Common Surplus which is appurtenant to a Villa Site, and the exclusive right to use all appropriate appurtenant Limited Common Elements, shall not be separated therefrom and shall pass with the title to the Villa Site, whether or not separately described. The appurtenant share in the Common Elements and Common Surplus, and the exclusive right to use all Limited Common Elements appurtenant to a Villa Site, except as elsewhere herein provided to the contrary, cannot be conveyed or encumbered except together with the Villa Site. The respective shares in the Common Elements appurtenant to Villa Sites shall remain undivided, and no action for partition of the Common Elements, the Condominium Property, or any part thereof, shall lie, except as provided herein with respect to termination of the Condominium.

5. **Ownership of Common Elements and Common Surplus and Share of Common Expenses; Voting Rights.**

5.1 **Percentage Ownership and Shares.** The undivided share ownership in the Common Elements and Common Surplus of the Condominium that is appurtenant to each Villa Site stated as a fractional share and is 1/5 for each of the five (5) Villa Sites.

5.2 **Voting.** Each Villa Site Owner shall be a member of the Association. Each Villa Site shall be entitled to one (1) vote to be cast by the Villa Site Owner in accordance with the provisions of the By-Laws and Articles of Incorporation of the Association. There shall be a total of five (5) votes.

6. **Amendments.** Except as elsewhere provided herein, amendments to this Declaration may be effected as follows:

6.1 **By The Association.** Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered. An amendment may be proposed either by a majority of the Board of Directors of the Association or by not less than two members of the Association. Except as elsewhere provided, approvals of proposed amendments must be by affirmative vote of a majority of voting interests represented at a meeting at which a quorum is present. Directors and members not present in person or by proxy at the meeting considering the amendment may express their agreement or disagreement in writing; however, this agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum. Notwithstanding anything to the contrary contained herein, the Association reserves the right to amend this Declaration and the Exhibits annexed hereto so as to correct any errors or omissions not materially and adversely affecting the rights of Villa Site Owners. Amendments enacted to correct errors or omissions may be approved by a majority of the Board of Directors of the Association.

6.2 **By The Developer.** The Developer, during the time it has the right to elect a majority of the Board of Directors of the Association, may amend the Declaration, the Articles of Incorporation or the By-Laws of the Association to correct an omission or error, or effect any other amendment, except that this procedure for amendment cannot be used if such an amendment would materially and adversely affect substantial property rights of Villa Site Owners, unless the affected Villa Site Owners consent thereto. Further, the Developer shall not be permitted to make

any amendment which requires the approval of Villa Site Owners under Section 718.110(4) or (8) of the Act without first obtaining such approval.

6.3 Proviso. Unless otherwise provided specifically to the contrary in this Declaration (e.g., in Section 10 hereon, no amendment shall change the configuration or size of any Villa Site in any material fashion, materially alter or modify the appurtenances to any Villa Site, or change the percentage by which the Owner of a Villa Site shares the Common Expenses and owns the Common Elements and Common Surplus, unless the record Owner(s) of the affected Villa Site(s), and all record owners of liens on the affected Villa Site(s), shall join in the execution of the amendment and same is also approved by a majority of the votes of the Association. Neither shall an amendment of this Declaration make any change to Section 14 of this Declaration entitled "Insurance" or to Section 15 of this Declaration entitled "Reconstruction or Repair After Fire or Other Casualty" which materially affect mortgagees unless said mortgagees join in the execution of the amendment. In no event shall the consent or joinder of mortgagees be required unless the amendment materially affects the rights or interest of the mortgagees or is otherwise required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and such consent or joinder may not be unreasonably withheld. Any amendment to this Declaration which would effect the surface water management system (hereafter defined), including water management portions of the Common Elements, must have the prior approval of the Southwest Florida Water Management District.

6.4 Execution and Recording. An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed with the same formalities required for the execution of a deed. Amendments by the Developer must be evidenced by a similar certificate executed by the Developer alone. An amendment of the Declaration is effective when the applicable certificate is properly recorded in the public records of the County.

No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Declaration. See provision. . . for present text." Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment.

7. Maintenance and Repairs.

7.1 Villa Sites and Limited Common Elements. All maintenance, repairs and replacements of, in or to any Villa constructed on a Villa Site, whether structural or nonstructural, ordinary or extraordinary, shall be performed by the Owner of such Villa Site at the Villa Site Owner's sole cost and expense. Except as otherwise expressly provided to the contrary herein,

the Board of Directors of the Condominium Association may adopt rules governing the maintenance and repair of the Villa Site and any structure located thereon.

7.2 Common Elements. Except to the extent (i) expressly provided to the contrary herein, or (ii) proceeds of insurance are made available therefor, all maintenance, repairs and replacements in or to the Common Elements (other than certain Limited Common Elements as provided in Section 7.1) shall be performed by the Association and the cost and expense thereof shall be charged to all Villa Site Owners as a Common Expense. The Association shall be responsible for the operation and maintenance of the improvements, facilities and systems utilized in connection with the storm and surface water collection, retention, detention, drainage and disposal services for the Condominium Property, all utility lines serving the Villa Sites, and all driveways beyond the Villa Site and its limited Common Elements..

7.3 Specific Villa Site Owner Responsibility. The obligation to maintain and repair any air conditioning equipment, plumbing or electrical fixtures, gas tanks and lines connected to any fireplace or other items of property which service a particular Villa Site or Villa Sites shall be the responsibility of the applicable Villa Site Owner(s), individually, and not the Association.

8. Additions, Alterations or Improvements by the Association. Whenever in the judgment of the Board of Directors, the Common Elements, or any part thereof, shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in excess of five percent (5%) of the annual budget in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by a majority of the Villa Sites represented at a meeting at which a quorum is attained. Any such additions, alterations or improvements to such Common Elements, or any part thereof, costing in the aggregate less than five percent (5%) in a calendar year may be made by the Association without approval of the Villa Site Owners. The cost and expense of any such additions, alterations or improvements to such Common Elements shall be as a "Capital Improvement Assessment" of the Villa Site Owners as provided in Section 13.2 hereof. For purposes of this section, "aggregate in any calendar year" shall include the total debt incurred in that year, if such debt is incurred to perform the above-stated purposes, regardless of whether the repayment of any part of that debt is made beyond that year.

9. Additions Alterations or Improvements by Villa Site Owner.

9.1 Consent of the Board of Directors. No Villa Site Owner shall make any addition, alteration or improvement in or to his or her Villa Site without the prior written consent of the Board of Directors, provided that the Board of Directors shall not withhold its consent if, in fact, a structure is constructed on the Villa site, to the installation of hurricane shutters as long as same have a character, location and other attributes set forth in specifications adopted as a resolution of the Board, and so long as no shutters are installed to enclose any terraces. The Board shall have the obligation to answer any written request by a Villa Site Owner for approval of such an addition, alteration or improvement in such Villa Site Owner's Villa Site within forty-five (45) days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent. The proposed additions, alterations and improvements by the Villa Site Owners shall be made in compliance with all laws, rules, ordinances

and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. A Villa Site Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his or her heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, and all other Villa Site Owners harmless from and to indemnify them for any liability or damage to the Condominium Common Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance thereof from and after that date of installation or construction thereof as may be required by the Association. Notwithstanding the foregoing, in order to allow the Association to obtain the operating history and experience necessary to provide for uniformity in the nature of Villa Site Owner improvements and to protect the aesthetic appeal of the Condominium Property, no such requests for additions, alterations or improvements may be presented to the Board for its consideration until such time as the Villa Site Owners, other than the Developer, have elected a majority of the Board of Directors.

9.2 Additions, Alterations or Improvements by Developer. The Developer shall have the additional right, without the consent or approval of the Board of Directors or other Villa Site Owners, to make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon any Villa owned by it. Notwithstanding the foregoing, none of the alterations described above may result in a change in the configuration or size of a Villa Site in any material fashion without the approval of the Owners of the Villa Site(s) affected, the approval of all owners of mortgages and liens on the affected Villa Site(s), and the approval of the record Owners of all other Villa Sites.

10. Proviso. Without limiting the generality of the provisions of paragraph 9.2 above, the Developer shall have the right, without the vote or consent of the Association or Villa Site Owners, to make alterations, additions or improvements in, to and upon Villa Sites owned by the Developer, whether structural or non-structural, interior or exterior, ordinary or extraordinary, of any Developer-owned Villa Sites, subject to the requirements of Section 9.2, above, if applicable.

11. Operation of the Condominium by the Association; Powers and Duties.

11.1 Powers and Duties. The Association shall be the entity responsible for the operation of the Condominium. The powers and duties of the Association shall include those set forth in the By-Laws and Articles of Incorporation of the Association (respectively, Exhibits "4" and "5" attached hereto), as amended from time to time. In addition, the Association shall have all the powers and duties set forth in the Act, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation:

(a) The irrevocable right to have access to each Villa Site and its Limited Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Elements therein or performing extermination services, or at any time and by force, if necessary, for making emergency repairs therein necessary to prevent damage to the Common Elements or to any other Villa Site or Villa Sites.

(b) The power to make and collect Assessments and other charges against Villa Site Owners and to lease, maintain, repair and replace the Common Elements.

(c) The duty to maintain accounting records according to good accounting practices, which shall be open to inspection by Villa Site Owners or their authorized representatives at reasonable times upon prior request.

(d) The power to contract for the management and maintenance of the Condominium Property and to authorize a duly licensed management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of Common Elements with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted in the Condominium documents and the Condominium Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

(e) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interests in property owned by the Association, if any, provided that such actions are approved unanimously by the owners of the Villa Sites and, provided further that no such action shall be permitted while the Developer owns any Villa Site without the prior written consent of the Developer.

(f) The power to charge a fee for the exclusive use of any Common Elements by an Owner.

(g) The power to adopt and amend rules and regulations concerning the details of the operation and use of the Condominium Property.

(h) The power to acquire real and personal property. Personal property shall be acquired upon a majority vote of the Board of Directors, subject to Section 8 hereof. Real property shall be acquired upon a majority vote of the Board of Directors; provided that the requirements of Section 8 pertaining to the Villa Site Owners' approval of costs in excess of the threshold amount stated therein (including the proviso as to the debt incurred) shall also apply to the acquisition of real property; provided further, however, that the acquisition of a Villa Site as a result of a foreclosure of the lien for Assessments shall be made upon a majority vote of the Board of Directors, regardless of the price for same.

(i) The authority to operate and maintain the improvements, facilities and systems utilized in connection with the storm and surface water collection, retention, detention, drainage and disposal services for the Condominium (the "surface water management system").

(j) All of the powers which a corporation not for profit in the State of Florida may exercise pursuant to this Declaration, the Articles of Incorporation and By-Laws, Chapters 607 and 617, Florida Statutes and the Act, in all cases except as expressly limited or restricted in the Act.

In the event of conflict among the powers and duties of the Association or the terms and provisions of this Declaration or the exhibits attached hereto, this Declaration shall take precedence over the Articles of Incorporation, By-Laws and applicable rules and regulations; the Articles of Incorporation shall take precedence over the By-Laws and applicable rules and regulations; and the By-Laws shall take precedence over applicable rules and regulations, all as amended from time to time.

Notwithstanding anything in this Declaration or its exhibits to the contrary, the Association shall at all times be the entity having ultimate authority over the Condominium, consistent with the Act.

11.2 Limitation of Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Common Property, the Association shall not be liable to Villa Site Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Condominium Common Property. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements done by or on behalf of any Villa Site Owners on his Site, regardless if whether or not same shall have been approved by the Association pursuant to Section 9.1 hereof.

Notwithstanding anything contained herein or in the Articles of Incorporation, By-Laws, any rules or regulations of the Association or any other document governing or binding the Association (collectively, the "Association Documents"), the Association shall not be "liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Condominium Common Property including, without limitation, residents and their families, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:

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

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

(c) Any provision 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. Notwithstanding the foregoing, it is recognized that none of the procedures limit or modify the provisions of Section 718.303(1), Florida Statutes, as they exist at the time of recording of the Declaration.

As used in this Section, "Association" shall include within its meaning all of the Association's Directors, officers, committee and Board members, employees, successors and assigns. The provisions of this Article shall also inure to the benefit of the Developer and its affiliates, which shall be fully protected hereby.

11.3 Restraint Upon Assignment of Shares In Assets. The share of a Villa Site Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his or her Villa Site.

11.4 Approval of Disapproval of Matters. Whenever the decision of a Villa Site Owner

is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that Villa Site if at an Association meeting, unless the joinder of all record Owners of the Villa Site is specifically required by this Declaration or by law.

11.5 Acts of the Association. Unless the approval or action of Villa Site Owners, and/or a certain specific percentage of the Board of Directors of the Association, is specifically required in this Declaration, the Articles of Incorporation or By-Laws of the Association, applicable rules and regulations or 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 of Directors, without the consent of Villa Site Owners, and the Board may so approve and 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 hereunder or thereunder, 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.

12. Determination of Common Expenses and Fixing of Assessments Therefor. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of Assessments payable by the Villa Site Owners to meet the Common Expenses of the Condominium and allocate and assess such expenses among the Villa Site Owners in accordance with the provisions of this Declaration and the By-Laws. The Board of Directors shall advise all Villa Site Owners promptly in writing of the amount of the Assessments payable by each of them as determined by the Board of Directors as aforesaid and shall furnish copies of each budget, on which such Assessments are based, to all Villa Site Owners and (if requested in writing) to their respective mortgagees. The Common Expenses shall include the expenses of and reserves for (if required by law) the operation, maintenance, repair and replacement of the Common Elements, costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles or By-Laws of the Association, applicable rules and regulations or by the Association. Incidental income to the Association, if any, may be used to pay regular or extraordinary Association expenses and liabilities, to fund reserve accounts, or otherwise as the Board shall determine from time to time, and need not be restricted or accumulated. Any Budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of the By-Laws.

13. Collection of Assessments.

13.1 Liability for Assessments. A Villa Site Owner, regardless of how title is acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, shall be liable for all Assessments coming due while he or she is the Villa Site Owner. In the case of a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for his or her share of the Common Expenses up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Villa Site for which the Assessments are made or otherwise.

13.2 Special and Capital Improvement Assessments. In addition to Assessments levied by the Association to meet the Common Expenses of the Condominium, the Board of Directors may, except as otherwise provided in the Declaration, levy "Special Assessments" and "Capital Improvement Assessments" upon the following terms and conditions:

(a) "Special Assessments" shall mean or refer to a charge against each Owner and his or her Villa Site, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements.

(b) "Capital Improvement Assessments" shall mean and refer to a charge against each Owner and his or her Villa Site, representing a portion of the costs incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from repairs and maintenance) of any capital improvements located or to be located within the Common Elements.

(c) Special Assessments and Capital Improvement Assessments may be levied by the Board of Directors and shall be payable in lump sums or installments, in the discretion of the Board; provided that, if such Special and Capital Improvement Assessments, in the aggregate in any year, exceed \$10,000.00 or cause the total Assessments levied to exceed 115% of Assessments for the preceding calendar year, for any purpose other than the exercise of the Association's right to purchase a Villa Site pursuant to Section 18.2 of this Declaration, the Board must obtain approval of a majority of the Villa Sites represented at a meeting at which a quorum is attained.

13.3 Default in Payment of Assessments. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at eighteen percent (18%) per annum from the date due until paid and shall be subject to an administrative late fee in an amount not to exceed the greater of \$25.00 or five percent (5%) of each delinquent installment. The Association has a lien on each Villa Site for any unpaid Assessments on such Site. The lien is effective and shall relate back to the recording of the Declaration, provided that as to First Mortgagees, the lien is effective from and after recording of the claim of lien. The claim of lien shall state the description of the Villa Site, the name of the record Owner, the name and address of the Association, the amount due and the due dates. It must be executed and acknowledged by an officer or authorized agent of the Association and shall be recorded in the Public Records of Citrus County, Florida. The claim of lien shall not be released until all sums secured by it (or such other amount as to which the Association shall agree by way of settlement) have been fully paid but in no event for a period exceeding one year, unless lien enforcement action has commenced in a court of competent jurisdiction during such year. The one year period shall automatically be extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the Villa Site Owner or any other person claiming an interest in the Condominium Site. The claim of lien shall secure (whether or not stated therein) all unpaid assessments, interest thereon and costs and attorneys' fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a final judgment of foreclosure thereof. Upon full payment, the person making the payment is entitled to a satisfaction of the lien in recordable form. The Association may bring an action in its name to foreclose a lien for unpaid Assessments in the manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid

Assessments without waiving any claim of lien. As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid and after thirty (30) days' prior written notice to the applicable Villa Site Owner and the recording of a claim of lien, the Association may declare the Assessment installments to "be accelerated which accelerated Assessment installments shall include the amount due for the remainder of the budget year in which the claim of lien was filed, and shall thereupon be immediately due and payable. In the event that the amount of such Assessment installments change prior to the end of the budget year, the Villa Site Owner or the Association, as appropriate, shall be obligated to pay or reimburse to the other the amount of increase or decrease within ten (10) days of same taking effect.

