

**HARBOR HILLS**  
LAKESIDE COUNTRY CLUB LIVING  
*On the Shores of Lake Griffin*

---

DECLARATIONS OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS  
FOR  
HARBOR HILLS



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AMENDMENT AND RESTATEMENT OF  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
HARBOR HILLS

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AMENDMENT AND RESTATEMENT OF  
DECLARATION OF COVENANTS, CONDITIONS,  
AND RESTRICTIONS FOR  
HARBOR HILLS

OR  
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This Amendment and Restatement of the Declaration of Covenants, Conditions and Restrictions for Harbor Hills is made this \_\_\_\_ day of December, 1995 ("Declaration") by HARBOR HILLS DEVELOPMENT, L.P., a Delaware Limited Partnership, registered to do business in Florida as HARBOR HILLS DEVELOPMENT, LTD. ("Declarant or Developer").

R E C I T A L S:

The Harbor Hills Community is a Planned Unit Development located in Lake County, Florida.

The Harbor Hills Community is partially platted, the Plats for which are recorded as follows: Harbor Hills Unit 1 recorded in Plat Book 30, Page 13 through 27, inclusive, Public Records of Lake County, Florida; Harbor Hills Unit 1A as recorded in Plat Book 30, Pages 91 and 92, Public Records of Lake County, Florida; Harbor Hills Unit 2A as recorded in Plat Book 32, Pages 73 and 74, Public Records of Lake County, Florida; A Partial Replat of Harbor Hills as recorded in Plat Book 35, Pages 80 through 83, Public Records of Lake County, Florida; Harbor Hills Saddleback Court as recorded in Plat Book 36, Pages 56 and 57, Public Records of Lake County, Florida.

The prior Developer of Harbor Hills Community has previously recorded a Declaration of Covenants, Conditions and Restrictions for Harbor Hills and Amendments, all of which are recorded in the Public Records of Lake County, Florida, as follows: Official Records Book 1010, Page 1835; Official Records Book 1067, Page 2274; and Official Records Book 1125, Page 2244.

The Declarant of this Amended and Restated Declaration is the Successor Developer to the Harbor Hills Community. The Declarant has the authority and right to amend the Declaration of Covenants, Conditions and Restrictions for Harbor Hills pursuant to Article II, Article XVI, and Article XVII thereof.

The Declarant has elected to amend the Restrictions and to consolidate all prior Amendments in this Amendment and Restatement of Declaration of Covenants, Conditions and Restrictions for Harbor Hills ("Declaration").

NOW THEREFORE, the Developer does hereby declare that all of the Property shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth, all of which are for the purpose of preserving certain portions of the Property in perpetuity, while others are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, while still others

represent an attempt to further life safety and foster a friendly and harmonious residential community. Such easements, covenants, conditions, restrictions, reservations, liens and charges shall run with the Property, and shall be binding upon all parties having or acquiring any right, title or interest in the real property described herein or in any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in the Property. This Declaration shall replace all prior Declarations of the Covenants, Conditions and Restrictions for Harbor Hills and all Amendments thereto.

ARTICLE I

DEFINITIONS

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

A. "Articles" shall mean and refer to the Articles of Incorporation of the Association (as defined in paragraph B of this Article I) as they may exist from time to time.

B. "Association" or "Community Association" shall mean and refer to Harbor Hills Homeowner's Association, Inc., a Florida corporation, its successors and assigns.

C. "Board" or "Board of Directors" shall mean the board of directors of the Association, elected in accordance with the Articles and Bylaws. Members of the Board shall be referred to as "Directors".

D. "Bylaws" shall mean and refer to the Bylaws of the Association as they exist from time-to-time.

E. "Commercial Property" shall mean any improved or unimproved parcel of land within the Property, which is intended and designed to accommodate retail commercial enterprises excluding any Membership Recreational Facility (as that term is defined in Paragraph V of this Article I). Sites conveyed to a governmental or quasi-governmental entity for public facilities are included within this definition.

F. "Common Area" shall mean all real property (including improvements thereto), if any, owned by the Association for the common use and enjoyment of the Owners (as that term is defined in Paragraph AA of this Article I) under this Declaration.

G. "Common Elements" shall mean and refer to parcels of land, together with any improvements thereon, which are owned by a Neighborhood Association (as that term is defined in Paragraph X of this Article I).

H. "Common Expenses" shall mean and refer to that portion of expenditures for maintenance, operation and other services required or authorized to be performed by the Association which is



attributable to Common Property (as that term is defined in Paragraph I of this Article I).

I. "Common Property" shall mean the Common Area and those parcels of land, together with any improvements thereon, which are conveyed, dedicated, or leased to the Association and designated in such conveyance, dedication or lease as "Common Property". The term "Common Property" shall also include any personal property acquired by the Association.

J. "Conservation Area" shall mean and refer to those areas depicted on the Plat as Conservation Easement.

K. "Developer" shall mean Harbor Hills Development, L.P., a Delaware Limited Partnership, registered to do business in Florida as Harbor Hills Development, Ltd., its successors and assigns.

L. "Declaration" shall mean and refer to this Amendment and Restatement of Declaration of Covenants, Conditions and Restrictions for Harbor Hills as it may, from time to time, be amended.

M. "Design Review Board" (hereinafter the "DRB") shall refer to that standing committee of the Board of Directors which is to review designs and plans for proposed construction, modification, alteration or other improvement to the Property and such other tasks as described in Article IX hereof, and unless indicated otherwise includes any subcommittee of that Board.