Any payments received by the Association from a delinquent Villa Site Owner shall be applied first to any interest accrued as provided above, then to any administrative late fee, then to any costs and reasonable attorneys fees incurred in collection as aforesaid and then to the delinquent and any accelerated Assessment.

13.4 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Villa Site Owner of its intention to foreclose its lien to collect the unpaid Assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the Villa Site Owner or by certified or registered mail, return receipt requested, addressed to the Villa Site Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given. If after diligent search and inquiry the Association cannot find the Villa Site Owner or a mailing address at which the Villa Site Owner will receive the notice, the court may proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the Villa Site Owner records a Notice of Contest of Lien as provided in the Act.

13.5 Appointment of Receiver to Collect Rental. If the Villa Site Owner remains in possession of the Villa Site after a foreclosure judgment has been entered, the court in its discretion may require the Villa Site Owner to pay a reasonable rental for the Villa Site. If the Villa Site is rented or leased during the pendency of the foreclosure action, the Association is entitled to the appointment of a receiver to collect the rent, the expenses of such receiver to be paid by the party which does not prevail in the foreclosure action.

13.6 First Mortgagee. In the event a first mortgagee or other purchaser shall obtain title to a Villa Site as a result of a foreclosure action in which the Association has been joined as a defendant, or as a result of a deed given in lieu of foreclosure or in satisfaction of debt, such acquirer of title or its successors and assigns ("first mortgagee") shall be liable for the share of Common Expenses or Assessments or other charges imposed by the Association pertaining to such Condominium Parcel or chargeable to the former Villa Site Owner of such Condominium Villa Site which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such deed in lieu of foreclosure or in satisfaction of debt. However, the first mortgagee's liability as aforesaid shall be limited to (i) the Villa Sites Common Expenses or Assessments which accrued or came due during the six months immediately preceding the acquisition of title and for which payment in full has not been received by the Association or (ii) one percent (1 %) of the original mortgage debt, whichever is less. The provisions of this Section 13.6 shall not apply unless the first

mortgagee joins the Association as a defendant in the foreclosure action.

Joinder is not required if, on the date the complaint is filed, the Association was dissolved, administratively or otherwise, or did not maintain an office or agent for service of process at a location which was known or reasonably discoverable by the first mortgagee by the date the foreclosure action was filed. The person acquiring title shall pay the amount owed to the Association within thirty (30) days of transfer of title. The unpaid share of Common Expenses or Assessments are Common Expenses collectible from all of the Villa Site Owners, including such acquirer and its successors and assigns. A first mortgagee acquiring title to a as a result of foreclosure, or a deed in lieu of foreclosure, may not, during the period of its ownership of such Villa Site be excused from the payment of same or all of the Common Expenses coming due during the period of such ownership.

13.7 Certificate of Unpaid Assessments. Within fifteen (15) days after request by a Villa Site Owner or mortgagee of a Villa Site, the Association shall provide a certificate stating all assessments and other moneys owed to the Association by the Villa Site Owner with respect to his Villa Site. Any person other than the Villa Site Owner who relies upon such certificate shall be protected thereby.

13.8 Installments. Regular Assessments shall be collected monthly or quarterly, in advance, as determined from time to time by the Board of Directors. Initially, Assessments will be collected monthly.

14. Insurance. Insurance covering the Condominium Property and the Association Property shall be governed by the following provisions:

14.1 Purchase, Custody and Payment.

(a) **Purchase.** All insurance policies described herein covering portions of the Condominium Property shall be purchased by the Association and shall be issued by an insurance company or provider authorized to do business in Florida.

(b) **Named Insured.** The named insured shall be the Association, individually, and as agent for Owners of Villa Sites covered by the policy, without naming them, and as agent for their mortgagees, without naming them. The Villa Site Owners and their mortgagees shall be deemed additional insureds.

(c) **Custody of Policies and Payment of Proceeds.** All policies shall provide that payments for losses made by the insurer shall be paid to the Insurance Trustee (if appointed), and all policies and endorsements thereto shall be deposited with the Insurance Trustee (if appointed)

(d) **Copies to Mortgagees.** One copy of each insurance policy, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each Institutional First Mortgagee who holds a mortgage upon a Villa Site covered by the policy. Copies or certificates shall be furnished not less than ten (10) days prior to the beginning

of the term of the policy, or not less than ten (10) days prior to the expiration of each preceding policy that is being renewed or replaced, as appropriate.

(e) **Personal Property and Liability.** Except as specifically provided herein or by the Act, the Association shall not be responsible for or provide insurance for Villa Site Owners. The Villa Site Owner is required to obtain insurance coverage upon his or her property lying within the boundaries of their Villa Site, including, but not limited to, their real or personal property, and for their personal liability and living expense and for any other risks not otherwise insured in accordance herewith.

14.2 Coverage. The Association shall maintain insurance covering the following:

(a) **Casualty.** All Improvements located on the Common Elements or Association Property from time to time, together with all fixtures, service equipment, personal property and supplies constituting the Common Elements or Association Property (collectively the "Insured Property") , shall be insured against casualty loss (excluding loss by flood and other causes excluded from typical condominium package policy) in an amount not less than 100% of the full insurable replacement cost thereof, excluding foundation and excavation costs. Such policies may contain reasonable deductible provisions as determined by the Board of Directors of the Association. Such coverage shall afford protection against such other risks as from time to time are customarily covered with respect to Buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism and malicious mischief.

(b) **Liability.** Comprehensive general public liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters or things related to the Insured Property, with such coverage as shall be required by the Board of Directors of the Association.

(c) **Worker's Compensation.** Worker's Compensation and other mandatory insurance, when applicable.

(d) **Flood Insurance.** Flood insurance shall be secured if determined required to satisfy requirements of federal law.

(e) **Fidelity Insurance.** If required by the Act, fidelity insurance covering all persons who control or disburse Association funds.

(f) **Association Property.** Appropriate additional policy provisions, policies or endorsements extending the applicable portions of the coverage described above to all Association Property, where such coverage is available and determined by the Board of Directors to be desirable.

(g) **Such Other Insurance.** As the Board of Directors of the Association shall determine from time to time to be desirable.

(h) **Policy Provision.** When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the Association and against the Villa Site Owners individually and as a group, (ii) to pay only a fraction of any loss in the event of

coinsurance or 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 the Board of Directors of the Association, a member of the Board of Directors of the Association, one or more Villa Site Owners or as a result of contractual undertakings. Additionally, if appropriate and obtainable, each policy shall provide that any insurance trust agreement will be recognized, that the insurance provided shall not be prejudiced by any act or omissions of individual Villa Site Owners that are not under the control of the Association, and that the policy shall be primary, even if a Villa Site Owner has other insurance that covers the same loss.

(l) **Disclaimer.** All Villa Site Owners, mortgagees and others should be aware of the fact that because of exclusions from coverage, changes in construction costs, land and profit components in sales prices and other factors, the amount of insurance coverage available in the event of substantial damage to the Condominium Property, the proceeds available for reconstruction and/or retirement of mortgage debt may not be entirely sufficient for such purposes. Accordingly, all persons are advised to consult with their own insurance providers as to what supplemental coverage may be available under their own policies to mitigate any impact of a shortage of proceeds for Association policies.

14.3 **Additional Provision.** All policies of insurance shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to all of the named insureds, including all mortgagees of Villa Sites.

14.4 **Premiums.** Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense. Premiums may be financed in such manner as the Board of Directors deems appropriate.

14.5 **Insurance Trustee; Share of Proceeds.** All insurance policies obtained by or on behalf of the Association shall be for the benefit of the Association, the Villa Site Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Insurance Trustee which may be designated by the Board of Directors and which, if so appointed, shall be a bank or trust company in Florida with trust powers, with its principal place of business in the State of Florida or one or more of the Directors or Officers of the Association. The Insurance Trustee shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Villa Site Owners and their respective mortgagees in the following shares, but shares need not be set forth on the records of the Insurance Trustee:

(a) **Insured Property.** Proceeds on account of damage to the Insured Property shall be held in undivided shares for each Villa Site Owner, such shares being the same as the undivided shares in the Common Elements appurtenant to each Villa Site, provided that if the Insured Property so damaged includes property lying within the boundaries of specific Villa Sites or their lanais, that portion of the proceeds allocable to such property shall be held as if that portion of the Insured Property were Optional Property as described in paragraph (b) below.

(b) **Optional Property.** Proceeds on account of damage solely to Villa Sites or

their lanais and/or certain portions or all of the contents thereof not included in the Insured Property (all as determined by the Association in its sole discretion) (collectively the "Optional Property"), if any is collected by reason of optional insurance which the Association elects to carry thereon (as contemplated herein), shall be held for the benefit of Owners of Villa Sites or other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.

(c) **Mortgagees.** No mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the Villa Site Owner and mortgagee pursuant to the provisions of this Declaration.

14.6 Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners thereof in the following manner:

(a) **Expenses of the Trust.** All expenses of the Insurance Trustee shall be first paid or provision shall be made therefor.

(b) **Reconstruction or Repair.** If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners thereof, remittances to Villa Site Owners and their mortgagees being payable jointly to them.

(c) **Failure to Reconstruct or Repair.** If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated among the beneficial owners as provided in Section 14.5 above, and distributed first to all Institutional First Mortgagees in an amount sufficient to payoff their mortgages, and the balance, if any, to the beneficial owners.

(d) **Certificate.** In making distributions to Villa Site Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary as to the names of the Villa Site Owners and their mortgagees and their respective shares of the distribution.

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

14.8 Villa Site Owners' Personal Coverage. Unless the Association elects otherwise, the insurance purchased by the Association shall not cover claims against an Owner arising from

occurrences within his Villa Site, nor casualty or theft loss to the contents of an Owner's Villa Site. It shall be the obligation of the individual Villa Site Owner, if such Owner so desires, to purchase and pay for insurance as to all such and other risks not covered by insurance carried by the Association. The foregoing shall also apply to lanais of Villa Sites and other Limited Common Elements.

14.9 Benefit of Mortgagees. Certain provisions in this Section 14 entitled "Insurance" are for the benefit of mortgagees of Villa Sites and may be enforced by such mortgagees.

14.10 Insurance Trustee. The Board of Directors of the Association shall have the option in its discretion of appointing an Insurance Trustee hereunder. If the Association fails or elects not to appoint such Trustee, the Association will perform directly all obligations imposed upon such Trustee by this Declaration. Fees and expenses of any Insurance Trustee are Common Expenses.

14.11 Presumption as to Damaged Property. In the event of a dispute or lack of certainty as to whether damaged property constitutes a Villa Site(s) or Common Elements, such property shall be presumed to be Common Elements.

15. Reconstruction or Repair After Fire or Other Casualty.

15.1 Determination to Reconstruct or Repair. Subject to the immediately following paragraph, in the event of damage to or destruction of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) and the Insurance Trustee (if appointed) shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments.

If 75% or more of the Insured Property is substantially damaged and all Villa Site Owners and all recorded lien holders resolve not to proceed with repair and restoration, the Association can proceed with termination of the Condominium pursuant to the procedures of Section 718.117(1), Florida Statutes, in which event the net proceeds of insurance shall be divided evenly among all Villa Site Owners; provided, however, that no payment shall be made to a Villa Site Owner until there has first been paid out of his share all mortgages and liens on his Villa Site.

Whenever in this Section the words "promptly repair" are used, it shall mean that repairs are to begin not more than sixty (60) days from the date the Insurance Trustee (if appointed) notifies the Board of Directors and Villa Site Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than ninety (90) days after the Insurance Trustee (if appointed) notifies the Board of Directors and the Villa Site Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work. The Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

15.2 Plans and Specifications. A reconstruction or repair must be made substantially in accordance with the plans and specifications for the original Improvements to the condominium

property excluding Buildings on Villa Site in accordance with the plans and specifications approved by the Board of Directors of the Association and then applicable Buildings and other codes, and if the damaged property which is to be altered is the Buildings or the Optional Property, by the Owners of not less than 80% of the applicable interests in the Common Elements, as well as the Owners of all Villa Sites, Limited Common Elements and other portions of the Optional Property (and their respective mortgagees) the plans for which are to be altered.

15.3 Special Responsibility. If the damage is only to those Villas on a Site for which the responsibility of maintenance and repair is that of the respective Villa Site Owners, then the Villa Site Owners shall be responsible for all necessary reconstruction and repair, which shall be effected promptly and in accordance with guidelines established by the Board of Directors. The respective Villa Site Owners shall be individually responsible for any amount by which the cost of such repair or reconstruction exceeds the insurance proceeds held for such repair or reconstruction on a Villa Site.

(a) **Disbursement.** The proceeds of insurance collected on account of a casualty to the Common property, and the sums collected from Villa Site Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(i) **Association - Lesser Damage.** If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$100,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors of the Association; provided, however, that upon request to the Insurance Trustee (if appointed) by an institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage.

(ii) **Association - Major Damage.** If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is more than \$100,000, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by subparagraph (i) above, but then only upon the further approval of an architect or engineer qualified to practice in Florida and employed by the Association to supervise the work.

(iii) **Villa Site Owners.** If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair that are the responsibility of the Association, this balance may be used by the Association to effect repairs to the Optional Property (if not insured or if under-insured) , or may be distributed to Owners of the Optional Property who have the responsibility for reconstruction and repair thereof. The distribution shall be in the proportion that the estimated cost of reconstruction and repair of such damage to each affected Villa Site Owner bears to the total of such estimated costs to all affected Villa Site Owners, as determined by the Board; provided, however, that no Villa Site Owner shall be paid an amount in excess of the estimated costs of repair for his portion of the Optional Property. All proceeds must be used to effect repairs to the Optional Property, and if insufficient to complete such repairs, the Owners shall pay the deficit with respect to their portion of the Optional Property and promptly effect the repairs. Any balance remaining after such repairs have been effected shall be distributed to the affected Villa Site Owners and their mortgagees jointly as elsewhere herein contemplated,

(iv) **Surplus.** It shall be presumed that the first monies disbursed in payment

of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that part of a distribution to an Owner which is not in excess of Assessments paid by such Owner into the construction fund shall not be made payable jointly to any mortgagee.

(v) **Certificate.** Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Villa Site Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect, engineer or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the Assessments paid by Owners, nor to determine the payees nor the amounts to be paid. The Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the names of the payees and the amounts to be paid.

15.4 Assessments. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessments shall be made against the Villa Site Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments shall be in proportion to all of the Owners' respective shares in the Common Elements. In the event of insufficient proceeds of insurance on Optional Property, the shortage shall be the individual responsibility of the Owners thereof.

15.5 Benefit of Mortgagees. Certain provisions in this Section 15 are for the benefit of mortgagees of Villa Sites and may be enforced by any of them.

16. Condemnation.

16.1 Deposit of Awards with Insurance Trustee. The taking of portions of the Condominium Property by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Villa Site Owners, the Villa Site Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Directors of the Association, or the amount of that award shall be set off against the sums hereafter made payable to the defaulting Owner (and if the award exceeds such sums, the Association shall have the right to bring legal action against that Owner).

16.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain also shall be deemed to be a casualty.

16.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the

proceeds of the awards and Special Assessments will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee (if appointed) after a casualty. or as elsewhere in this Section 16 specifically provided.

16.4 Villa Site Reduced but Habitable. If the taking reduces the size of a Villa Site, and the remaining portion of the Villa Site can be made habitable (in the sole opinion of the Association) , the award for the taking of a portion of the Villa Site shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:

(a) **Restoration of Villa Site.** The Villa Site shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be the individual responsibility of the Owner of the Villa Site.

(b) **Distribution of Surplus.** The balance of the award in respect of the Villa Site, if any, shall be distributed to the Owner of the Villa Site and to each mortgagee of the Villa Site, the remittance being made payable jointly to the Owner and such mortgagees.

(c) **Adjustment of Shares in Common Elements.** If the area of the Villa Site is reduced by the taking, the percentage representing the share in the Common Elements and of the Common Expenses and Common Surplus appurtenant to the Villa Site shall be reduced by multiplying the percentage of the applicable Villa Site prior to reduction by a fraction, the numerator of which shall be the area in square feet of the Villa Site after the taking and the denominator of which shall be the area in square feet of the Villa Site before the taking. The shares of all Villa Site Owners in the Common Elements, Common Expenses and Common Surplus shall then be restated as follows:

(i) add the total of all percentages of all Villa Sites after reduction as aforesaid (the "Remaining Percentage Balance"); and

(ii) divide each percentage for each Villa Site after reduction as aforesaid by the Remaining Percentage Balance.

The result of such division for each Villa Site shall be the adjusted percentage for such Villa Site. No Limited Common Elements shall be used in the aforesaid calculations.

16.5 Villa Site Made Unsuitable for use as a Building Site. If the taking is of the entire site or reduces the size of a Villa Site (in the sole opinion of the Villa Site owner), the award for the taking of the Villa Site shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:

(a) **Payment of Award.** The awards shall be paid first to the applicable Institutional First Mortgagees in amounts sufficient to payoff their mortgages in connection with

each Villa Site which is not so habitable; second, to the Association for any due and unpaid Assessments; third, jointly to the affected Villa Site Owners and other mortgagees of their Villa Sites. In no event shall the total of such distributions in respect of a specific Villa Site exceed the market value of such Villa Site immediately prior to the taking. The balance, if any, shall be applied to repairing and replacing the Common Elements.