N. "Design Review Criteria" shall mean and refer to that manual entitled "Design Review Criteria" promulgated by the Board of Directors, as amended from time to time, containing the development standards for the Property.

O. "Future Development Land" shall mean and refer to land identified on Plats to be developed pursuant to the Planned Unit Development for the Property.

P. "Harbor Hills" shall mean the real property platted as Harbor Hills in the Public Records of Lake County, Florida. The term shall include any additional tracts which are subsequently platted and subjected hereto, whether presently designated for Future Development on the Plat or subsequently annexed as provided elsewhere herein.

Q. "Institutional First Lender" shall mean and refer to the owner and holder of any first mortgage encumbering Residential Property, Commercial Property, Membership Recreational Facilities or a Residential Unit, which owner and holder of said first mortgage shall be a bank, savings and loan association, commercial mortgage company, insurance company, a pension fund, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal or State agencies, or other like lender generally recognized as an institutional-type lender holding a first mortgage. The term shall also mean the Developer or its

affiliates and Developer's acquisition and development lenders, their nominees or assignees.

R. "Lake" or "Lakes" shall mean and refer to those man-made open bodies of water shown on the Plat and all canals, rivers or streams and that portion of Lake Griffin abutting or included in the Property.

S. "Lot" shall mean a portion of real property separately depicted as a lot on the Plat, excluding Commercial Property and Membership Recreational Facilities.

T. "Maintenance" shall mean, but not be limited to, the following in connection with the Property: cleanup, landscaping and grounds care and other services related to the Common Property, Lakes and stormwater facilities, painting and structural upkeep of improved properties, roads, sidewalks, bridges, boardwalks, bike paths and right-of-way repair and all other functions incidental to the services of the Association. Maintenance, when used in respect to "Protected Areas" (as that term is defined in Paragraph DD of this Article I), shall mean the care and cleaning of such areas so as to keep such areas free of trash and any material not usually found in such an area not inhabited by man.

U. "Member" shall mean and refer to any Owner who is a member of the Association as provided in Article III hereof.

V. "Membership Recreational Facilities" shall mean those areas on the Plat whether committed to be built or only proposed, which are designated as golf course, clubhouse and amenities area, and marina, as well as all other lands designated or set aside for recreational purposes, developed by the Developer from time to time, which at the time of development are designated as part of a club or organization where membership is controlled and for which a membership fee is charged.

W. "Neighborhood" shall mean any contiguous parcel of land within the Property which is used for residential purposes and for which a Neighborhood Association (as that term is defined in Paragraph X of this Article I) is formed by the Developer or its assignee.

X. "Neighborhood Association" shall mean a townhome or homeowners' association formed by the Developer or its assignee by plat, replat, rezoning or recordation of a separate declaration of covenants and restrictions to govern a portion of the Property (in addition to and not in lieu of this Declaration) and to operate and maintain a Neighborhood and its Common Elements.

Y. "Neighborhood Owner" shall mean an owner of a Residential Unit (as that term is defined in Paragraph GG of this Article I) or Residential Property (as that term is defined in Paragraph FF of this Article I) in a Neighborhood.

Z. "Notice" shall mean delivery of any document by mail with postage prepaid to the last known address, according to the

Association's records of the person or entity who appears as Owner in the records of the Association. Notice to one, two or more co-owners shall constitute notice to all Owners. Notice shall be deemed given upon posting in the U.S. Mail, upon delivery to an overnight service like Federal Express, Purolator or the like, or upon forwarding by fax, when delivery by mail is to follow immediately thereafter.

AA. "Owner" shall mean and refer to the Owner as shown by the records of the Association, whether it be the Developer, one or more persons, firms, associations, corporations, or other legal entities of fee simple title to any portion, Lot or parcel of the Property including, but not limited to, ownership of any Commercial Property or Membership Recreational Facility. Owner shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or other appropriate proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

BB. "Plat" or "Plats" shall mean and refer to the recorded Plats of Harbor Hills filed in the Public Records of Lake County, Florida, which pertain to property incorporated into the Harbor Hills development and all additions thereto and replats thereof which are now filed or which may hereafter be filed in the Public Records of Lake County, Florida.

CC. "Property" shall mean and include the real property described in Exhibit "A" attached hereto and, when added or deleted in accordance with the terms and conditions hereof, shall also include such real property subsequently subjected to or deleted from this Declaration.

DD. "Protected Area" shall mean and refer to areas designated as "Conservation Easement", "W.R.A.", "Water Retention Area", "Golf Course" or "Park" on the Plat.

EE. "Recreational Areas" shall mean and refer to the marina, those areas shown on the Plat as Parks, Golf Course, Clubhouse and Amenities Area, and areas subsequently added and so designated, if any.

FF. "Residential Property" shall mean any parcel of land shown as a Lot or as part of a multi-family section on the Plat and located within the Property which is intended for use as a site for one or more Residential Units which has not been conveyed to an Owner intending to occupy a Residential Unit located thereon.

GG. "Residential Unit" shall mean and refer to any improved property intended for use as a complete and separate single-family dwelling, including, but not limited to, any detached dwelling, patio home, garden home or townhouse unit located within the Property: For the purposes of this Declaration, any such dwelling shall not be deemed to be improved until a certificate of occupancy

has been issued by the appropriate governmental authorities for the dwelling constructed or until said dwelling is determined by the Association, in its reasonable discretion, to be substantially complete.

HH. "Rules and Regulations" shall mean the rules, regulations and policies which may be adopted by the Board from time to time by resolution duly made and carried.

II. "Subdivision" shall mean Harbor Hills.

JJ. "Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

KK. "Turnover" shall mean the transfer of operation of the Association by the Developer as described in Article XII hereof.

#### ARTICLE II

##### PROPERTY SUBJECT TO DECLARATION

Property. The real property which shall be held, transferred, sold, conveyed, given, donated, leased or occupied subject to this Declaration is described in Exhibit "A" attached hereto and made a part hereof by reference. The Developer intends to develop the Property in accordance with the Plats of Harbor Hills, but hereby reserves the right to revise and modify this Declaration and the Plat from time to time without the approval of any person or entity including the Association or its Members or any Neighborhood Association or its Members until Turnover of the Association. Any revisions or modifications to the Declaration will be consistent with the general plan of development so that the Harbor Hills community will substantially retain the character and restrictions contemplated by the Developer and the Owners.

The Developer shall not be responsible or liable to the Members or Owners for failing to follow any predetermined order of improvement and development within or of the Property. The Developer may delete or excise portions of the Property from the application of this Declaration or bring within this Declaration additional lands and develop them before completing the development of the Property. If so, the Developer will record a Certificate of Deletion or Certificate of Annexation in the Public Records of Lake County showing the deletion from or addition to the Property. The Developer shall have the full power to add to, or make changes in this Declaration or the Plat regardless of the fact that such actions may alter the relative voting strength of the membership of the Association.

ARTICLE IIICOMMUNITY AND NEIGHBORHOOD ASSOCIATIONSSection 1. Operation of the Property.A. Introduction.

The Association shall be responsible for the governance of the entire community of Harbor Hills. By acceptance of a deed to any portion of the Property, each Grantee thereof, whether an initial purchaser from the Developer or the Successor Developer or a subsequent purchaser, agrees to be bound and abide by the terms of this Declaration, the Articles, the Bylaws and other Rules and Regulations of the Association established from time to time. In addition, the family, guests, employees, agents, invitees and tenants of the Owners or any other person or entity in possession or entitled to possession, use or occupancy to any Lot, parcel or portion of the Property shall, while in or on the Property, abide and be bound by the provisions of this Declaration, the Articles, the Bylaws and other Rules and Regulations of the Association as established and amended from time to time.

B. Membership in the Association. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the Owner's interest in the Property. A membership shall be transferred automatically by conveyance of the Owner's interest in the Property. If title to a Residential Unit or Residential Property is held by more than one person, each of such persons shall be a Member, but there shall be only one vote for such Residential Unit or Residential Property owned.

An Owner of more than one Residential Unit or Residential Property shall be entitled to one membership and one vote for each Residential Unit or Residential Property owned. Where the Developer or the Owner of a Residential Unit or Residential Property has adjusted the size or configuration of a Residential Unit or Residential Property by conveying less than or more than one entire Residential Unit or Residential Property, the membership associated with the Residential Unit or Residential Property shall be controlled by the Owner of the larger portion of the Residential Unit or Residential Property. If the Residential Unit or Residential Property is equally divided, the membership shall be owned by the person noted as the Owner of the membership on the deed of conveyance. The size adjustments of Residential Units or Residential Property described hereinabove shall be permitted for the purpose of increasing the size of a contiguous Residential Unit or Residential Property as long as no more than one Residential Unit is constructed upon the property so altered.

If a Commercial Property or a Membership Recreational Facility is owned by more than one person or entity, each such person or entity shall be a Member but only such votes as provided in attached Exhibit B, incorporated herein by reference, may be cast

by the Owners of such property by a person(s) designated to so vote in accordance with the Bylaws.

An Owner of Commercial Property or a Membership Recreational Facility shall be entitled to the number of memberships set forth in Exhibit B. It is the Owner of a Membership Recreational Facility and not the members thereof who shall be Members of the Association and entitled to the vote(s) associated therewith.

No person or entity other than an Owner or Developer may be a Member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of title to the Owner's property interest.

C. Voting in the Association. Each Residential Unit or Residential Lot shall be entitled to one vote in all Association matters submitted to the membership, and the Owner of the Residential Unit or Residential Lot shall be entitled to cast the vote in his discretion. However, when more than one person or entity owns an interest in a Residential Unit or Residential Lot, the vote for such Residential Unit or Residential Lot shall be exercised as determined in the Bylaws, but in no event shall more than one vote be cast with respect to any such Residential Unit or Residential Lot.

An Owner of Commercial Property or a Membership Recreational Facility shall be entitled to one vote for each membership connected with the portion of the Property it owns. In no event shall more than one vote be cast for each such membership.

The Developer shall indicate in each deed conveying any interest in the Commercial Property, the number of memberships and hence votes associated with the portion of the Commercial Property so conveyed. The votes and memberships are not separable and are deemed to run with the Commercial Property conveyed.

D. Neighborhood Associations.

It is the intent of this Declaration that each of the Neighborhoods as may be established by the Developer, from time to time, may have a Neighborhood Association for the governance of such Neighborhood. The Owner or Owners forming the Neighborhood Association must make provision for even and fair representation on the governing board of the Neighborhood Association. Prior to turnover of the Neighborhood Association, the Developer shall have the right to review the documentation creating the Neighborhood Association and may, in its sole discretion, but shall not be

obligated to, require such changes in the documentation so as to assure fair and representative governance of the Neighborhoods and preservation of the common scheme of development provided for herein.