(b) **Addition to Common Elements.** The remaining portion of the Villa Site, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the Villa Site Owners in the manner approved by the Board of Directors of the Association; provided that if the cost of the work therefor shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner elsewhere required for capital improvements to the Common Elements.

(c) **Adjustment of Shares.** The shares in the Common Elements, Common Expenses and Common Surplus appurtenant to the Villa Sites that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, Common Expenses and Common Surplus among the reduced number of Villa Site Owners (and among reduced Villa Sites). This shall be effected by restating the shares of continuing Villa Site Owners as follows:

(i) add the total of all percentages of all Villa Sites of continuing Owners prior to this adjustment, but after any adjustments made necessary by subsection 16.4(c) hereof (the "Percentage Balance"); and

(ii) divide the percentage of each Villa Site of a continuing Owner prior to this adjustment, but after any adjustments made necessary by subsection 16.4(c) hereof, by the Percentage Balance.

The result of such division for each Villa Site shall be the adjusted percentage for such Villa Site.

(d) **Assessments.** If the balance of the award (after payments to the Villa Site Owner and such Owner's mortgagees as above provided) for the taking is not sufficient to alter the remaining portion of the Villa Site for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by Assessments against all of the Villa Site Owners who will continue as Owners of Villa Sites after the changes in the Condominium effective by the taking. The Assessments shall be made in proportion to the applicable percentage shares of those Owners after all adjustments to such shares effected pursuant hereto by reason of the taking.

(e) **Arbitration.** If the market value of a Villa Site prior to the taking cannot be determined by agreement between the Villa Site Owner and mortgagees of the Villa Site within 30 days after notice of a dispute by any affected party, such value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association who shall base their determination upon an average of their appraisals of the Villa Site. A judgment upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction in accordance with the Florida Arbitration Code. The cost of arbitration proceedings shall be assessed against all Villa Site Owners, including Owners who will not continue after the taking, in proportion to the applicable percentage shares of such Owners as they exist prior to the adjustments to such shares effected pursuant hereto by reason of the taking.

16.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Villa Site Owners in the shares in which they own the Common Elements after adjustments to these shares effected pursuant hereto by reason of the taking. If there is a mortgage on a Villa Site, the distribution shall be paid jointly to the Owner and the mortgagees of the Villa Site.

16.7 Amendment of Declaration. The changes in the size of the Villa site and the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are effected by the taking shall be evidenced by an amendment to this Declaration of Condominium that is only required to be approved by, and executed upon the direction of all Directors of the Association.

17. **Occupancy and Use Restrictions.** In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the Villa Sites, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions:

17.1 **Children.** Children shall be permitted to reside in Villa Sites but shall be subject to the rules and regulations of the Association.

17.2 **Pets.** Pets may be permitted in the Villa Sites and in the Common Elements with the consent of the Board of Directors, which Board shall adopt rules regarding the number and size of such pets.

17.3 **Alterations** Without limiting the generality of Section 9.1 hereof, but subject to the proviso contained therein as to hurricane shutters, and subject to Section 10 hereof, no Villa Site Owner shall cause or allow improvements or changes to any Villa Site or Common Elements, or in any manner change the appearance of any portion of the Villa Sites, without obtaining the prior written consent of the Board of Directors of the Association (in the manner specified in section 9.1 hereof).

17.4 **Use of Common Elements.** The Common Elements shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Villa Sites.

17.5 **Nuisances.** No nuisances (as reasonably determined by the Board of Directors of the Association) shall be allowed on the Condominium Property, nor shall any use or practice be allowed which is a source of unreasonable annoyance to residents or occupants of Villa Sites or which interferes with the peaceful possession or proper use of the Condominium Property by its residents or occupants. No activity specifically permitted by this Declaration shall be deemed a nuisance.

17.6 **No Improper Uses.** No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any Villa Site therein, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the same shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction over the same, relating to any portion of the Condominium Property, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Condominium Property, as elsewhere herein set forth. No activity specifically permitted by this Declaration shall be deemed a violation of this Section.

17.7 **Exterior Improvements; Landscaping.** Without limiting the generality of sections 9.1 or 17.4 hereof, but subject to any provision of this Declaration or the laws of Florida specifically permitting same, no Villa Site Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, lanais or windows of the Buildings (including, but not limited to, awnings, signs, storm shutters, screens, window tinting, furniture, fixtures and equipment), or on the interior side thereof so as to be visible to the exterior, without the prior written consent of the Board of Directors of the Association. Specifically, no "For Rent", "For Sale" or any other sign shall be displayed or exposed to view by a Villa Site Owner or other occupant of a Villa Site. To insure a uniform appearance on the exterior of the Villa Sites, all window coverings,

including, but not limited to verticals, shades, sheers, curtains, drapes, miniblinds and venetian blinds shall be replaced with window coverings substantially identical to those installed by Developer unless otherwise approved by the Association. The furnishings and decorations which Villa Site Owners may place in, on or about the lanais may be subject to such additional rules and regulations as the Board of Directors of the Association may adopt from time to time.

Exception: Any Villa Owner may display one portable, removable United States flag in a respectful way and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration rules or requirements dealing with flags or decorations.,

17.8 Commercial/Recreational Vehicle and Trailers. Except as permitted below, no commercial vehicles, campers, mobile homes, recreational vehicles or boat or other trailers shall be kept by Villa Site Owners on the Condominium Property. For purposes of the foregoing, "commercial vehicles" shall mean those not designed or used for customary personal/family purposes. In general, vehicles shall have no more than four (4) wheels, two (2) axles, and be no longer than 17 ½ feet. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether same is a commercial vehicle. The foregoing shall not prohibit, however, (i) the parking of otherwise prohibited vehicles on the Condominium Property in the course of providing services to the Condominium Property, the occupants thereof or the Association or (ii) vans with windows which contain seating for at least four (4) persons, provided that such vans and trucks shall not bear commercial-type lettering or graphics. All vehicles kept on the Condominium Property shall be operational and in good condition. In the event of doubt or dispute as to whether a vehicle is prohibited by this Section, the good-faith determination of the Board of Directors shall be binding and conclusive. The restrictions on parking of commercial vehicles do not apply to the use of golf carts or similar vehicles by the Owners.

17.9 Relief by Association. The Association shall have the power (but not the obligation) to grant relief in particular circumstances from the provisions of specific restrictions contained in this Section 17 for good cause shown.

17.10 Changes in Permitted Uses. No amendments to this Section 17, any other provision of this Declaration governing the use of Villa Sites or the Common Elements or to any Rules and Regulations of the Association shall operate to prohibit the parking of a vehicle or leasing or occupancy of a Villa Site where same was (i) permitted prior to the effectiveness of the amendment, (ii) being conducted in reliance on such permissibility and (iii) is continuing as existed prior to the effectiveness of the amendment. Likewise, no improvement made to or about any Villa Site (e.g., the installation of hurricane shutters) which was permitted at the time of its making shall be required to be removed by virtue of a change in the permissibility of such types of improvements.

17.11 Lanais. Lanais may be enclosed in the manner initially installed by Developer. All enclosures of Lanais shall be approved by the Board of Directors.

17.12 Shutters. Hurricane shutters must be installed directly against the sliding glass doors.

18. Selling and Mortgaging of Villa Sites. Villa Sites may be leased and made subject to

mortgages without approval of the Association, but sales thereof shall be subject to the provisions of this Section 18.

18.1 Board Approval. There shall be no sale or transfer of interest, legal or beneficial (other than leasehold interest), of a Villa Site without the prior written approval of the Board of Directors of the Association. In the event a corporation, partnership, trust or other legal entity owns a Villa Site, the transfer of all or substantially all of the beneficial ownership of such entity shall be considered a transfer of interest in the Villa Site. The provisions of this Section 18 shall not apply to the sale of Villa Sites by the Developer. The provisions of this Section 18 shall not apply to a transfer or purchase by Institutional First Mortgagees which acquire title as a result of their mortgage lien on the Villa Site, regardless of whether the title is acquired by deed from the mortgagor or through foreclosure proceedings; nor shall this Section 18 require approval of a purchaser who acquires title to a Villa Site at a duly advertised public sale, with open bidding provided by law, including but not limited to an execution sale, a foreclosure sale, a judicial or a tax sale. No fee shall be charged by the Association in connection with the transfer or approval which is in excess of the expenditures reasonably required for such transfer, nor shall the expense exceed the fee permitted under the Act, from time to time, which at the time of recording of this Declaration is \$100.00. Any Villa Site Owner desiring to sell a Villa Site shall submit to the Board an application for approval, which application shall be in writing and in a form approved by the Association, and shall provide the name, address, and telephone number of the desired purchaser together with such other information as the Board may reasonably require. The Board must either approve or disapprove the request within ten (10) days after its receipt of the request or such supplemental information as it may reasonably require. If a sale is approved, a recordable Certificate of Approval shall be executed by the Association to be recorded at the expense of the purchaser. The Board's failure to give the Villa Site Owner the Certificate of Approval or written notice of approval, or written notice of disapproval within the ten (10) day period shall be deemed to be the Board's consent to the same.

18.2 Option of Association: In the event any Villa Site Owner desires to sell his or her Villa Site, the Association shall have the option to purchase any such Villa Site upon the same terms and conditions as are offered by the Villa Site Owner to any third party, subject to the following:

(a) Prior to the sale or transfer of any Villa Site to any person other than the transferor's spouse, a member of his or her immediate family, or a wholly owned corporation, the Villa Site Owner shall notify the Board in writing of the name and address of the person to whom the proposed sale or transfer is to be made, the terms and conditions of the sale, and provided a copy of the purchase agreement, with such other information as may be reasonably required by the Board.

(b) Within ten (10) days after its receipt of said notice and such supplemental information as it may reasonably require, the Board may exercise its right to purchase, in writing, and shall promptly notify the Villa Site Owner of its decision.

(c) If the Board notifies the Villa Site Owner of its intent to exercise this option, it shall deliver to the Villa Site Owner the deposit required under the terms of the proposed sale within the above mentioned ten (10) day period and shall then be obligated to close the sale of the Villa Site in accordance with the terms and conditions of the proposed sale or lease agreement.

previously furnished to it. If the Board furnishes the Villa Site Owner with written notice of its intent to exercise the option, but fails to deliver the required deposit within the ten (10) days period, such failure shall be deemed to be a consent to the sale to the contract purchaser. Approval of the sale constitutes a waiver of the option.

(i) If the Board timely notifies the Villa Site Owner of its exercise of this option and accompanies its notice with the required deposit, the Association's obligation to purchase the Villa Site as provided herein may be assigned by the Association to any member or members as shall be determined solely by the Association.

(ii) Upon receipt of the deposit and the Board's notice of intent to exercise the option, the selling Villa Site Owner may either close the proposed sale of his or her Villa Site with the Association or a member or members to whom the Association's obligation to purchase the Villa Site has been assigned or withdraw the offer specified in its notice to the Board. If the Association or the member to whom the option has been assigned fails to close the proposed sale under the terms and conditions of said notice, the deposit previously delivered by the Association shall be retained by the Villa Site Owner as liquidated damages and the Villa Site Owner shall thereafter be free to consummate the transaction with the party who made the original bona fide offer .

18.3 No Severance of Ownership. No part of the Common Elements may be sold, conveyed or otherwise disposed of, except as an appurtenance to the Villa Site in connection with a sale, conveyance or other disposition of the Villa Site to which such interest is appurtenant, and any sale, conveyance or other disposition of a Villa Site shall be deemed to include that Villa Site's appurtenant interest in the Common Elements.

18.4 Gifts and Devises, etc. Any Villa Site Owner shall be free to convey or transfer his Villa Site by gift, to devise his Villa Site by will, or to have Villa Site pass by intestacy, without restriction; provided, however, that each succeeding Villa Site Owner shall be bound by, and his Villa Site subject to, the provisions of this Section 18.

19. Compliance and Default. Each Villa Site Owner and every occupant of a Villa Site and the Association shall be governed by and shall comply with the terms of this Declaration of Condominium and all exhibits annexed hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time. The Association (and Villa Site Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided by the Act:

19.1 Enforcement.

(a) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days. The hearing shall be held before a committee of other Villa Site Owners appointed by the Board of Directors of the Association. If the committee does not agree with the fine, the fine may not be levied. The notice shall include:

- (i) A statement of the date, time and place of the hearing.
- (ii) A statement of the provisions of the Declaration, Association By-laws

or Association rules which have allegedly been violated; and

(iii) A short and plain statement of the matters asserted by the Association.

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

19.2 Negligence. A Villa Site Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his or her intentional act, negligence, misuse or neglect or by that of any member of his or her family or his or her or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association.

19.3 Compliance. In the event a Villa Site Owner or occupant fails to maintain a Villa Site or fails to cause such Villa Site to be maintained, or fails to observe and perform all of the provisions of the Declaration, the By-laws, the Articles of Incorporation of the Association, applicable rules and regulations, or any other agreement, document or instrument affecting 'the Condominium Property or administered by the Association, in the manner required, the Association shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable. fines or to sue in a court of law for damages.

19.4 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Villa Site Owner or the Association to comply with the requirements of the Act, this Declaration, the exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (including appellate attorneys' fees).

19.5 No Waiver of Rights. The failure of the Association or any Villa Site Owner to enforce any covenant, restriction or other provision of the Act, this Declaration, the exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, shall not constitute a waiver of their right to do so thereafter.

20. Termination of Condominium. The Condominium shall continue (unless earlier terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Declaration) for a term of thirty (30) years from the date this Declaration is recorded, after which time the covenants and restrictions contained in this Declaration shall be automatically extended for successive periods of ten (10) years, unless prior to the end of such thirty (30) year period or prior to the end of any successive ten (10) year period, an instrument is duly executed by all of the Villa Site Owners and by all record owners of first mortgages on the Villa Sites agreeing to terminate the covenants and restrictions herein contained at the end of such period of time, which duly executed instrument shall be recorded in the public records of Citrus County, Florida. In the event the Board of Directors intends to terminate the Condominium, notice must be provided to the Department of Business & Professional Regulations, Division of Florida Land Sales, Condominiums and Mobile Homes of such intent before taking any action to terminate the Condominium. In said event, all easements and easement rights herein contained shall not be terminated, but shall

continue in perpetuity although the Condominium Property shall be subject to an action for partition by any Villa Site Owner, mortgagee or lien holder as if owned in common in which event the net proceeds of sale shall be divided among all Villa Site Owners in proportion to their respective interests in the Common Elements, provided, however, that no payment shall be made to a Villa Site Owner until there has first been paid off out of his share of such net proceeds all mortgages and liens on his Villa Site in the order of their priority. The termination of the Condominium, as aforesaid, shall be evidenced by a certificate of the Association executed by its President and Secretary, certifying as to the basis of the termination and said certificate shall be recorded among the public records of the County. The Association shall notify the Florida Department of Business & Professional Regulations, Division of Florida Land Sales, Condominiums and Mobile Homes within thirty (30) working days of such termination, which notice shall include the date the certificate was recorded, the county where it was recorded and the official records book and page number, and a copy of the recorded termination notice certified by the Clerk of Court.

This Section 20 may not be amended without the affirmative vote of Villa Site Owners owning not less than 80% of the Villa Sites.

21. Additional Rights of Mortgagees and Others.

21.1 Institutional First Mortgagees shall have the right, upon written request to the Association, to: (i) examine the condominium documents and the Association's books and records, (ii) receive a copy of the Association's financial statement for the immediately preceding fiscal year, (iii) receive notices of and attend Association meetings, (iv) receive notice of an alleged default in any obligations hereunder by any Villa Site Owner, on whose Villa Site such mortgagee holds a mortgage, which is not cured within thirty (30) days of notice of default to the Villa Site Owner, and (v) receive notice of any substantial damage or loss to any portion of the Condominium Property.

21.2 Any holder, insurer or guarantor of a mortgage on a Villa Site shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the condominium Property or the affected mortgaged Villa Site, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Villa Site, (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, (iv) any proposed termination of the Condominium, and (v) any proposed action which requires the consent of a specified number of mortgage holders.

22. Covenant Running With the Land. All provisions of this Declaration, the Articles, By-Laws and applicable rules and regulations of the Association, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the Developer and subsequent owner(s) of the Land or any part thereof, or interest therein, and their respective heirs, personal representatives, successors and assigns, but 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. All present and future Villa Site Owners, tenants and occupants of Villa Sites shall be subject to and shall comply with the provisions of this Declaration and such Articles, By-Laws and applicable rules and regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any Villa Site, shall constitute an adoption and ratification of the provisions of this Declaration, and the Articles, By-Laws and applicable rules and regulations of the Association, as they may be amended from time to time,

including, but not limited to, a ratification of any appointments of attorneys-in-fact contained herein.