Section 2. Organization and Turnover of the Association.

A. Organization.

The Developer shall organize the Association. The Board of Directors shall consist of no more than twenty and not less than three directors. Prior to Turnover the Developer shall have the right to control the Association as herein provided and shall not be required to submit any matters to the Members for a vote of approval. There shall be at least three initial Directors and Developer shall have the right to appoint them. The date of organization of the Association occurred on May 25, 1989.

B. Powers of the Association.

The Association shall have the power to:

1. adopt and amend Bylaws and Rules and Regulations;
2. adopt and amend budgets for revenues, expenditures and reserves and levy and collect Assessments for Common Expenses from Owners, and Neighborhood Associations as applicable;
3. hire and discharge managing agents and other employees, agents and independent contractors;
4. institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners or Neighborhood Association on matters affecting the Property;
5. make contracts and incur liabilities;
6. regulate the use, maintenance, repair, replacement and modification of the Common Property;
7. cause additional improvements to be made as a part of the Common Property;
8. acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property;
9. grant easements, leases, licenses and concessions not inconsistent with this Declaration;
10. impose and receive any payments, fees or charges for the use, rental or operation of the Common Property and for services provided to the Owners;
11. impose and receive charges for late payment of Annual Assessments, Special Assessments, and Individual Assessments (hereinafter Annual Assessments, Special Assessments and Individual Assessment will collectively or individually, as the context requires, be called "Assessments") and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, the Bylaws and the Rules and Regulations of the Association;

12. impose reasonable charges for the preparation and recordation of amendments to this Declaration and statements of unpaid Assessments;

13. provide for the indemnification of its officers and Board of Directors and maintain directors' and officers' liability insurance;

14. exercise all other powers that may be exercised in this State by legal entities of the same type as the Association contemplated herein and any and all powers necessary or proper for the governance and operation of the Association; and

15. exercise any other powers conferred by this Declaration, the Articles or Bylaws.

C. Turnover of Control.

Turnover of control of the Association to the Owners other than Developer is solely within the discretion of the Developer. The meeting at which the Developer turns control of the Association over to the Owners shall be called the Turnover Meeting.

Section 3. Developer Rights in the Association after Turnover. Even after Turnover of control of the Association by the Developer to the Members, the Developer shall be entitled to appoint at least one (1) member of the Board of Directors for as long as the Developer is either 1) the Owner of any of the Property which it offers for sale in the ordinary course of its business; or 2) is the Owner of any of the Membership Recreational Facilities or other amenity created and operated by Developer on the Property. While the Developer is entitled to representation on the Board, whether the Developer exercises that right of appointment or not, the Board shall have no authority to, and shall not, undertake for at least 50 years from the date hereof any action which shall:

(a) prohibit or restrict in any manner the sales and marketing program of the Developer or any Owner;

(b) decrease the level of maintenance services of the Association performed by the Developer Controlled Board of Directors;

(c) make any Special or Individual Assessment against, or impose any fine upon, the Developer's property or the Developer;

(d) change the membership of the Design Review Board or diminish its powers as stated herein or change the Design Review Criteria;

(e) alter or amend any Declaration, any subsequent amendment thereto, the Articles or Bylaws;

(f) modify, amend or alter the Plat;

(g) terminate or cancel any contracts of the Association entered into while the Developer Controlled Board of Directors was in office;



(h) terminate or waive any rights of the Association under this Declaration;

(i) convey, lease, mortgage, alienate or pledge any easements or Common Property of the Association;

(j) accept the conveyance, lease, mortgage, alienation or pledge of any real or personal property to the Association;

(k) terminate or cancel any easements or assessments of any Neighborhood Association or Owner;

(l) terminate or impair in any fashion any easements, powers or rights of the Developer hereunder;

(m) restrict the Developer's right of use, access and enjoyment of any of the Property; or

(n) cause the Association to default on any obligation it has under any contract or under this Declaration, unless the Developer consents in writing to the action.

Section 4. Rights Concerning Protected Areas. The rights, duties and restrictions set forth in Article X hereof are for the purpose of preserving certain areas of the Property and no such rights shall be altered or abridged by the Association, without the approval of the Association and Developer, or failing that fifty years from the date hereof.

Section 5. Operation of the Membership Recreational Facilities.

A. Introduction.

The operation of the Membership Recreational Facilities shall be as provided by the Owner thereof and shall be separate and distinct from the operation of the Property; provided, however, that by this Declaration, the Developer and its successors in interest as Owners, covenants that it will be bound and will abide by the restrictions and terms of this Declaration. The governance of the Membership Recreational Facilities shall be as provided in its own membership documents.

The Association shall have no control over the Membership Recreational Facilities other than to enforce payment of its Owners' pro rata share of Assessments.

Right to use the Membership Recreational Facilities will be on such terms and conditions as may be promulgated from time to time by the Developer or its successors in interest, which terms and conditions shall not be inconsistent with the provisions of this Declaration. The Developer shall have the right, from time to time, in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Membership Recreational Facilities, specifically including, without limitation, the terms of eligibility for use, privileges available to users of such facilities, the categories of use and the number of users permitted to use any of the Membership Recreational Facilities, to reserve use rights for future Owners or to terminate

Facilities, to reserve use rights for future Owners or to terminate any and all use rights.

Ownership of a Residential Unit or Residential Property does not confer any ownership, ownership rights or use rights in the Membership Recreational Facilities. Persons in the future who are permitted to use the Membership Recreational Facilities, as they may exist from time to time, shall not acquire a vested right to continue to use such facilities. Those use rights will be determined by the written agreement between such persons and the Owners of the applicable Membership Recreational Facility.

Membership in any or all of the Membership Recreational Facilities is separate and distinct from membership in the Association or any Neighborhood Association. Owners shall have the right to apply for membership at the time the Owner's subscription for a membership is submitted. In the event an Owner is accepted as a member of such, the Owner shall be subject to such documents and such rules and regulations as are established and existing at the time of acceptance, as the same may be amended from time to time, and shall be required to pay such membership contributions, initiation fees, dues and other amounts as may be required from time to time.

B. Organization and Developer Rights.

1. The Membership Recreational Facilities shall have such members as their board of directors respectively decide from time to time. Membership shall not necessarily be limited to Owners but may include members of the general public. Membership subsequently may be limited to Owners at the discretion of the board of directors of the respective Membership Recreational Facility. There may be different types or levels of membership in the various Membership Recreational Facilities.

2. Membership, unless converted to an equity membership club, shall be a license cancelable in the sole discretion of the board of directors of the respective facility after granting to the license holder notice of termination of the license and a hearing.

3. The portion of the Common Expenses or Assessment against the respective Membership Recreational Facility shall be as set forth in Exhibit "C", incorporated herein by reference.

4. The Developer shall have the absolute right to discontinue the operation of any or all of the Membership Recreational Facilities, or to sell or otherwise dispose of the real and personal property of the Membership Recreational Facility, or any portion thereof, in any manner whatsoever, and to any person or entity, or to convert any of the Membership Recreational Facilities to an equity membership club, at any time and without the approval of Owners or any other person or entity; provided, however, such person or persons must comply with the provisions of this Declaration. In the event the Developer shall decide to sell any

of the Membership Recreational Facilities to the membership, it may do so upon such terms and at such times as it may decide in its sole and unrestricted discretion.

C. Easement Rights and Assumption of Liability. Developer hereby grants to the Owners of the Membership Recreational Facilities such easements of access and rights-of-way as are necessary to enable the Owners of the Membership Recreational Facilities and their guests, members, employees, agents and invitees to fully utilize the Membership Recreational Facilities for their intended purpose. This easement shall include the right of the Owners of the Membership Recreational Facilities and their guests, members, employees, agents and invitees to travel upon and across the roads and rights-of-way of Harbor Hills. This easement includes the right of the members of the Country Club Membership Recreational Facility to come upon portions of the Common Area and Lots and other properties in Harbor Hills for the purpose of retrieving their golf balls, provided that golfers may only retrieve golf balls on foot and may not retrieve their golf balls from residential lots by driving upon the Lots with their golf carts. The Owners of the Membership Recreational Facilities are required to apprise their guests, members, employees, agents and invitees of the limitations on their right of use. The right of the members of the Membership Recreational Facilities to utilize the streets and roads of Harbor Hills is restricted to rights of access necessary to enable the full use of the Membership Recreational Facilities and does not include a right of access for any other purpose. Any Owners of Membership Recreational Facilities or their guests, members, employees, agents or invitees who are found to violate this provision may be prohibited from accessing the Property. The Owners of the Membership Recreational Facilities are obligated to apprise their guests, members, employees, agents or invitees that they are responsible for any damage to Common Areas, Lots or improvements thereon caused by errant golf balls, golf carts or otherwise.

ARTICLE IV

FUNCTIONS OF COMMUNITY ASSOCIATION

Section 1. Services. The Association shall have the right to undertake the following services:

- A. Maintenance of all Common Property.
- B. Maintenance of any real property located within the Property upon which the Association has an easement by Plat or other duly recorded instrument granting such easement to the Association executed and delivered by the owner of such property.
- C. Maintenance of Lakes owned by the Association within the Property, if and to the extent permitted by any governmental authority having jurisdiction thereof. Maintenance as used in this subsection shall include, but not be limited to, the preservation

of any Lakes as bodies of water in an ecological sound condition to be used for such water activities as may be determined and allowed from time to time by the Association.

D. The Association's right to maintain the Common Property shall specifically include, but shall not be limited to, the Conservation Areas, the Surface Water or Stormwater Management System including but not limited to side drains, underdrains, storm sewers, inlets, end walls and other storm water or sewer facilities associated therewith, and other facilities permitted therein.

E. Taking any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Property or in the Articles or Bylaws.

F. Conducting the business of the Association, including but not limited to administrative services such as legal, accounting, financial and communication services such as informing Members of activities, notices of meetings and other important events.

G. Purchasing and maintaining adequate policies of general public liability and extended coverage casualty insurance upon the improvements and activities on the Common Property and insuring or bonding directors, officers and employees of the Association with adequate fidelity insurance or bonds. Hazard insurance proceeds for losses to any Common Property may not be used other than for repair, replacement or reconstruction of such property.

H. Establishing and operating the Design Review Board as provided in this Declaration.

I. Publishing and enforcing such Rules and Regulations as the Board deems necessary.

J. Maintenance of and providing for lighting of roads, sidewalks, walking and bike paths throughout the Property to the extent not dedicated or otherwise assigned to governmental, quasi-private or private entities.

K. Constructing and maintaining improvements on the Common Property and easement areas as the Board deems appropriate to provide the services described herein.