23. Disclaimer of Warranties. DEVELOPER HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES AS TO DESIGN, CONSTRUCTION, FURNISHING AND EQUIPPING OF THE VILLAS CONSTRUCTED ON THE VILLA SITES AS WELL AS THE COMMON PROPERTY, EXCEPT ONLY THOSE SET FORTH IN SECTION 718.203 OF THE ACT. AS TO SUCH WARRANTIES WHICH CANNOT BE DISCLAIMED, AND TO OTHER CLAIMS, IF ANY, WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

ALL VILLA OWNERS, BY VIRTUE OF THEIR ACCEPTANCE OF TITLE TO THEIR RESPECTIVE VILLAS (WHETHER FROM THE DEVELOPER OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES AND INCIDENTAL AND CONSEQUENTIAL DAMAGES.

Developer is not the builder of the Villa constructed on the Villa Site and therefore all implied warranties of fitness for a particular purpose, merchantability and habitability, as well as all warranties imposed by statute (except only those imposed by the Act) and all other implied warranties of any kind or character are specifically disclaimed by the Developer and waived by the Purchaser. To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by the Act) and all other implied warranties of any kind or character are specifically disclaimed by Developer and waived by Purchaser. Developer has not given and Purchaser has not relied on or bargained for any such warranties. As to 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). Purchaser is buying and shall accept possession of the Villa Site from the Builder. The limited common elements and all appurtenances to the Villa Site by the Developer are sold "AS IS" and in the same condition at the time of Purchaser's inspection pursuant to Section 17 hereof, or, if no such inspection is made, then "AS IS" and in the condition at the time of the closing. Nothing contained in this Section 23 shall be deemed to exclude the implied warranties provided in said Section 718.203, Florida Statutes, but the implied warranties contained therein shall be conditioned on the suitability of the Site for the construction of a Home. Seller's warranty is strictly limited as stated in this Section 23 and as otherwise may be provided by applicable law, and Seller makes no other or further warranty. Purchaser shall give Seller notice of any defect within thirty (30) days after discovering any defect and permit Seller to make such repair as may be required by the applicable warranty otherwise the warranty shall be null and void.

24. Additional Provisions.

24.1 Notices. All notices to the Association required or desired hereunder or under the By-Laws of the Association shall be sent by first class mail to the Association in care of its office at the Condominium, or to such other address as the Association may hereafter designate from time to time by notice in writing to all Villa Site Owners. Except as provided specifically in the Act, all notices to any Villa Site Owner shall be sent by first class mail to the address of such Villa Site Owner appearing in the Association's records at the time the notice is transmitted. Where a Villa

Site is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one (1) address which the Developer initially identifies for that purpose and thereafter as one (1) or more of the Owners of the Villa Site shall so advise the Association in writing, or if no address is given or the Owners of the Villa Site do not agree, to the address provided in the deed of record.

All notices to mortgagees of Villa Sites shall be sent by first class mail to their respective addresses, or such other address as may be designated by them from time to time, in writing to the Association. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of a change of address, which shall be deemed to have been given when received, or 5 business days after proper mailing, whichever shall first occur.

24.2 Interpretation. The Board of Directors of the Association shall be responsible for interpreting the provisions hereof and of any of the Exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of legal counsel to the Association, or the legal counsel having drafted this Declaration, that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.

24.3 Mortgagees. Anything herein to the contrary notwithstanding (except as provided in Section 13.5 hereof) the Association shall not be responsible to any mortgagee or lien holder of any Villa Site hereunder, and may assume the Villa Site is free of any such mortgages or liens, unless written notice of the existence of such mortgage or lien is received by the Association.

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

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

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

24.7 Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the Exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

24.8 Waiver. No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or

breaches which may occur.

24.9 Ratification. Each Villa Site Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Villa Site, by reason of his occupancy, shall be deemed to have acknowledged and agreed that all of the provisions of this Declaration, and the Articles and By-Laws of the Association, and applicable rules and regulations, are fair and reasonable in all material respects.

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

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

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

25. Rights of Developer. In addition to the rights which the Developer has by common law and pursuant to the Act, the Developer shall have the following rights:

25.1 Developer Control. When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:

- (a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
- (b) Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
- (c) When all the units that will be operated ultimately by the association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the ordinary course of

business;

- (d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business; or
- (e) Seven years after recordation of the declaration of condominium; or in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, Florida Statutes, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.

25.2 Easements. Until such time as Developer has completed all of the contemplated improvements and sold all of the Villa Sites that will ultimately be contained within the Condominium Property, easements, including but not limited to ingress and egress, are hereby reserved and shall exist through and over the Condominium Property as may be required, convenient, or desired by Developer for the completion of the contemplated improvements and the marketing and sale of said Villa Sites. Neither the Villa Site Owners or the Association, nor their use of the Condominium Property shall interfere in any way with such completion and sale.

25.3 Sale of Villa Sites. The Developer shall have the right to transact any business necessary to consummate the sale of Villa Sites, including but not limited to, the right to maintain a sales office and advertising on the Condominium Property, use the Common Elements and, notwithstanding anything to the contrary contained herein, the Developer may maintain and use sales offices, promotion and development offices, and Villa Sites retained by the Developer, or owned by the Developer, or the use of which has been reserved to the Developer in this Declaration or by contract or otherwise lawfully enforceable as a contract obligation by the Developer against the Association or any of the Villa Site Owners other than the Developer, so long as such use shall also conform with applicable laws, zoning, rules and ordinances of the appropriate governmental jurisdictions. Specifically, Developer shall have the right to use Villa Sites owned by the Developer for the purpose of housing guests and prospective purchasers of the Condominium Property for promotion and sales purposes, without limitation as to duration of stay or number of guests.

25.4 No Board Action Without Developer's Consent. During the period that Developer holds any Villa Sites for sale in the ordinary course of business none of the following actions may be taken by the Association, either through an act of its Board of Directors or as membership, without the Developers approval in writing:

(a) Assessment of the Developer as Villa Site Owner for Capital Improvements;

(b) Any action by the Association that would be detrimental to the sale of Villa Sites by the Developer; however an increase in assessments for Common Expenses without discrimination against the Developer shall not be deemed to be detrimental to the sales of Villa Sites for the purpose of this paragraph.

25.5 Developer's Rights With Respect To Common Elements. The Developer reserves every right necessary or desirable relative to the Common Elements and the Condominium Property in general for the sale or mortgage of the Condominium Villa Sites.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be duly executed and its corporate seal to be hereunto affixed this 27th day of Oct, 2004.

Signed, sealed and delivered in the presence of:

WILLIS CRAWFORD, L.L.C., a Florida corporation



Witness Signature

By: 
WILLIAM E. WILLIS, MANAGER

Ann L. Tavano

Please Print Name



Witness Signature

ANN L. TAVANO

Please Print Name

STATE OF FLORIDA
COUNTY OF CITRUS

The foregoing instrument was acknowledged before me this 27th day of October 2004, by WILLIAM E. WILLIS, as Manager of WILLIS CRAWFORD, L.L.C., a Florida corporation, on behalf of the company. He is personally known to me or has produced _____ as identification.



NOTARY PUBLIC, STATE OF FLORIDA



Ann L. Tavano
Commission #DD272261
Expires: Jan 19, 2008
Bonded Thru
Atlantic Bonding Co., Inc.

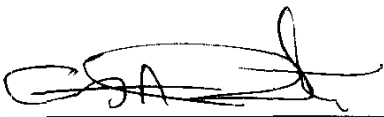
JOINDER

VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereby agrees to accept all the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration and Exhibits attached hereto.

IN WITNESS WHEREOF, VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC. has caused these presents to be signed in its name by its proper officer and its corporate seal to be affixed this 7th day of October, 2004.

Signed, sealed and delivered
in the presence of:

VILLAS OF ANTON CONDOMINIUM
ASSOCIATION, INC.



Witness Signature

Carla Bertoli

Please print name



Witness Signature


ANN L. TAVANO

Please print name

By: 
WILLIAM E. WILLIS, Director

STATE OF FLORIDA
COUNTY OF CITRUS

The foregoing joinder was acknowledged before me this 7th day of October, 2004, by WILLIAM E. WILLIS VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, on behalf of said corporation. He/She is personally known to me or has produced _____ as identification,

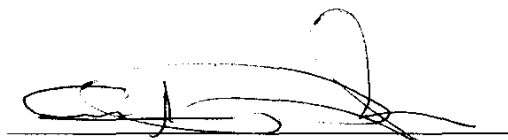
 **Ann L. Tavano**
Commission #DD272261
Expires: Jan 19, 2008
Bonded Thru
Atlantic Bonding Co., Inc.


NOTARY PUBLIC
STATE OF FLORIDA

JOINDER OF MORTGAGEE

FIRST FEDERAL SAVINGS BANK OF LAKE COUNTY ("Mortgagee"), being the owner and holder of that certain mortgage which encumbers the property described on Exhibit "1" hereto, hereby joins in this DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VILLAS OF ANTON, a Condominium.

Signed, sealed and delivered in
the presence of:



Carol A. Bertolo
Witness Print Name



ANN L. TAVANO
Witness Print Name

FIRST FEDERAL SAVINGS
BANK OF LAKE COUNTY

By: Donald E. Turner

DONALD E. TURNER
Print Name

V.P.
Title

STATE OF FLORIDA
COUNTY OF CITRUS

I HEREBY CERTIFY that the foregoing was acknowledged before me this 7th day of October 2004 by DONALD E. TURNER, as Vice President of FIRST FEDERAL SAVINGS BANK OF LAKE COUNTY, who is personally known to me.



Ann L. Tavano
Commission #DD272261
Expires: Jan 19, 2008
Bonded Thru
Atlantic Bonding Co., Inc.

Ann L. Tavano
NOTARY PUBLIC

EXHIBIT "1"

LEGAL DESCRIPTION

Lot 16 of Block B-B, Cypress Village, Sugarmill Woods, according to the plat thereof as recorded in Plat Book 9, Pages 86 through 150, Plat Book 10, Pages 1 through 150 and Plat Book 11, Pages 1 through 16, public records of Citrus County, Florida, as amended in Plat Book 9, Page 87-A, public records of Citrus County, Florida.

SUGARHILL WOODS, CHERRYSS VILLAGE, PAGES 86 THROUGH 150, PLAT BOOK 11, PAGES 1 AND PLAT BOOK 11, PAGES 1 THROUGH 16, CITRUS COUNTY, FLORIDA AND AS AMENDED IN PLAT BOOK 9, PAGE 87-A, PUBLIC RECORDS OF CITRUS COUNTY, FLORIDA

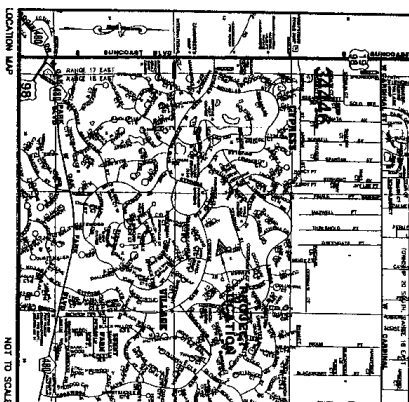
**PLAT OF
VILLAS OF ANTON
AT SUGARMILL WOODS**
A FLORIDA LAND CONDOMINIUM
SECTION: 17; TOWNSHIP: 20 SOUTH; RANGE: 18 EAST
CITRUS COUNTY, FLORIDA

CONDO PLAT BOOK PAGE

TABLE 1. TOTAL RESERVATION OF AMT 3

[illegible]

Institute of Laser Chemistry, Leningrad
 Received April 20, 1978
 Accepted May 10, 1978
 The effect of the intensity of the light of a laser on the rate of the photochemical reaction of the photoisomerization of azobenzene is studied. It is shown that the rate of the photoisomerization of azobenzene increases with increasing intensity of the light of a laser. The effect of the intensity of the light of a laser on the rate of the photoisomerization of azobenzene is studied. It is shown that the rate of the photoisomerization of azobenzene increases with increasing intensity of the light of a laser.

[illegible]

LOCATION MAP

NOT TO SCALE

- [illegible]

NOTE

[illegible]

PLANS PREPARED BY:
NATURE COAST LAND SURVEYING, INC.
1907 HIGHWAY 4A WEST
INVERNESS, FLORIDA 34453
PHONE: (732) 880-2674

SANDERSON BAY FINE HOMES, LLC.
DEPOSIT RECEIPT AND PURCHASE AND SALES AGREEMENT

DATE: _____

ANY PAYMENT IN EXCESS OF 10% OF THE PURCHASE PRICE MADE TO DEVELOPER PRIOR TO CLOSING PURSUANT TO THIS CONTRACT MAY BE USED FOR CONSTRUCTION PURPOSES BY THE DEVELOPER.

Receipt is hereby acknowledged by SanderSon Bay Fine Homes, LLC. Of the amount of \$_____ by check # _____ from _____ hereinafter called OWNER as a deposit and as part of the purchase price on account of an offer to contract for the construction a residential property in the "The Villas of Anton" by SanderSon Bay Fine Homes, LLC. hereinafter called SELLER (SELLER OF HOME). Said property being in Citrus County, Florida described as the Unit # _____, Villas of Anton, a condominium recorded in OR Book _____, Pages _____ of the public records of Citrus County, Florida.

BUYER current contact information: Address: _____

Home Phone: _____ Fax Phone: _____ Mobile Phone: _____

The SELLER does hereby agree to build a newly constructed residence on the Villas of Anton condominium Site # _____ for the BUYER and the BUYER does hereby agree to purchase said residential new construction from SELLER and condominium site from Developer, Willis Crawford, LLC upon the following terms and conditions.

1. PURCHASE ANDS SALES PRICE (per unit):

Condominium Land Purchase: \$ _____
Villa: \$ _____
Total Purchase Price: \$ _____

Payable as follows:

A) Deposit required & paid herewith \$ _____
B) Additional Deposit (Prior to permitting) \$ _____
C) Additional Deposit; N/A \$ _____ See Addenda # 4
D) Cash at Closing \$ _____
E) New Mortgage and Note \$ _____

TOTAL SALES PRICE (per unit) \$ _____

*Calculated on current price to be adjusted by additions, deletions, change orders, pro-rations, etc.

2. ADDITIONAL TERMS AND CONDITIONS

Addenda #1	Further Provisions, Terms, and Conditions	x _____ Attached	_____ N/A
Addenda #2	Disclaimers	x _____ Attached	_____ N/A
Addenda #3	Options and Upgrades	_____ Attached	x _____ N/A
Addenda #4	Draw Schedule	x _____ Attached	_____ N/A
Addenda #5	Limited Warranty	x _____ Attached	_____ N/A
Addenda #6	Land Sale Conditions	x _____ Attached	_____ N/A
Schedule A	Construction Industry Recovery Fund Notice	x _____ Attached	_____ N/A
Schedule B	Front Elevation	_____ Attached	x _____ N/A
Schedule C	Floor Plan Rendering	_____ Attached	x _____ N/A
Schedule D	Specifications	x _____ Attached	_____ N/A

3. NEW FINANCING/ RIGHT OF RECISSION

If the purchase price or any part thereof is to be financed by a third party loan, this Agreement is conditioned upon the BUYER obtaining approval for the loan. BUYER shall make application to a lender within 3 days from the effective date and use reasonable diligence to obtain said loan, including furnishing all documents required by Lender. Failure to do so shall constitute a breach hereunder. If BUYER fails to obtain approval from Lender or chooses to exercise BUYER's Right of Recission within said time, either party may cancel this Agreement and all deposit(s) paid herein shall be refunded to BUYER.

4. DATE OF POSSESSION

BUYER shall be given possession at **150** calendar days from issuance of building permit for the Villa. Subject to change due to changes made by owner and other issues as addressed herein.

5. TIME FOR ACCEPTANCE

If this Agreement is not executed by all parties hereto, or FACT OF EXECUTION communicated in writing between the parties within 3 business days of contract date, the aforesaid deposit, at the option of the BUYER, shall be returned to the BUYER and this Agreement shall be null and void. A facsimile copy of this Agreement and any signatures hereto shall be considered for all purposes as original.

6. RADON GAS DISCLOSURE

Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your County public health unit.

Buyer Initial _____

Buyer Initial _____

Page 1 of 2

7. SPECIFIED ALLOWANCES

BUYER may be required to pay for additional charges for the Villa due to changes in local, state or federal codes. These additional charges will be identified by executed change orders. Should additional charges arise due to local, state, and or federal code changes, and exceed 2% of the Purchase Price, then the BUYER or SELLER may cancel this agreement prior to the commencement of construction of the Villa. The SELLER specifically reserves the right to pay all costs that exceed the 2% of the Purchase Price.

8. **SELLER** will provide **BUYER**, at completion, a contractor's final affidavit showing that all bills have been paid upon the receipt of the final draw, and that there are no mechanic's and or materialsmen liens encumbering the property.

9. ESCROW

BUYER has the right to have all deposits, up to 10% of the purchase price, deposited in an escrow account. Any payment in excess of 10 Percent of the purchase price made to Developer prior to closing pursuant to this contract may be used for construction purposes by the Developer.

10. INSULATION

Insulation will be installed in accordance with Specifications which are attached hereto and made a part of this Agreement.