L. Restriction of access to Harbor Hills, which may be accomplished by personnel at the gatehouse, by the installation of electronic equipment regulating the gates located at each of the community access roads, or by other means and methods determined by the Association in its sole discretion, from time-to-time. Neither the Association nor the Developer shall be obligated to provide such services and all Owners acknowledge by acquiring a portion of the Property that neither the Association nor the Developer shall be held liable for any costs, fees, expenses or damages to Owners or their families, guests, employees, agents or invitees caused by the acts of others.

M. Maintenance of all Protected Areas in a clean and natural condition in the manner set forth herein.

N. The Association shall have the absolute right and privilege to enter any Neighborhood at any reasonable time to correct a defect or abate a nuisance if it shall have given the Owner or the appropriate Neighborhood Association twenty-four (24) hours notice of the nuisance or defect or of violation of an Association rule that the Board reasonably believes to be a nuisance or violation and such has not been corrected. Such 24 hour notice shall not be necessary in the event of an emergency as such is determined in the Association's sole discretion.

O. Payment of Association expenses which shall include, but not be limited to, the following:

1. Taxes. All taxes levied or assessed upon the Common Area by any and all taxing authorities, whether they be city, county, state, private district or otherwise, including all taxes, charges or assessments, imposition of any liens for public improvements, special charges and assessments, and, all taxes on personal property and improvements which are now or hereinafter may be placed on the Common Area, including any interest, penalties and other charges which may accrue on such taxes.

2. Utilities. All charges levied for utility services to the Common Area whether supplied by a private or public firm including, without limitation, all charges for water, gas, electricity, telephone, sewer, garbage and any other type of utility service charge.

3. Insurance and Fidelity Coverage. The premiums on any policies of insurance acquired pursuant to Article XV hereof, together with the costs of such other policies of insurance, as the Board, with the consent of the Owners at any meeting thereof, shall determine to be in the best interest of the Association.

The costs of the Association for purchasing adequate fidelity insurance or bonds as determined by the Board in its sole discretion to protect against dishonest acts on the part of officers, directors, trustees, agents and employees of the Association and all of the persons who handle or are responsible for handling funds of the Association.

4. Costs of Reconstruction of Buildings and Improvements in Common Area. All sums necessary to repair or replace, construct or reconstruct ("Repair") any buildings or improvements located in the Common Area damaged by any casualty to the extent insurance proceeds are insufficient for such Repair. Any difference between the amount of insurance proceeds received on behalf of the Association with respect to Repair and the actual costs of the Repair ("Repair Sums") shall be an Association expense for which the Association may levy a Special Assessment against all Owners to obtain the funds necessary to pay for such Repair within ninety

(90) days from the date such damage was incurred. The Association shall proceed so that Repairs shall be completed within one year from the date of damage if possible.

5. Maintenance, Repair and Replacement Expenses. All expenses necessary to (a) maintain and preserve the Common Area and all buildings located on the Common Area and roads and road rights of way, including such expenses as grass cutting, trimming, watering and the like, and (b) keep, maintain, repair and replace any building improvements, fixtures and equipment in the Common Area in a manner consistent with the structure and improvements contained therein, the covenants and restrictions set forth herein, and all orders, ordinances, rules and regulations of any and all federal, state and city governments having jurisdiction thereof, as well as the statutes and laws of the State of Florida and the United States of America.

6. Administrative and Management Expenses. The costs of the administration of the Association, including any secretaries, bookkeepers or accountants of the Association, notwithstanding the fact that some of these services may be expended in providing services or collecting sums owed by a particular Lot. In addition, the Association may retain a managing company or contractors to assist in the operation of Harbor Hills and to perform or assist in the performance of certain obligations of the Association hereunder. The fees or costs of any management company or contractors retained shall be deemed to be part of the Association's expense.

7. Indemnification. The costs to the Association to indemnify and save harmless Developer from and against any and all claims, suits, actions, damages and/or causes of action arising from any personal injury, loss of life and/or damage to property in or about the Common Area, if any, and from and against all costs, counsel fees, expenses, liabilities resulting from such claim, the investigation thereof, or the defense at any level of any action or proceeding brought therein. The Association shall indemnify and hold harmless Developer for any costs Developer incurs to enforce his rights hereunder, or to compel the specific enforcement of provisions, conditions, covenants, restrictions contained in this Declaration including Developer's reasonable attorney's fees.

8. Reserved Funds. The costs to establish an adequate reserve fund for replacement and/or capital refurbishment of the Common Area ("Capital Contributions") in the amounts determined proper and sufficient by the Board. Each Owner acknowledges, understands and consents that Capital Contributions are the exclusive property of the Association as a whole and that no Owner shall have any interest, claim or right to any such Capital Contribution or funds composed of the same. The Association shall be responsible for maintaining the Capital Contributions in a

separate reserve account and shall use such funds only for capital costs and expenses as aforesaid.

9. Special Assessments. Any Special Assessment that shall be levied to defray (a) extraordinary expense items of the Association other than those contemplated by Capital Contributions; and (b) such other Association expenses determined by the Board to be payable by the Association which are not inconsistent with the terms of this Declaration, the Articles or the By-Laws.

10. Gate Expenses. All expenses incurred by the Association for the purposes of limiting access of the general public to Harbor Hills community and for maintaining Harbor Hills as a gated community shall be paid by the Association.

11. Cable Television. Any bulk rate fee for cable television service more fully described in Article XIII hereunder. Such bulk rate fees may also be the obligation of a Neighborhood Association.