11. **ASSOCIATION DISCLOSURE STATEMENT:** BUYER will become a member of the Villas of Anton Condominium Association and will be subject to its obligations as member. See Addendum#6 attached hereto. In compliance with the requirements of Section 689.26, Florida Statutes, BUYER, by execution of Addendum #7 attached hereto acknowledges that Developer has disclosed to BUYER the existence of the CYPRESS VILLAGE PROPERTY OWNERS' ASSOCIATION, INC., and Buyer's obligations and liabilities relating thereto.

NOTE: BUYER SHOULD NOT EXECUTE THIS AGREEMENT UNTIL BUYER HAS RECEIVED AND READ THE DISCLOSURE SUMMARY REQUIRED BY SECTION 689.26, FLORIDA STATUTES, WHICH IS ATTACHED HERETO AS ADDENDUM #7.

This is a legal, binding Agreement and shall not be recorded unless otherwise agreed to between the parties. If not fully understood, seek competent legal advise. Do not sign until all blanks are completed. .

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY DEVELOPER TO A BUYER OR LESSEE. THIS AGREEMENT IS VOIDABLE BY THE BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM OR HER BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT THAT MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

BUYER _____ DATE _____

SELLER _____ DATE _____

SOCIAL SECURITY NUMBER OR TAX ID

SELLER _____ DATE _____

BUYER _____ DATE _____

DEVELOPER	DATE
-----------	------

SOCIAL SECURITY NUMBER OR TAX ID

SANDERSON BAY FINE HOMES, LLC.
ADDENDA # 1
FURTHER TERMS AND CONDITIONS

Further **TERMS AND CONDITIONS** to **DEPOSIT RECEIPT AND PURCHASE AND SALES AGREEMENT** between **BUYER:**

_____ and **SELLER:** SanderSon Bay Fine Homes, LLC, for residential new construction, also known as
Unit # _____ of "The Villas of Anton", located at Block B, Lot 16; Anton Court in Cypress Village in subdivision ; Sugar Mill
Woods, within Citrus County, Florida.

The undersigned parties hereby further agree as follows:

1) SPECIFICATIONS

BUYER acknowledges receipt of a copy of the Specifications as applicable to this Agreement and is attached hereunder.
BUYER further understands that slight variations are to be expected from identical models.

2. CLOSING DATE

Subject to the following provisions, the estimated date of completion shall be within 150 days from commencement of construction thereof. "Commencement of Construction" is defined as the date of which the required building permits are obtained by SELLER from the appropriate governmental authorities. The estimated date of completion may be extended by delays incurred by circumstances, beyond SELLERs control, due to weather, casualty, material unavailability or shortages, labor strikes or shortages, force majeure, and or governmental acts. BUYER agrees that SELLER cannot and does not guarantee that construction will be completed on or before any specified date, and SELLER shall not be held liable where said failure was due to circumstances beyond SELLERs control.

3. RISK

Risk of loss or damage by fire or other casualty until completion and Closing is assumed by BUYER, and Builders Risk Insurance should be purchased by BUYER who will assume complete liability for the cost thereof.

4. CHANGE ORDERS AND OPTIONS

All changes, options, or modifications requested by BUYER to be made after the initial Agreement is signed, shall be in accordance with a written Conformation of Instructions form signed by both parties and accompanied with any payment due per said change and change order fee. SELLER shall have no obligation to accept any changes, is not responsible for any delays in construction due to changes, and agrees to reimburse BUYER at closing should any change be inadvertently overlooked.

5. DEFAULT

In the event that BUYER is unable to close this transaction within the time specified, including all _____ payments of all deposits hereunder, the deposit(s) paid by BUYER may be retained by SELLER as agreed upon liquidation damages pertaining to any plans, permits or modifications made, consideration for the execution for this Agreement, and in full settlement of any claims, whereupon BUYER and SELLER shall be relieved of all obligations under this Agreement; OR, SELLER may proceed to enforce specific performance. In the event that SELLER fails, neglects, or refuses this agreement, through no fault of BUYER, then BUYER may receive the return of all deposit(s) made by BUYER or elect to seek specific performance.

All non warranty disputes shall in ALL cases be submitted to binding arbitration. All arbitration is bound to be done exclusively and strictly in accordance with the written provisions of the contract, addenda, and change orders, if any. Each party will be responsible for their own arbitration costs, attorney fees, and other expenses incurred during arbitration. The arbitration dispute settlement defined herein shall be a condition precedent to the commencement of ANY litigation by any party. If either party initiates litigation prior to or concurrent with arbitration, then initiating party shall be responsible for all attorney fees and all related costs of such litigation for both parties, irrespective of prevailing party. ALL warranty disputes shall in ALL cases be resolved according to the Limited Builder Warranty.

6. ALL AGREEMENTS MUST BE IN WRITING

This Agreement supercedes any and all understandings and agreements between the parties hereto, whether oral or written, and the Agreement represents the entire Agreement between the parties. No representation or inducement made, whether written or oral, prior hereto which is not included in the Agreement shall have any force or effect. This Agreement may not be changed or terminated orally, and may be amended and modified only by an instrument in writing signed by each of the parties hereto. No sub-contractors, agents, or employees of SELLER are authorized to make any representations other than those written provisions contained herein, or alter any agreement on behalf of SELLER. There shall be no changes, amendments, modifications, change orders, or alterations to the contract which are not reduced to writing and signed by BOTH the BUYER and SELLER.

7. SELLERS WARRANTY

BUYER acknowledges receipt of SELLERs Limited Warranty attached hereto and made a part of this Agreement.

8. WORKMANSHIP

All workmanship that is not otherwise defined in the Builder Limited Warranty shall conform to the standards found in the publication "Residential Performance Guidelines for Professional Builders and Remodelers (first edition)", and if an item is not covered in that publication, industry standards shall govern.

9. SEVERABILITY

In the event that any provision of the Agreement is at any time held by a Court to be invalid or unenforceable, the parties agree that all other provisions of the Agreement shall remain in full force and effect.

Buyer Initial _____

Buyer Initial _____

10. **CLOSING**
The specific time and place of closing shall be designated by SELLER, in writing to BUYER at least 30 days prior to the designated closing date, but shall not exceed 35 days after the closing date after the mailing of the Closing Notice. In the event the BUYER does not complete the closing within 5 days from the closing date set forth in the Closing Date Notice, BUYER shall pay to SELLER an amount equal to 18% per annum of the unpaid balance of the Purchase Price from the closing date set forth in the Closing Notice until the actual closing occurs though the foregoing shall not limit any other right or remedy which SELLER would otherwise have.
11. **INSPECTION/DRAW SCHEDULE**
BUYER understands and acknowledges that no draw payment may be withheld from SELLER at any given time for incompleteness of Punch List work.

Prior to closing, and upon notice from SELLER, BUYER shall inspect the property with SELLER and together complete a Punch List, specifying any work required to conform the property to the Agreement. SELLER shall have a reasonable period of time to perform all of the work required under the Punch List in a workman like manner. The fact that SELLER has to complete the work normally completed after closing shall not delay or postpone the closing or the obligation of the BUYER to close and pay any remaining balance of the Purchase Price nor be grounds for a reduction of or a credit against the Purchase Price.
12. **CONSTRUCTION INDUSTRIES RECOVERY FUND**
BUYER acknowledges receipt of Construction Industries Recovery Fund notice, attached hereunder and titled SCHEDULE A.
13. **CONSTRUCTION SPECIFICATIONS**
BUYER acknowledges having actually inspected the residence being purchased hereunder, or if the residence has not been completed prior to the date of this Agreement, the model AND/OR the floor plans of the type of residence being purchased hereunder. BUYER further acknowledges that SELLER has made available to BUYER the plans for the residence and the improvements to be constructed on the lot. If the residence is not now completed, SELLER will construct it in substantial accordance with the applicable model and plans subject, however, to job site changes, architectural changes required during construction, design changes in the structure that may be required by changes to the local, state, or federal building codes, and shortages of materials and supplies or substantial increases in the cost of the same which, in the discretion of the SELLER, requires a substitution of materials or supplies or the cancellation of any supplier. In the event of any such substitution, SELLER agrees, whenever reasonably possible to use materials or supplies of equal or better quality. However, in no event shall any such materials or supplies be of less quality than required by applicable building codes, or required by the Associations Architectural Control Board or Community pursuant to the Declaration. BUYER acknowledges that no appliances, furnishings, wall coverings, fixtures, or other decorative improvements appearing in any model are included in the residence unless specifically set forth in the Specifications, and that such items as tile, carpeting, cabinets, mica, grout, wall and ceiling textures, electrical and plumbing fixtures, air conditioning, appliances, trim, windows and doors are subject to size and color variations, grain and quality variation, and may vary in accordance with price, availability and changes by the manufacturer from those shown in the models or in illustrations or included in the Plans or in the published list of standard items (if any). BUYER further acknowledges that exact duplication of dimensions is not feasible and substantial compliance with the dimensions of the applicable model and/or Plans (as modified, if at all, by the Specifications attached hereto) is all that is required by this Agreement.
14. **ASSIGNABILITY**
This Agreement is not assignable.
15. **PERSONS BOUND**
This Agreement shall be binding on the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and as permitted hereunder assignees. If more than one person signs this Agreement as purchaser, each will be equally liable for full performance of all BUYERs duties and obligations under it, and SELLER can enforce it against them either individually or together.
16. **CAPTIONS AND HEADINGS**
Captions and Headings inserted throughout this Agreement are intended only as a matter of convenience and for reference only and in no way shall such captions or headings define, limit, or in any way effect any of the terms and provisions of this Agreement.
17. **TIME OF ESSENCE**
The performance of all obligations on the precise times stated in this Agreement is of absolute importance and failure to so perform on time is a default, time being of the essence.
18. **RECORDING OF AGREEMENT PROHIBITED**
BUYER agrees not to record this Agreement or any notice or memorandum hereof in the Public Records of Citrus County, Florida, or any other public records. Any such recording by BUYER or anyone acting by, through, or under BUYER shall constitute a material breach by BUYER of this Agreement entitling SELLER to invoke the default provisions hereof.
19. **ACCESS TO CONSTRUCTION SITE**
Neither BUYER nor any agent of BUYER shall be permitted upon the improved portion of the property without the written permission of SELLER when workers are present. BUYER agrees to abide by such restriction and not to enter upon or interface in any way with the construction of the residence. BUYER recognizes that all matters pertaining to construction are handled by SELLERs personnel at SELLERs main office during normal business hours, Monday – Friday only, and not by supervisors, foremen, workmen, or other personnel at the residence site.

BUYER _____ DATE _____

SELLER _____ DATE _____

BUYER _____ DATE _____

ON BAY FINE HOMES, LLC.
ADDENDA # 2
DISCLAIMERS

APPLIANCE COLOR DISCLAIMER

The Buyer(s) acknowledges that they fully understand the difference in their appliance color choice of white, bisque, or black, versus the additional cost option of white on white or black on black. SanderSon Bay Fine Homes will not be held responsible for any additional costs incurred to make changes after construction has begun, (i.e. electrician reconnect charges, plumber reconnect charges, or restocking charges) or any delays in the construction schedule as a result.

Buyer Initial _____

Buyer Initial _____

SOD DISCLOSURE

The St. Augustine/ Floritarn lawn of your new home is **not** covered under SanderSon Bay's Warranty program. Proper care and watering are imperative to a healthy lawn.

Buyer Initial _____

Buyer Initial _____

CERAMIC TILE UNDERLAY DISCLAIMER

Buyer has requested additional ceramic tile flooring to be installed in lieu of standard flooring. Buyer has waived the option of underlayment. Buyer understands that underlayment will reduce the risk of cracking tile and agrees to hold harmless and indemnify SanderSon Bay Fine Homes from any liabilities and damages that may result from Buyer(s) above mentioned decision.

Buyer Initial _____

Buyer Initial _____

UTILITIES DISCLAIMER

The Buyer(s) acknowledge that they are responsible for the electric and utility deposits and connection fees. These fees are to be paid to the respective utility company's providing these services **at the time of closing**. SanderSon Bay Fine Homes will not be held responsible for lack of electric and/or water at the time of closing.

Buyer Initial _____

Buyer Initial _____

ALLOWANCE DISCLOSURE

Estimated cost of allowance(s) shall be included in purchase price of contract. In the event that the cost paid by the BUYER exceeds the allowance amount, the SELLER shall reimburse the difference at closing. In the event that the allowance cost paid by the BUYER is less than the actual amount, BUYER shall pay to SELLER the difference at closing.

Buyer Initial _____

Buyer Initial _____

TRUSS DISCLOSURE

The trusses which support the roof of your home, in addition to the ceilings install thereunder, are not designed to provide for storage. Overloading the trusses and drywall underneath could cause damage and or injury to you or your home.

BUYER agrees to hold SanderSon Bay Fine Homes, LLC. Free from liability and or damages that may result from improper storage of items pertaining to the truss system.

Buyer Initial _____

Buyer Initial _____

Buyer hereby acknowledges and understands any and all applicable disclosures afore mentioned.

BUYER _____ DATE _____

SELLER _____ DATE _____

BUYER _____ DATE _____

ADDENDA # 3

Options and upgrades as agreed upon by BUYER _____ and SELLERS, SanderSon Bay Fine Homes and Willis Crawford, LLC for said residential construction on Site _____ of "The Villas of Anton" located in Cypress Village in Sugarmill Woods, Citrus County, Florida.

[illegible]

BASE PRICE	\$120,000.00
LOT PRICE	\$ n/a
TOTAL COST OF UPGRADES	\$
ALLOWANCES	\$
TOTAL SALES PRICE	\$

Date _____

**ADDENDA # 4
DRAW SCHEDULE
PER DWELLING**

DRAW NAME	DUE UPON THE OCCURRENCE OF THE FOLLOWING	%	AMOUNT
Start	Upon signing of construction plans and contractor is ready to submit for permits less deposit of \$5000.00.	16.7	\$25,000.00
Slab	Upon pouring of slab and furnishing slab tie-in survey from surveyor	16.4	\$29,500.00
Frame	Upon completion of roof framing and all interior wall framing and passing of a frame inspection	16.4	\$29,500.00
Drywall	Upon completion of drywall texturing	16.4	\$29,500.00
Trim	Upon completion of ceramic tile, cabinets, and interior doors and baseboards	16.4	\$29,500.00
Final	Upon issuance of Certificate of Occupancy and final walk through with Owner	16.4	\$29,500.00
Total of Draws..... Deposit on hand....			\$113,500.00 \$ 5,000.00

TOTAL ALL PROGRESS PAYMENTS:

\$118,500.00 (per unit)

BUYER _____ DATE _____

SELLER	DATE
--------	------

BUYER _____ DATE _____

SANDERSON BAY FINE HOMES, LLC.

ADDENDA # 5

SELLER hereby guarantees all of the work performed and the materials supplied by him, his sub-contractors, and his suppliers for a period of ONE YEAR from the date of completion of the work under the following conditions:

1. **WARRANTY PERIOD COMMENCEMENT**

The Builder warranty period shall begin on the date of closing and receipt of the Final Payment to the Builder from BUYER or Lender.

In the event the SELLER cannot obtain a final inspection, or any other inspection described hereto, due in any part by BUYERs actions or inactions, the warranty period shall commence on the date of said failed inspection.

2. **WARRANTY COVERAGE**

This Limited Warranty covers the following items:

All installations and applications of materials, devices, and equipment performed by the SELLER and his subcontractors. See Builders Written Warranty Program.

All materials purchased and supplied by SELLER and his subcontractors as noted herein.

The installation of consumer products provided they are installed in accordance with the manufacturer's instructions.

3. **WARRANTY EXCLUSIONS**

This Limited Warranty excludes the following items:

Damage resulting from fires, storms, electrical malfunctions from outside the home, accidents and or acts of God.

Damage from misuse, abuse, neglect, alteration, or accidents to the covered items, unless such acts were performed by the SELLER, or his agents, or his subcontractors.

Damage resulting from the BUYERs failure to read or follow equipment operating instructions or damage resulting from lack of proper maintenance.

Damage resulting from malfunctioning equipment, lines or other service delivery systems installed by any telephone, gas, electrical power, water or any other utility provider.

Damage resulting from allowing sprinkler heads to spray onto exterior building components, including doors, windows and painted surfaces.

Damage resulting from the BUYERs failure to prevent water pipes from freezing, including the BUYERs failure to shut off the water supply system and drain water from the system in the event of a heating system failure.

Any item purchased, furnished, or installed by BUYER or his agents.

Any used item, equipment, fixture, appliance, or similar device that was originally installed or otherwise on the jobsite prior to the commencement of construction, and subsequently reinstalled by the SELLER at the BUYERs request.

Repairs performed by anyone other than the SELLER, his employees, and or his subcontractors.

Any work for which the SELLER elected not to charge the BUYER.

Work for which the SELLER has not been paid, including all extra work orders, change orders, and other such work performed by the SELLER for which there remains an outstanding unpaid balance.

Any condition that does not result in actual physical damage to the remodeled portion of the home, including but not limited to uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, asbestos, lead contaminates, formaldehyde or other pollutants, or the presence of toxic materials on the property during construction.

Any appliance, equipment, item, or other product that is classified as a "consumer product" in accordance with the Magnuson-Moss Warranty Act (15 U.S.C. Sec. 2311) that is installed by the SELLER at the BUYERs request.