P. The Association shall be responsible for the maintenance, operation and repair of the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System(s) shall mean the exercise of practices which allow the system to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. John's River Water Management District and Lake County. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted or, if modified, as approved by the St. John's River Water Management District and Lake County. The Association shall be responsible for such maintenance and operation.

Section 2. Obligation of the Association. The Association shall carry out any of the functions and services specified in Section 1 of this article with the proceeds first from Annual Assessments and then, if necessary, from Individual or Special Assessments. The specific functions and services which the Association undertakes at any particular time shall be as determined by The Board of Directors after consideration of the revenues available from Assessments and the needs of the Members. The functions and services which the Association is authorized to carry out or to provide, may be expanded or reduced at any time upon the affirmative vote of a majority of the Board of Directors.

Section 3. Mortgage and Pledge. The Board of Directors shall have the power and authority to borrow money and to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association, which loans shall be used by the Association in performing the functions and providing the services of the Association.

Section 4. Conveyance to Association. The Association shall be obligated to accept any and all conveyances to it by Developer of fee simple title, easements or leases to Common Property.

Section 5. Conveyance by Association. The Association shall be empowered to delegate or convey any of its functions or properties to any governmental unit or special taxing district, including, if applicable, a community development district for public utilities or for other public or semi-public purposes, or to any private entity without the affirmative vote of two-thirds (2/3) of its Members so long as the delegation of the function will not result in a diminution in service and so long as the use of the property after conveyance will be consistent with the intended use of such property.

Section 6. Association Actions Requiring Approval. After Turnover, unless at least two-thirds (2/3) of the Owners of Residential Units have given their prior written approval, the Association shall not be entitled to:

A. by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Property owned, directly or indirectly, by the Association for the benefit of the Residential Units (the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Property shall not be deemed a transfer within the meaning of this clause);

B. change the method of determining the obligations, Assessments, dues or other charges which may be levied against a Residential Unit Owner, or change the membership, voting rights, or pro-rata Assessment of any portion of the Property. In all events, even with a two-thirds vote, no change may be made to the membership rights and Assessment obligations set forth in Exhibits "B" and "C" without consent of the Commercial Property Owners and their lenders, if the change is to the Commercial Property rights or obligations, or the respective Membership Recreational Facility and their lenders if the change applies to such Membership Recreational Facility;

C. by act or omission change, waive or abandon any scheme of regulation or enforcement thereof, pertaining to the architectural design or the exterior appearance of Residential Units, the exterior maintenance of Residential Units, the maintenance of the Common Property, party walls or common fences and driveways or the maintenance of lawn and plantings in Harbor Hills;

D. fail to maintain reasonably adequate fire and extended coverage and liability insurance on insurable Common Property;

E. use hazard insurance proceeds for losses to any Common Property for other than the repair, replacement or reconstruction of the property damage for which the proceeds were paid.



In no event may the Association take any such action if it will materially and adversely affect the beneficial use and enjoyment of the Common Property by the residents of Residential Units.

Section 7. Association Actions Requiring Approval of Governmental and Regulatory Agencies.

No action or enactment by the Association or its Board shall contravene or violate any provision of Article X hereof and to the extent of such contravention or violation the action of the Board or the Association shall be void.

Section 8. Personal Property for Common Use. The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise, subject to such restrictions as may from time to time be provided in the Association's Articles and Bylaws.

ARTICLE V

NEIGHBORHOOD ASSOCIATIONS

Section 1. Requirements. All Neighborhood Associations to be formed hereunder shall meet the following requirements:

A. A Neighborhood Association may be organized within a Neighborhood. The membership of such Neighborhood Association at all times shall consist of the Developer until such time as the Developer has turned over control of such Neighborhood Association to the Neighborhood Owners owning Residential Units or Residential Property in such Neighborhood.

B. Subject to the provisions of this Declaration, the Neighborhood Association may:

1. adopt and amend bylaws and rules and regulations;
2. adopt and amend budgets for revenues, expenditures and reserves and levy and collect assessments for the common expenses of the Neighborhood Association from Neighborhood Owners;
3. hire and discharge managing agents and other employees, agents and independent contractors;
4. institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Neighborhood Owners on matters affecting the Neighborhood only;
5. make contracts and incur liabilities;
6. regulate the use, maintenance, repair, replacement and modification of the Common Elements of the Neighborhood;
7. cause additional improvements to be made as a part of the Common Elements;
8. acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to Section 8 hereof;

9. grant easements, leases, licenses and concessions through or over the Common Elements;
10. impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements and for services provided to the Neighborhood Owners;
11. impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, the bylaws and the rules and regulations of the Neighborhood Association, and file liens against Residential Units and Residential Property in the Neighborhood Association for non-payment of assessments or fines, and file collection proceedings against Neighborhood Owners and file foreclosure proceedings against Residential Units and Residential Property for non-payment of assessments;
12. impose reasonable charges for the preparation and recordation of amendments to this Declaration or statements of unpaid assessments;
13. provide for the indemnification of its officers and maintain directors' and officers' liability insurance;
14. assign its right to future income, including the right to receive common expense assessments, but only to the extent this Declaration expressly so provides;
15. exercise any other powers conferred by the Neighborhood Association;
16. exercise all other powers that may be exercised in this State by legal entities of the same type as the Neighborhood Association;
17. exercise any other powers necessary and proper for the governance and operation of the Neighborhood Association; and
18. collect from the Neighborhood Owners, the Assessments due the Association and remit same to the Association.