4. **PASS-THRU WARRANTIES**

The following is a partial list of products classified as "consumer products" by the Magnuson-Moss Warranty Act:

Kitchen Appliances	Lighting Fixtures	Water Pump	Doors & Windows
Roofing Materials	Plumbing Fixtures	Water Meter	Heating Equipment
Brick Products	Refrigerators	Pool Equipment	Cooling Equipment
Siding Products	Microwave Ovens	Fire Extinguisher	Garage Door Opener
Whirlpool Tub	Stoves & Ovens	Sump Pump	Fire/Smoke Alarm
Light Bulbs	Garbage Disposal	Humidifier	Floor Coverings
Water Heaters	Security Systems	Solar Equipment	Intercom Systems

The SELLER assigns and passes through to the BUYER and the BUYER agrees to accept the manufacturer's warranties for these items. The only warranty on these above mentioned items are those that the manufacturer provides to the BUYER, and the Seller's warranty on these items is limited solely to their being installed correctly and in accordance with the manufacturers instructions.

5. **WARRANTY SERVICE**

Request for warrant service and the service itself shall be performed as described herein:

BUYER agrees to notify SELLER of any discovered defect within 10 days of its discovery, fill out the appropriate form, and mail, fax or hand deliver to the BUILDER in advance.

SELLER shall contact the BUYER within 10 working days of receiving said notification and shall investigate the nature of the defect as soon thereafter as possible, which will determine if the suspect defect fails to meet the minimum standards set forth in the National Association of Home Builders publication of "Residential Construction Performance Guidelines".

Buyer initial _____

Buyer Initial _____

Seller Initial _____

SELLER shall have 20 working days to affect the necessary repairs, corrections, or modifications for the valid complaint to correct the defect.
All repairs shall be performed during the SELLERs normal working hours of 8 am to 5 pm Monday thru Friday, and at the availability of any required subcontractor and or employee.
BUYER agrees to provide to SELLER or his agents access to the house with a responsible adult present, during the time of the warranty work, with the authority to approve and accept the repair completion.
BUYER acknowledges receipt of subcontractor telephone numbers in the event the defect requires immediate attention.

6. WARRANTY LIMITATIONS

This warranty is not assignable.
SELLER shall not be held liable by this warranty for personal or property damage for whatever reason, whether direct, indirect, special or secondary, arising from the use or inability to use the property because of a construction defect.
This warranty does not cover consequential damages unless such exclusion as provided by law.
The SELLER disclaims any warranty including but not limited to warranties of habitability and fitness of purpose, to the extent allowed by law.
BUYER shall give SELLER first opportunity to inspect alleged defect and to effect the repair or Replacement or to pay reasonable sums to effect repairs.
This warranty shall be made void in the event SELLER has not been paid in full as provided in the terms of this Agreement.

7. MAINTENANCE BY BUYER

BUYER acknowledges and agrees that a home requires additional care and maintenance due to the fact that it is constructed of many different components, each with it's own special characteristics, and hold SELLER free and clear of all routine maintenance, including but not limited to the following:

- Caulking: Application of additional caulking, specifically around bathtubs, ceramic tile, and shower stalls for the interior and windows for the exterior, are considered standard routine maintenance.
- A/C Filters: Heating, ventilating, and air conditioning systems have dust filters that need to be kept clean and replaced every 30 days. Failure to do so may void manufacturer's warranty.
- Gutters: Rain gutters and downspout systems require periodic leaf/debris removal in order to function properly.
- Site Grading: BUYER agrees to maintain the grades contoured to provide proper drainage of rain water away from the house.
- Mold: Molds produce allergens, irritants, and in some cases potentially toxic substances, in addition to destroying the things they growing, including but not limited to absorbent porous materials. Indoor mold growth can and should be controlled by controlling the amount of moisture in the air. It is recommended by the EPA to install a HEPA filter, and or the equivalent thereof, to BUYERs HVAC system. This addition and maintenance thereof shall be the full responsibility of the BUYER.

8. NON-WARRANTABLE CONDITIONS

Expansion characteristics of concrete foundation, driveway, walk ways, patios, and stucco cause hairline cracks that do not constitute structural defects, and that no method of repairs exists. SEE BUILDERS WRITTEN WARRANTY.
Landscaping warranty is only applicable to those plantings that are deemed diseased during the formulation of the final Punch List. Maintenance of and care thereafter is the responsibility of BUYER.
The maintenance and repair of dry wall settlement cracks and or nail pops are considered to be normal maintenance and can be easily repaired during normal decorating with spackling.

9. WARRANTY REMEDIES

In the event BUYER and SELLER cannot agree as to the validity of any alleged defect or as to the acceptable correction of any specific defect, both parties agree to the following remedies:
BUYER and SELLER agree to full participate in Mediation and agree to abide by any decision madetherein.
Should BUYERs complaint involve work performed by subcontractors licensed by the State of Florida, and elects to make formal complaints against SELLER for said defects, BUYER agrees in all such occasions to file same said complaints against the specific subcontractor, including naming them as co-defendants.
SELLER shall retain the right to repair or replace the defective work or to pay reasonable sums to affect said repairs, said decision to be at the sole option of SELLER.

10. WARRANTY DISCLAIMER

This limited warranty is the only expressed warranty extended to the BUYER by the SELLER. Any items and conditions not specifically covered by this warranty are excluded from coverage and are the responsibility of the BUYER. It is expressly understood that this limited warranty is in lieu of any other warranties, expressed or implied, including but not limited to any warranty of merchantability, fitness for a particular purpose, and habitability.
Under no circumstances shall the SELLER be liable for any damages (consequential or otherwise) arising from any defect in any item covered hereunder. This Warranty gives BUYER specific legal rights, and BUYER acknowledges that he may have other rights which vary from state to state.

Buyer Signature Date

Buyer Signature Date

Seller Signature Date

Page 2 of 2

ADDENDUM #6 TO CONTRACT

DATED: _____

By and Between
Sanderson Bay Fine Homes, LLC
and _____, Buyer

Buyer acknowledges that the site upon which the home is to be constructed is located in the Villas of Anton, a Condominium, which Declaration of Condominium has been recorded in OR Book _____ Page _____ of the public records of Citrus County. The owners of each of the 5 sites in Villas of Anton will be members of the Villas of Anton Condominium Association, Inc. as well as members of the Sugarmill Woods Homeowners' Association, Inc.

The Declaration of Condominium is made part of this Addendum.

THIS AGREEMENT IS VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE PURCHASER, AND RECEIPT BY PURCHASER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE SELLER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF RECEIPT FROM THE SELLER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE PURCHASER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT.

PURCHASER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN FIFTEEN (15) DAYS AFTER THE PURCHASER HAS RECEIVED ALL OF THE ITEMS REQUIRED. PURCHASER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

ANY PAYMENT IN EXCESS OF 10% OF THE PURCHASER PRICE MADE TO DEVELOPER PRIOR TO CLOSING PURSUANT TO THIS CONTRACT MAY BE USED FOR CONSTRUCTION PURPOSES BY THE DEVELOPER.

Date: _____

BUYER:

Date: _____

SELLER OF HOME:

**SANDERSON BAY FINE
HOMES, LLC,**

By: _____
Charles Sanders, Its President

SELLER OF CONDOMINIUM SITE:

WILLIS CRAWFORD, LLC

By: _____
Its Agent

**DISCLOSURE SUMMARY
FOR
SUGARMILL WOODS
Addendum #7**

1. AS A PURCHASER OF PROPERTY IN THIS COMMUNITY, YOU WILL BE OBLIGATED TO BE A MEMBER OF THE CYPRESS VILLAGE PROPERTY OWNERS' ASSOCIATION, INC.

2. THERE HAVE BEEN RECORDED RESTRICTIVE COVENANTS GOVERNING THE USE AND OCCUPANCY OF PROPERTIES IN THIS COMMUNITY.

3. YOU WILL BE OBLIGATED TO PAY AN ASSESSMENT TO THE ASSOCIATION, WHICH ASSESSMENTS ARE SUBJECT TO PERIODIC CHANGE.

4. YOUR FAILURE TO PAY THESE ASSESSMENTS COULD RESULT IN A LIEN UPON YOUR PROPERTY.

5. THERE IS NO OBLIGATION TO PAY RENT OR LAND USE FEES FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES AS AN OBLIGATION OF MEMBERSHIP IN THE HOMEOWNERS' ASSOCIATION. PURCHASE OF A LOT AND/OR IMPROVEMENTS DOES NOT CONFER UPON YOU ANY INTEREST IN OR RIGHT TO USE ANY GOLF COURSE, COUNTRY CLUB OR RELATED AMENITIES AND FACILITIES NOW EXISTING OR HEREAFTER CONSTRUCTED. MEMBERSHIP OR USE OF ANY SUCH GOLF COURSE AND/OR COUNTRY CLUB SHALL BE SUBJECT TO THE TERMS, CONDITIONS AND RULES ENACTED FROM TIME TO TIME BY THE OWNER OR OPERATOR THEREOF, SUBJECT TO ANY FEES AND CHARGES IMPOSED FROM TIME TO TIME BY SUCH OWNER OR OPERATOR, AND SUBJECT TO AVAILABILITY.

6. THE RESTRICTIVE COVENANTS CAN BE AMENDED WITHOUT THE APPROVAL OF THE ASSOCIATION MEMBERSHIP.

7. THE STATEMENTS CONTAINED IN THIS DISCLOSURE FORM ARE ONLY SUMMARY IN NATURE, AND, AS A PROSPECTIVE PURCHASER, YOU SHOULD REFER TO THE COVENANTS AND THE ASSOCIATION GOVERNING DOCUMENTS (REFERRED TO IN SECTION 12 OF THIS AGREEMENT AS THE "COMMUNITY DOCUMENTS").

8. THESE DOCUMENTS ARE MATTERS OF PUBLIC RECORD IN CITRUS COUNTY AND CAN BE OBTAINED FROM THE CLERK OF COURTS OFFICE IN CITRUS COUNTY WHERE THE PROPERTY IS LOCATED.

"BUYER"

Date: _____

Date: _____

THIS DISCLOSURE IS PROVIDED BY SANDERSON BAY FINE HOMES, LLC TO BUYER PURSUANT TO §689.26, FLORIDA STATUTES, AND MUST BE SUPPLIED BY BUYER TO ANY SUBSEQUENT PURCHASER OF THE LOT AND/OR IMPROVEMENTS.

ADDENDUM #8 TO CONTRACT
CONSTRUCTION DEFECTS NOTICE

FLORIDA LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST A CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR HOME. SIXTY DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR CONTRACTOR AND ANY SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND MAKE AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR OR ANY SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER FLORIDA LAW

BUYER:

Date: _____

Date: _____

SANDERS BAY FINE HOMES, LLC.
SCHEDULE A

NOTICE OF CONSUMER RIGHTS UNDER THE CONSTRUCTION INDUSTRIES RECOVERY FUND

Buyer acknowledges and understands that he has certain rights under Florida law pertaining to damages suffered caused by a state licensed contractor or a construction company with whom BUYER has entered into an Agreement. State law requires the BUYER be provided with this notice twice of rights regarding the Construction Industries Recovery Fund, including instructions on filing a claim against the Fund for reimbursement of any damages suffered.

Buyer may be eligible for reimbursement for a monetary loss due to certain acts (described herein) by a contractor, financially responsible officer, and/or business organization licensed under Chapter 489, Part 1, Florida Statutes. The fund is available only in cases where the contract was signed and the violation occurred on or before July 1, 1993.

ELIGIBILITY

In order to seek compensation from the Fund, you must meet the following criteria:

- (1) Entered into a written contract with a licensed contractor for work on residential real property.
- (2) Commenced legal action against the contractor, financially responsible officer or business organization.
- (3) Suffered a financial loss due to the contractor:
 - (a) Knowingly violating applicable city, county or state building codes or laws.
 - (b) Committing mismanagement or misconduct in the practice of contracting that causes financial harm to a customer.
 - (c) Abandoning a construction project for more than 90 days.
 - (d) Signing a false statement claiming that the work is bonded, that all payments to subcontractors have been made, or claiming to have provided certain workers' compensation and insurance protection.

Florida laws provide specific definitions for determining whether a contractor's actions may constitute one of these violations. See Chapter 489.129(1)(d), (h), (k), (l), Florida Statutes. In addition, you must notify the Construction Industry Licensing Board (CILB) of your claim by certified mail at the time you commence legal action.

Filing a complaint against a contractor is not the same as filing a claim against the Fund. Even if you file a complaint against the contractor with the Department of Business and Professional Regulation (DBPR), you still have to give the CILB notice of your claim and you will also be required to file a Construction Industries Recovery Fund Claim Form with the CILB. To request a Construction Industries Recovery Fund Claim Form or to receive more information about the Fund, write to:

Construction Industry Licensing Board
7950 Arlington Expressway
Jacksonville, Florida 32211-7467
Telephone: (904) 359-6310

If you have questions and/or want to file a complaint with the DBPR against a contractor, the financially responsible officer and/or the business organization, please write to:

CILB Recovery Fund
1940 North Monroe Street
Tallahassee, Florida 33299-1039

CONDITIONS FOR RECOVERY:

In order to recover from the Fund, you must be an individual, not a company. The Recovery Fund is a last resort. Before you can receive any money from the Fund, you must have obtained a final judgment from a Florida court or a restitution order from the CILB based on the types of violations of laws already mentioned. Both the violation of law and the signing of the construction contract must have occurred on or before July 1, 1993. Before the Fund will pay you any money, you must show that you have made every effort to determine if there are any assets from which you can recover all or part of the money you are owed. If so, you must try to recover such money before you can collect from the Fund. You have to file a claim for recovery with the Fund within 2 years of the time of the violation of the law, or within 2 years of the time you discover or should have discovered the violation of the law. No claim can be made more than 4 years after the time the violation occurred.

Payments from the Fund: The Fund does not pay post-judgment interest, punitive damages or attorney fees. The Fund only pays what you have not yet collected for actual or compensatory damages. The Fund will pay up to \$25,000.00 per claim, \$25,000.00 per transaction, or \$50,000.00 per contractor.

BUYER acknowledges receipt of this Notice as required by law.

Buyer Signature

Date

Buyer Signature

Date

SANDERSON BAY FINE HOMES VILLAS OF ANTON SPECIFICATIONS "SCHEDULE D" TO CONTRACT

I. GENERAL CONDITIONS

- * Limited design alterations by professional architect to include wind resistance review.
- * Structural Home Warranty included for 10 years
- * Home site placement assistance provided to meet all legal requirements
- * Building Permit fees and Health Dept. fees included
- * Contractors Affidavit and Waiver of Lien forms upon completion
- * State sales tax on material paid
- * Professional decorating services provided
- * Quality control and punch-out detailing included
- * Professional job-site supervision provided
- * Manufacturers warranties on equipment and appliances.

II. SITEWORK

- * Grading around villas for sodding
- * Soil density test included
- * Soil pretreatment with 1 conditional warranty for subterranean termites
- * Master irrigation system provided by condo association.
- * Floritam sod up to 5,000 square feet (allowance \$1,300.00)
- * Landscape allowance of \$600 included

III. STRUCTURAL CONCRETE and MASONRY

- * Concrete driveway and walk to entry (Driveway allowance of 800 square feet).
- * Cement block exterior wall construction with solid concrete lintel beam continuous at perimeter top with truss straps
- * Reinforced concrete poured columns per County code
- * Engineered lintels over all exterior window and door openings
- * 3000 P.S.I reinforced concrete slab & foundation
- * Visqueen (6 mil) under slab, garage, lanai

IV. FRAMING and METALS

- * Engineered roof truss system, 24" O.C. per plan
- * Engineered wood beams and headers where applicable
- * 2 X 4 wall framing, 16" O.C. at interior
- * 2 X 6 wall framing, 24" O.C. per plan
- * 4-ply CDX (1/2" plywood) at all roof decks nailed to Engineered specs
- * Cathedral or flat ceilings per plan & as dictated by elevation selected
- * Structural thermo-ply sheathing at all exterior framed walls and gables with 30lb felt barrier
- * Aluminum perforated 24" soffit with 48" at rear
- * 6" aluminum embossed fascia & eaves drip

- * Ridge vent on main roof ridge (up to 40 linear ft)
- * Pressure treated wood blocking around all windows and doors for interior drapery hardware installation at masonry walls
- * Porches are under roof truss system on most plans
- * Hurricane straps provided at all exterior framed walls and fastened to trusses, per Engineering
- * Engineered aluminum screen enclosure walls @ lanai. Lanai include one (1) screen door.

V. FINISH CARPENTRY

- * Paint grade colonial or clamshell baseboards, doors jambs and trim
- * Pull-down attic stairs in garage for access to plywood floor storage for light loads included
- * Lever-style door hardware throughout (Kwikset)
- * Front entry door has decorator thumb lever handle (Kwikset)
- * Keyed deadbolts at all exterior doors
- * Vinyl coated ventilated closet shelving per plan

VI. WINDOWS, DOORS and GLAZING

- * Interior doors are 6 panel masonite
- * Exterior garage swing service door to be insulated metal with window and screen
- * Rolling overhead garage door to be a steel sectional painted same color as house body
- * Insulated 6 panel steel front doors.
- * Bi-fold or bi-pass closet doors are mirrored.
- * Exterior windows are double glazed, single hung aluminum with choice of white or bronze frame color
- * Sliding glass doors and French doors are all double glazed, (no colonial mutins)
Note: Sidelights at entry to have mutins
- * Choice of obscured or clear glass at aluminum shower enclosures with chrome frames at master bath per option plan only.
- * Marble window sills throughout
- * Mirrors are full width at vanities

VII. INSULATION, ROOFING and SEALING

- * 30 year fiberglass reinforced shingles in standard colors and series with roof sheathing covered with 30lb felt
- * Ridge vent on main roof included
- * ¾" High Dense foam board insulation at all exterior block walls to living area
- * R-11 batt insulation at all exterior framed walls per plan
- * R-30 insulation in attic areas over living areas only
- * R-19 insulation around all chases such as skylights and dropped ceilings
- * Exterior framed walls have sealant between slab and wood sole plate
- * Interior and exterior wall caps are sealed at each plumbing or electrical penetration with polyfoam along with all other exterior penetrations
- * All exterior framed walls with thermo-ply sheathing are covered with 30 lb felt goods

VIII. INTERIOR FINISHES

A. DRYWALL

- * Interior walls and ceilings are 1/2" drywall board
- * Walls have a sprayed medium texture finish, orange peel
- * Kitchen & baths to receive smooth finish for wall paper upon request.
- * Drywall ceilings have heavy texture finish
- * Vinyl ceilings at exterior entry
- * Bathroom wet areas have 1/2" moisture resistant drywall, and all ceilings have ceiling grade board.
- * Dura Rock installed 16" from finished floor in recessed showers (only)

B. TILE

- * Ceramic tile at tub and shower wet areas with seven (7) foot ceiling that also are tiled.
- * Ceramic tile floors at inside foyer area, covered entry and in all baths in choice of standard selections
- * Ceramic accessories in wet areas per plan.

C. CABINETS

- * Kitchen cabinets are flat panel wood or mica laminated with mica laminated counter tops in array of designer colors
 - * Bath vanity cabinets are 36" tall with mica laminated in array of designer colors
 - * Bath vanity countertops are molded cultured marble.
 - * Medicine cabinets with mica laminated doors to match bath vanity
 - * Base cabinet with laundry-tub included per plan
- 5/23/2003

- * Laminated mica wall cabinet in laundry room included

- * Choice of standard hardware on all kitchen and bath

D. FLOOR COVERINGS

- * Carpet with 6 lb. pad with choice of colors
- * Sheet vinyl in kitchen, nook, and utility room w/choice of design patterns & colors
- * Garage floors are finished stained concrete
- * Entry and lanai floors are "Flowcrete" or acrylic finish

E. PAINTING

- * Choice of one finish color for interior walls to be two (2) coats of washable flat acrylic latex vinyl paint, ceilings are one coat using Coronado 28 line (best)
- * Interior wood surfaces are puttied, sanded, and professionally prepared for two coats of semi-gloss latex.

IX. EXTERIOR FINISHES

- * Choice of available architectural style front elevations (Limit two)
- * Two (2) coats of textured cement finish on all exterior walls per plan
- * Exterior wood surfaces have a finish coat of flat acrylic latex for cleaning durability
- * Choice of finish colors for exterior body and trim of two (2) coats of washable exterior grade flat acrylic latex vinyl paint using Coronado 8 line (supreme collection)
- * Exterior metal doors (pre-hung and Overhead) are factory primed with finish spray coat of high gloss paint.

X. FURNISHINGS, EQUIPMENT and SPECIALTIES

- * Address numbers placed on all homes
- * Homes meet handicap requirements by State of Florida
- * Space saver upgrade micro/hood combo oven
- * Upgrade multi/cycle dishwasher
- * Upgrade self-cleaning range or wall oven, per plan
- * 20 Cu Ft Refrigerator
- * Exhaust duct through roof at range location
- * Automatic garage door opener with 2 remotes
- * Garbage disposal at double sink location
- * Paint touch-up kit provided at closing
- * Exterior garbage receptacles at stoop

XI. AIR CONDITIONING and HEATING, SYSTEM

- * Heating/Cooling by heat pump system with minimum Seer 10 by Trane
- * Ducting system consisting of rigid insulated board with flexible fiberglass supplies, all engineered for each home
- * Domestic hot water recovery unit provided
- * A/C supplies at all walk-in closets
- * Exhaust fans at baths per plan
- * Adjustable grills for proper balancing for each room
- * Air handling unit located in garage, per floor

5/23/2003

plan

XII. PLUMBING SYSTEM

- * Continuous CPVC water lines above and below slab, hot water lines above slab are insulated
- * PVC water and sewer lines from home out 50'
- * PVC sanitary waste lines under slab
- * 50 gallon quick recovery electric hot water heater included
- * Emergency water shut-off valve for quick access
- * Up to three (3) outside hose bibs included per plan
- * Ice-maker line for refrigerator
- * Delta single lever faucets at tubs and showers
- * Jacuzzi brand garden (soaker) tub in master bath, per plan
- * Briggs porcelain/steel tub/shower unit or equal at quest bath locations with tile surround (standard selections)
- * Elongated water saver toilets or equal
- * Choice of stainless steel or acrylic two (2) compartment sink at kitchen
- * All plumbing stacks are run to rear of roof where possible. Direct vent gas exhaust may be front of ridge line

XIII. ELECTRICAL WORK AND LIGHT FIXTURES

- * 50' allowance for underground main power feed from condo association provided pedestal included.
- * 200 amp electrical service breaker panel with surge protection

- * Continuous copper wiring throughout
- * Smoke detectors installed at all sleeping areas and garage all interconnected, per plan
- * Four (4) telephone outlets included
- * Four (4) cable TV outlets included
- * Up to (5) ceiling fan pre-wires switched for fan motor per plan
- * Decor butterfly switches throughout with choice of white or almond with one (1) switched outlet in bedrooms
- * Three (3) GFI weatherproof outlets on exterior of home
- * G.F.I. protected outlets at all wet areas
- * Surface mounted fluorescent light fixtures in all walk-in bedroom closets with switch per plans
- * Kitchen/bath lighting is custom designed for each home and included per plan
- * Front yard lamp post connected to photocell with conforming location (30' allowance)
- * Custom decorator light fixture allowance package
- * Door bell button and chime provided

XIV. EXCLUSIONS NOT PART OF THESE SPECIFICATIONS

- * Gutters and down spouts; if installed on model, does not mean they will be installed on home
- * Wallpaper, furniture, draperies, window treatments or other items used in model homes
- * Ceiling fans or installation of same
- * Power company charges for underground line work above and beyond 50' allowance in contract
- * Well installation or connected work (allowance can be created). Condo association will pay for and maintain well system for lawn irrigation separate of builder.

Customer Signature_____

Date_____

Customer Signature_____

Date_____

PRICES, FEATURES AND SPECIFICATIONS SUBJECT TO CHANGE WITHOUT NOTICE

**BY-LAWS OF
VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC.**

ARTICLE I

IDENTITY AND LOCATION

These are the By-Laws of VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC., herein called the "Association", a corporation not for profit organized and existing under Chapter 617, Florida Statutes, for the purpose of administering the Property, as defined in and in accordance with the terms and conditions of that certain Declaration of Condominium for Villas of Anton, a condominium("Declaration") as recorded in the public records of Citrus County, Florida. The principal office of the Association shall be located at 46 Golfview Court, Homosassa, FL 34446 , but meetings may be held at such places within the State of Florida as may be designated by the Board of Directors.

ARTICLE II

GENERAL

Section 1. Incorporation of Declaration. As supplemented herein, the regulation of the business and affairs of the Association shall be governed by certain provisions of the Declaration, as amended from time to time, which are incorporated herein by reference as if set forth verbatim.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year or such other period as shall subsequently be determined by the Board of Directors.

Section 3. Seal. The seal of the Association shall bear the name of the Association, the word "Florida", and the year of incorporation.

Section 4. Definitions. The definitions set out in the Declaration are incorporated herein by reference.

ARTICLE III

MEMBERSHIP

Section 1. General. Membership in the Association shall be as set forth in the Articles of Incorporation.

Section 2. Change of Membership. Change of Membership is set forth in the Articles of Incorporation.

Section 3. Membership Rights. Membership Rights are set forth in the Articles of Incorporation and the Declaration.

Section 4. Membership Rights Subject to Payment of Assessments. Membership Rights Subject to Payment of Assessments is set forth in the Articles of Incorporation and the Declaration.

ARTICLE IV

VOTING RIGHTS

Voting rights in the Association shall be as provided in the Articles of Incorporation and the Declaration.

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON AREAS

Section 1. Use of Common Areas. Each Member shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration.

Section 2. Leased Units. When a unit is leased, a tenant shall have all use rights in the association property and those common elements otherwise readily available for use generally by unit owners and the unit owner shall not have such rights except as a guest, unless such rights are waived in writing by the tenant. Nothing in this subsection shall interfere with the access rights of the unit owner as a landlord pursuant to Chapter 83, Florida Statutes. The association shall have the right to adopt rules to prohibit dual usage by a unit owner and a tenant of association property and common elements otherwise available for use generally by unit owners.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Membership Annual Meeting. Meetings of the Members shall be held at 46 Golfview Court, Homosassa, FL 34446 Citrus County, Florida, or at such other location within the State of Florida as the Board of Directors shall determine, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time to be designated in the notice of the meeting.

Section 2. Membership Special Meetings. Special Meetings of the Members for any purpose may be called at any time by the President, Vice President, Secretary or Treasurer, or by a majority of the Board of Directors, or upon written request of one-fourth of the total vote of the Members.

Section 3. Notice. Notice of any meetings shall be given to the Members by the Secretary in accordance with the Declaration. Notice of any special meeting shall include a description of the purpose for which the special meeting is called.

Section 4. Voting Requirements. Any approval by unit owners called for by the Declaration or these Bylaws shall be made at a duly noticed meeting of unit owners and shall be subject to all requirements of the applicable condominium documents relating to unit owner decision making, except that unit owners may take action by written agreement, without meetings, on matters for which action by written agreement without meetings is expressly allowed by the Declaration or these Bylaws or any statute that provides for such action. No unit owner shall permit any other person to vote his or her ballot in an election of the members of the Board of Directors. Limited proxies and general proxies may be used to establish a quorum.

Section 5. Waiver of Notice. Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person before the meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

Section 6. Quorum. The quorum required for any meeting of Members shall be Three or more Members.

Section 7. Adjournment. Any annual or special meeting may be adjourned to a different date, time, or place, and any business that might have been transacted on the original date of the meeting

may be transacted at the adjourned meeting. In the event of such adjournment, the date, time and place shall be announced at during the original meeting before an adjournment is taken, or an new notice shall be provided to the Members prior to the adjourned meeting pursuant the Declaration.

ARTICLE VII

PROXIES

Section 1. Voting by Proxy. Each Member entitled to vote may vote in person or by proxy at all meetings of the Association; however, proxies may not be used for the election of Directors or for the purpose of waiving or reducing reserves.

Section 2. Proxies All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary. Limited proxies shall be used for votes taken to waive or reduce reserves pursuant to Florida Statutes, to waive the financial reporting requirements of Section 718.111(13), Florida Statutes, for votes taken to amend the declaration, for votes taken to amend the articles of incorporation or bylaws pursuant to Florida Statutes, and for any other matter for which a vote of the unit owners is required, except no proxy, limited or general, shall be used in the election of board members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may be adjourned and reconvened from time to time, and no proxy shall be valid after ninety (90) days from the date of the meeting for which it was originally given. Any proxy shall automatically cease upon sale by the Member of the Member's property.

ARTICLE VIII

ASSOCIATION PURPOSES AND POWERS

Section 1. Association's Purposes. The Association has been organized for the purposes set forth in the Declaration including, without limitation, the following:

- (a) to acquire, build, operate and maintain the Common elements, including but not limited to the Water Management System, parking areas, structures and the irrigation system.
- (b) to clean, clear, trim, remove weeds, limbs, and debris from, and to provide general grounds maintenance for the Common elements;

- (c) to fix Assessments (or charges) to be levied against the Association Property;
- (d) to enforce any and all covenants and restrictions and agreements applicable to the Association Property;
- (e) to pay taxes and insurance, if any, on the Common Elements; and
- (f) such other matters as set forth in the Articles of Incorporation.

Section 2. Additions to Common Property and Membership. Additions to the Common Property may be made as provided in the Declaration. Such additions, if any, when properly made by a recorded Supplemental Declaration, shall extend the jurisdiction, functions, duties and membership of the Association to such Additional Property.

Section 3. Mergers and Consolidations. Subject to the provisions of the Declaration, and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall be approved by the Members pursuant to the Declaration.

Section 4. Mortgages: Other Indebtedness. Following recordation of the Declaration, and while the property remains subject to the Declaration, the Association shall have the power to mortgage the Association property as set forth in the Declaration with the unanimous consent of the Owners of the Villa Sites, according to Section 11.1(e) of the Declaration.

Section 5. Disposition of Property or Transfer. The Association shall have the power to dispose of its real property or transfer same only as authorized by the Declaration.

Section 6. Records of the Association. The Association shall maintain each of the following items, when applicable, which constitute the official records of the Association:

- (a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common areas or other property that the Association is obligated to maintain, repair, or replace;
- (b) A copy of these By-Laws and of each amendment to thereto;
- (c) A copy of the Articles of Incorporation of the Association and of each amendment thereto;
- (d) A copy of the Declaration and each amendment thereto;

- (e) A copy of the current rules of the Association;
- (f) The minutes of all meetings of the Board of Directors and of the Members, which minutes must be retained for at least seven (7) years;
- (g) A current roster of all Members and their mailing addresses and parcel identifications;
- (h) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years;
- (i) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility (Bids received by the Association for work to be performed shall also be considered official records and must be kept for a period of one (1) year); and
- (j) The financial and accounting records of the Association, kept according to good accounting practices, which financial and accounting records shall be maintained for a period of at least seven (7) years. The financial and accounting records shall include: (1) accurate, itemized, and detailed records of all receipts and expenditures, (2) a current account and a periodic statement of the account for each Member, designating the name and current address of each Member who is obligated to pay Assessments, the due date and amount of each Assessment or other charge against the Member, the date and amount of each payment on the account, and the balance due, (3) all tax returns, financial statements, and financial reports of the Association, and (4) any other records that identify, measure, record, or communicate financial information.

ARTICLE IX

BOARD OF DIRECTORS

Section 1. Board of Directors: Selection: Terms of Office. The affairs of the Association shall be managed by a Board of Directors consisting of three (3) members. When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:

- (a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

- (b) Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
- (c) When all the units that will be operated ultimately by the association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the ordinary course of business;
- (d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business; or
- (e) Seven years after recordation of the declaration of condominium; or in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, Florida Statutes, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.

Section 2. Vacancies in the Board of Directors. If a vacancy occurs on the board as a result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If vacancies occur on the board as a result of a recall and a majority or more of the board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division. The rules must provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but prior to the recall election.

ARTICLE X

ELECTION OF DIRECTORS

Election to the Board of Directors shall be conducted pursuant to Section 718.112(2)(d), Florida Statutes and Rule 61B-23.0021, F.A.C.. At such election, the Members may cast, in respect

to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration applicable to the Property. The names receiving the largest number of votes shall be elected.

ARTICLE XI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Board of Directors' Powers. The Board of Directors shall have power:

(a) to call special meetings of the Members;

(b) subject to Article XIII herein, to appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever;

(c) to establish, levy and assess, and collect the Assessments or charges;

(d) to adopt and publish rules and regulations governing the use of the Common Elements;

(e) to exercise for the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to the Members in these By-Laws or the Declaration;

(f) to fill vacancies on the Board of Directors pursuant to Article IX above;

(g) to take such other action as provided in the Declaration.

Section 2. Board of Directors' Duties. It shall be the duty of the Board of Directors:

(a) to cause to be kept a complete record of all its acts and corporate affairs;

(b) to supervise all officers, agents and employees of the Association and to see that their duties are properly performed;

(c) to prepare the annual budget in accordance with the Declaration;

(d) to fix the amount of Assessments in accordance with the Declaration;

(e) to prepare a roster of the Property and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member;

(f) to send written notice of each Assessment to each Property Owner subject thereto;

(g) to issue upon demand by any Owner or mortgage lender a certificate setting forth whether any Assessment has been paid (which certificate shall be conclusive evidence of any Assessment therein stated to have been paid); and

(h) to prepare or cause to be prepared an annual financial report of the Association within ninety (90) days after the close of the fiscal year, and to provide each Member with a copy of the annual financial report within 21 days after the financial report is completed or received by the association from the third party by mailing to each unit owner at the address last furnished to the association by the unit owner, or by hand delivering to each unit owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the unit owner, without charge, upon receipt of a written request from the unit owner.

Section 3. Resignation. A Director of the Association may resign at any time by giving a written notice to the Board of Directors or the President of the Association. The resignation of any Director shall take effect upon delivery of the notice thereof or at such later time as shall be specified

in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Removal. Except as otherwise provided in the Declaration, any Director may be removed, with or without cause, by a vote at a special meeting of the Members called for that purpose or by written agreement pursuant to Section 718.112(2)(j), Florida Statutes, and Rules 61B-23.0026, FAC, 61B-23.0027, FAC, and 61B-23.0028, FAC.

Section 5. Directors' Fees. There shall be no Directors' fees paid to members of the Board of Directors, except that Directors shall be entitled to reimbursement of out-of-pocket costs authorized by the Board of Directors.

ARTICLE XII

DIRECTORS' MEETINGS

Section 1. Directors' Annual Meeting. The annual meeting of the Board of Directors shall be held at the discretion of the Board of Directors and will be posted conspicuously at least 48 continuous hours preceding the meeting.

Section 2. Notice. Not less than fourteen(14) days prior to the date of the meeting at which

non-emergency special assessments, or at which amendments to rules regarding unit use will be considered, notice of such meeting shall be given to each member by mail, hand delivery or electronic transmission and posted conspicuously on the condominium property. Pursuant to Section 718.112(2)(e), Florida Statutes, notice of any meeting at which a proposed annual budget will be considered shall be mailed or delivered to the unit owners at least 14 days prior to such meeting along with a copy of the proposed budget.

Section 3. Waiver of Notice. A Director may waive notice of a meeting of the Directors before or after the date and time stated in the notice. Except as otherwise provided in this Section 4, the waiver must be in writing, signed by the Director entitled to the notice and filed with the minutes or corporate records. Attendance of a Director at any meeting shall constitute waiver of notice of such meeting except where the Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting. A Director may submit in writing his or her agreement or disagreement with any action taken at a meeting that the Director did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

Section 4. Board Quorum. The Majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XIII

OFFICERS

Section 1. Association Officers. The Officers shall be appointed by the Board of Directors. The President shall be a member of the Board of Directors; all other Officers may be, but shall not be required to be, members of the Board of Directors.

Section 2. Election of Officers. The Directors shall have the sole right to appoint and remove any Officer of the Association.

Section 3. Removal of Officer Upon an affirmative vote of a majority of the members of the Board of Directors, any Officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. Vice President. The Vice President shall perform all the duties in the absence of the President.

Section 6. Secretary. The Secretary shall be the *ex officio* Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for such purpose. The Secretary shall sign all certificates of membership and shall keep the records of the Association. The Secretary shall record in a book kept for that purpose the names of all Members of the Association, together with their addresses as registered by such Members. This office may be combined with the Treasurer's office at the discretion of the Board of Directors.

Section 7. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The Treasurer shall sign all checks and notes of the Association, provided that such notes and checks shall also be signed by the President or Vice President.

ARTICLE XIV

LIABILITY AND INDEMNIFICATION

Section 1. Liability of Directors No Director or Officer of the Association shall be liable to any Owner and/or Member for any decision, action or omission made or performed by such Director or Officer in the course of his duties unless such Director or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Articles of Incorporation or these By-Laws.

Section 2. Indemnification. To the fullest extent allowed by Section 617.0831, Florida Statutes, as same may be amended, the Association shall indemnify the Directors, Officers, Employees, Agents and other persons specifically designated from time to time by the Board of Directors whom it may indemnify pursuant to law. In this connection, the Association is authorized to take out such insurance as it may deem necessary or desirable consistent with such indemnification.

ARTICLE XV

INSURANCE

The Board of Directors or its duly authorized agent shall obtain hazard insurance for its improvements and Common Elements and a broad form public liability policy covering all common area and all damage or injury caused by negligence of the Association or any of its agents as more fully described in the Declaration.

ARTICLE XVI

AMENDMENTS

These By-Laws may be amended or repealed and new By-Laws adopted by the Directors so long as Declarant has the authority to appoint the Directors and thereafter by a two-thirds (2/3) vote of the Members present, in person or by proxy, and entitled to vote at a regular or special meeting of the Members; provided that any matter which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

ARTICLE XVII

GENERAL

Section 1. Conflicts. It is intended that the provisions of the Declaration which apply to the governance of the Association, as supplemented by the provisions in these By-Laws which are not contained in the Declaration, shall operate as the By-Laws of the Association. In the case of any conflict between such provisions set forth in the Declaration and these By-Laws, the Declaration shall control.

Section 2. Waiver. No provision of these By-Laws or any regulation promulgated by the Board of Directors pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 3. Severability. The provisions of these By-Laws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 4. Captions. Captions are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision.

Section 5. Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and the plural shall include the singular whenever the context requires or permits.

Section 6. Roberts Rules. All meetings of the membership of the Board of Directors shall be conducted in accordance with *Roberts Rules of Orders Revised*.

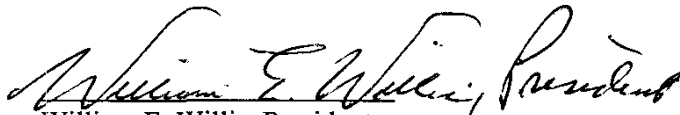
Section 7. Mandatory Non-Binding Arbitration. In the event of a "dispute" as defined in Section 718.1255(1)(a) and (b), Florida Statutes, the parties to the dispute will submit to mandatory non-binding arbitration with the Division of Florida Land Sales, Condominiums and Mobile Homes pursuant to the provisions of Section 718.1255(4), Florida Statutes.

Section 8. Certificate of Compliance. To the extent applicable to a Land Condominium, a certificate of compliance from a licensed contractor or electrician may be accepted by the association's board as evidence of compliance of the condominium units to the applicable fire and life safety codes.

Section 9. Common Elements; Limited Power to Convey. The association has a limited power to convey a portion of the common elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.

Section 10. General Disclosure. All provisions of Section 718.112(2)(a) through (m), Florida Statutes, are deemed to be included in these Bylaws.

APPROVED:



William E. Willis, President

Villas of Anton Condominium Association, Inc.

Dated this ____ day of _____, 2004.



FLORIDA DEPARTMENT OF STATE

Glenda E. Hood
Secretary of State

March 17, 2003

CARL A. BARTOCH P.A.
P.O. BOX 3106
TALLAHASSEE, FL 32315

The Articles of Incorporation for VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC. were filed on March 14, 2003 and assigned document number N03000002271. Please refer to this number whenever corresponding with this office regarding the above corporation.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT/UNIFORM BUSINESS REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT/UNIFORM BUSINESS REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO INSURE THAT YOU RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT. TO OBTAIN A FEI NUMBER, CONTACT THE IRS AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT/UNIFORM BUSINESS REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Alan Crum, Document Specialist
New Filings Section

Letter Number: 903A00016376

ARTICLES OF INCORPORATION
FOR
VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC.
A Florida Corporation not-for-profit

FILED
03 MAR 14 AM 9:11
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned incorporator, for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, hereby adopts the following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation shall be **VILLAS OF ANTON CONDOMINIUM ASSOCIATION, INC.** For convenience, the corporation shall be referred to in this instrument as the "Association", these Articles of Incorporation shall be referred to as the "Articles", and the Bylaws of the Association shall be referred to as the "Bylaws".

ARTICLE II

PRINCIPAL ADDRESS

The principal office and address of the corporation shall be 46 Golfview Court, Homosassa, FL 34446.

ARTICLE III

PURPOSE

The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act, Chapter 718, Florida Statutes, as it exists on the date hereof (the "Act") for the operation of that certain condominium to be created and located in Citrus County, Florida, and to be known as **VILLAS OF ANTON, a Condominium** (the "Condominium"). The Association shall automatically assume all rights, powers and duties provided for herein and in Chapter 718, Florida Statutes, the Bylaws and the Declaration of Condominium (the "Declaration"), upon recordation of the Declaration in the Public Records of Citrus County, Florida, naming the Association as the association being responsible for the operation of the Condominium.

ARTICLE IV

DEFINITION

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE V

POWERS

The powers of the Association shall include and be governed by the following:

5.1 **General.** The Association shall have all of the common-law and statutory powers of a corporation not for profit under the laws of Florida that are not in conflict with the provisions of these Articles, the Declaration, the Bylaws or Chapter 718, Florida Statutes (the Act).

5.2 **Enumeration.** The Association shall have all of the powers and duties set forth in the Act, except as limited by these Articles, the Bylaws and the Declaration (to the extent that they are not in conflict with the Act), and all of the powers and duties reasonably necessary to operate the Condominium pursuant to the Declaration and as more particularly described in the Bylaws, as they may be amended from time to time, including, but not limited to, the following:

(a) To perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time as therein provided, and to exercise such authority as may reasonably be necessary to effectuate its objectives under the Declaration, as the same may be amended from time to time as therein provided.

(b) To assess, levy, collect and enforce payment, by any lawful means, assessments and other charges against members as Unit Owners (whether or not such sums are due and payable to the Association) and to use the proceeds thereof in the exercise of its powers and duties.

(c) To buy, own, operate, lease, sell, trade and mortgage both real and personal property.

(d) To hold, convey, lease and mortgage Condominium Property for the benefit of the Unit Owners.

(e) To maintain, repair, replace, reconstruct, add to and operate the Condominium Property, and other property acquired or leased by the Association.

(f) To purchase insurance upon the Condominium Property and insurance for the protection of the Association, its officers, directors and Unit Owners.

(g) To make and amend reasonable rules and regulations for the maintenance, conservation and use of the Condominium Property and for the health, comfort, safety and welfare of the Unit Owners.

(h) To approve or disapprove the leasing, transfer, ownership and possession of Units as may be provided by the Declaration.

(i) To enforce by legal means the provisions of the Act, the Declaration, these Articles, Bylaws, and the Rules and Regulations for the use of the Condominium Property.

(j) To contract for the management and maintenance of the Condominium Property and to authorize a management agent (which may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collections of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

(k) To employ personnel to perform the services required for the proper operation of the Condominium.

(l) To operate and maintain the common property, including improvements, facilities and systems utilized in connection with the storm and surface water collection, retention, detention, drainage and disposal services for the Condominium (the "surface water management system") in order to comply with the permit issued by the Southwest Florida Water Management District for this condominium project.

5.3 Association Property. All funds and the title to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles and the Bylaws.

5.4 Distribution of Income; Dissolution. The Association shall make no distribution of income to its members, directors or officers, and upon dissolution, all assets of the Association shall be transferred only to another non-profit corporation or a public agency or as otherwise authorized by the Florida Not for Profit Corporation Act, Chapter 617, Florida Statutes provided that in the event of dissolution, the surface water management system shall be conveyed to an appropriate agency of local government, and if it is not accepted, then it shall be dedicated to a similar non-profit corporation.

5.5 Limitation. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration, Bylaws and the Act, provided that in the event of conflict, the provisions of the Act shall control over those hereof and of the Declaration and ByLaws to the extent that the Act is more restrictive.

ARTICLE VI

MEMBERS

6.1 Membership. The members of the Association shall consist of all of the record title owners of Units in the Condominium from time to time, and after termination of the Condominium, shall also consist of those persons who were members at the time of such termination, together with their successors and assigns.

6.2 Assignment. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit for which that share is held.

6.3 Voting. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Unit, which vote shall be exercised or cast in the manner provided by the Declaration and Bylaws.

6.4 Meetings. The Bylaws shall provide for an annual meeting of members, and may make provisions for regular and special meetings of members other than the annual meeting.

ARTICLE VII

TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE VIII

INCORPORATOR

The name and address of the Incorporator of this Corporation is:

William E. Willis
46 Golfview Court
Homosassa, FL 34446

ARTICLE X

DIRECTORS

10.1 Number and Qualification. The property, business and affairs of the Association shall be managed by a board consisting of three (3) directors as provided by the Bylaws. The three (3) directors must be members of the Association except for designees of the Developer.

10.2 Duties and Powers. All of the duties and powers of the Association existing under the Act, the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Unit Owners when such approval is specifically required.

10.3 Election Removal. Directors of the Association shall be elected at the annual meeting of the members, and may be elected to staggered terms, in the manner determined by and subject to the qualifications set forth in the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws and the Declaration and as provided in Section 718.301(1) Florida Statutes at the time of creation of this corporation.

10.4 Term of Developer's Directors. The Developer of the Condominium shall appoint the members of the first Board of Directors and their replacements who shall hold office for the periods described in the Bylaws.

10.5 The affairs of the Association shall be administered by the officers holding the offices designated in the Bylaws. The officers shall be elected by the Board of Directors of the Association at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The Bylaws may provide for the removal from office of officers, for the filling of vacancies and for the duties and qualifications of the officers. The names and addresses of the initial Board of Directors and the initial officers who shall serve until their successors are designated are as follows:

Director and President:	William E. Willis 46 Golfview Court Homosassa, FL 34446
Director and Secretary:	Ruth E. Willis 46 Golfview Court Homosassa, FL 34446
Director and Treasurer:	David A. Crawford 46 Golfview Court Homosassa, FL 34446

ARTICLE XI

INDEMNIFICATION

11.1 Indemnity. To the extent permitted by Chapter 617, Florida Statutes, the Association shall indemnify any person who was or is a party of or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the

proposed indemnitee, that he or she did not act in good faith or in a manner he or she reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that he or she had reasonable cause to believe his or her conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which he or she reasonably believed to be not in or opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he or she had reasonable cause to believe that his or her conduct was unlawful.

11.2 Expenses. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Articles of Incorporation Page 6, Section 11.1 above, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fee) actually and reasonably incurred by him or her in connection therewith.

11.3 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such actions, suit or proceeding upon receipt of an undertaking by or on behalf of the affected director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article 11.

11.4 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

11.5 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving, at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this Article.

11.6 Amendment. Anything to the contrary herein notwithstanding, the provisions of this Article 11 may not be amended without the prior written consent of all persons whose interests would be adversely affected by such amendment.

ARTICLE XII

BY-LAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the Bylaws and the Declaration.

ARTICLE XIII

AMENDMENTS

Amendments to these Articles shall be proposed and adopted in the following manner:

13.1 **Notice.** Notice of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered. Such notice shall contain the proposed amendment or a summary of the changes to be effected thereby.

13.2 **Adoption.** A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their concurrence in writing, provided that such concurrences shall not be used for the purpose of creating a quorum and further provided the approval is delivered to the Secretary at or prior to the meeting. The approval must be:

- (a) by not less than 75% of the votes of all of the voting interests of the Association, and by not less than 75% of the entire Board of Directors;
or
- (b) by not less than 80% of the votes of all of the members of the Association.

13.3 **Limitation.** No amendment shall make any changes in the qualifications for membership, nor in the voting rights or property rights of members, nor any changes in Sections 5.2, 5.3, 5.4 or 5.5 of Article 5, entitled "Powers", without the approval in writing of all members and the joinder of all record owners of mortgages upon Units. No amendment shall be made that is in conflict with the Act, the Declaration or the Bylaws, nor shall any amendment make any changes which would in any way effect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the amendment.

13.4 **Developer Amendments.** To the extent lawful, the Developer may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Developer alone.

13.5 **Recording.** A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the public records of Manatee County, Florida. The amendment shall be valid when recorded with identification on the first page of the book and page number of the public records where the Declaration was recorded.

ARTICLE XIV

**INITIAL REGISTERED OFFICE
ADDRESS AND NAME OF REGISTERED AGENT**

The initial registered office of this corporation shall be at 7655 West Gulf to Lake Highway, Crystal River, FL 34429, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be Carl A. Bertoch.

IN WITNESS WHEREOF, the Incorporator has affixed his/her signature the day and year set forth below.

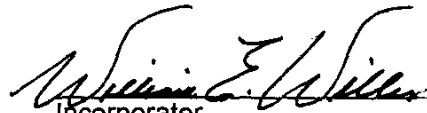
Witnesses:


Signature

Carl A Bertoch
Please print name


Signature

ANN L. TAVANO
Please print name



Incorporator
7655 West Gulf to Lake Highway
Crystal River, FL 34429
Address

STATE OF FLORIDA
COUNTY OF CITRUS

The foregoing instrument was acknowledged before me this 6TH day of MARCH, 2003, by WILLIAM E WILLIS He/she is personally known to me and did not take an oath.



Ann L. Tavano
MY COMMISSION # CC903643 EXPIRES
January 19, 2004
BONDED THRU TROY FAIR INSURANCE, INC.


Notary Public

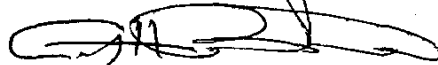
**CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE
FOR THE SERVICE OF PROCESS WITHIN THIS STATE
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

FILED
03 MAR 14 AM 9:11
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

In compliance with the laws of Florida, the following is submitted:

First -- That desiring to organize under the laws of the State of Florida with its principal office, as indicated in the foregoing articles of incorporation, at Town of Homosassa, County of Citrus, State of Florida, the corporation named in the said articles has named Carl A. Ertoch, Esquire, 7655 West Gulf to Lake Highway, Suite 13, Crystal River, Florida 34429 as its statutory registered agent.

Having been named the statutory agent of said corporation at the place designated in this certificate, I hereby accept the same and agree to act in this capacity, and agree to comply with the provisions of Florida law relative to keeping the registered office open.



REGISTERED AGENT

DATED this 6th day of March, 2003