C. Except as provided in the Declaration or the Bylaws, a board of directors of a Neighborhood may act in all instances on behalf of the Neighborhood Association. In the performance of their duties, officers and members of the board of directors of a Neighborhood Association are required to exercise ordinary and reasonable care.

Section 2. Budget. Within thirty (30) days after adoption of any proposed budget for a Neighborhood Association, the board of directors shall make available for review on or near the Property a summary of the budget to all the Neighborhood Owners within such Neighborhood.

Section 3. Turnover of Control. The declaration of the Neighborhood Association may provide for a period of Developer control of the Neighborhood Association, during which period the

Developer, or persons designated by him, may appoint and remove the officers and members of the board of directors. The Developer may voluntarily surrender the right to appoint and remove officers and members of the board of directors before termination of that period, but in that event he may require, for the duration of the period of Developer control, that specified actions of the Neighborhood Association or board of directors, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective.

Section 4. Board of Directors. Not later than the termination of any period of Developer control, the Neighborhood Owners within a Neighborhood shall elect a board of directors of at least three (3) members, at least a majority of whom must be Neighborhood Owners. Such board of directors shall elect the officers. The members of the board of directors and officers shall take office upon election. Notwithstanding any provision of the declaration or bylaws of the Neighborhood Association to the contrary, the Neighborhood Owners in a Neighborhood, by a two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of such Owners at which a quorum is present, may remove any member of the board of directors with or without cause, other than a member appointed by the Developer.

Section 5. Bylaws. The bylaws of a Neighborhood Association must provide for:

A. the number of members of the board of directors and the titles of the officers of the Neighborhood Association;

B. election by the board of directors of a president, treasurer, secretary and any other officers of the Neighborhood Association specified in the bylaws;

C. the qualifications, powers and duties, terms of office and manner of electing and removing board of directors members and officers and filling vacancies;

D. which, if any, of its powers the board of directors or officers may delegate to other persons or to a managing agent;

E. which of its officers may prepare, execute, certify and record amendments to the declaration on behalf of the Neighborhood Association; and

F. the method of amending the Bylaws.

Subject to the provisions of the declaration, the bylaws may provide for any other matters the Neighborhood Association deems necessary and appropriate.

Section 6. Maintenance Responsibility. Except to the extent provided by this Declaration, the Neighborhood Association is responsible for maintenance, repair and replacement of the Common Elements and each Neighborhood Owner is responsible for maintenance, repair and replacement of his Residential Unit, unless provided otherwise or approved by Developer. Each Neighborhood

Owner shall afford to the Neighborhood Association and the other Neighborhood Owners, and to their agents or employees, access through his Residential Unit or Residential Property reasonably necessary for those purposes. If damage is inflicted on the Common Elements, or on any Residential Unit through which access is taken, the Neighborhood Owner responsible for the damage, or the Neighborhood Association if it is responsible, is liable for the prompt repair thereof.

Section 7. Mortgage and Pledge. The board of directors shall have the power and authority to borrow money and to mortgage the property of the Neighborhood Association and to pledge the revenues of the Neighborhood Association as security for loans made to the Neighborhood Association, which loans shall be used by the Neighborhood Association in performing its functions.

Section 8. Approval of Neighborhood Association Documents. The Association shall have the right of specific approval or veto of all legal documents associated with all Neighborhood Associations, including, but not limited to, articles of incorporation, bylaws, declarations of covenants, conditions and restrictions, and declarations of condominium cooperative, if any.

ARTICLE VI

EASEMENTS

Section 1. Appurtenant Easements. Developer hereby grants to each Owner of Residential Property, a Residential Unit, Commercial Property or Membership Recreational Facilities, their guests, lessees and invitees, as an appurtenance to the ownership of fee title interest to same and subject to this Declaration, the Articles, Bylaws and the Rules and Regulations, a perpetual non-exclusive easement for ingress and egress over, across and through the Common Property and/or the roadways as shown on the Plat ("Roadways") if such Roadways are not included within the Common Property and a perpetual non-exclusive easement for the use and enjoyment of the Common Property. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment, and other rights set forth herein, in and to the Common Property and improvements thereon to the members of his family, his tenants, or contract purchasers, provided the foregoing actually reside on said Owner's portion of the Property.

Appurtenant Easements are hereby granted by Developer to the Owners of the Membership Recreational Facilities and to their members, employees, agents, guests and invitees as follows: a non-exclusive easement across Residential Units and Residential Property contiguous to the golf course for the limited purpose of allowing golfers to retrieve their golf balls from such property, provided such golfers are allowed to walk upon such property and are not empowered to drive their golf carts upon such property in their efforts to retrieve their golf balls; a non-exclusive

easement across the Roadways of Harbor Hills to permit the passage of golf carts by individuals desiring to access the Membership Recreational Facilities; and a non-exclusive easement and right-of-way over, upon and across the airspace of Roadways within the Harbor Hills Community for the construction and maintenance of overpasses which will be used for pedestrian and golf cart passage by individuals utilizing the Membership Recreational Facilities.

Section 2. Utility Easement. The Developer reserves to itself, its successors or assigns, a perpetual easement upon, over, under and across the Property for the purpose of maintaining, installing, repairing, altering and operating sewer lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal systems, pipes, wires, syphons, valves, gates, pipelines, cable television service, electronic security systems and all machinery and apparatus appurtenant thereto to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities servicing all Owners and servicing the Common Property. All such easements shall be the size, width and location as Developer, in its discretion, deems best, but placed in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Property.

Section 3. Developer Easement. The Developer hereby reserves to itself, its successors and assigns, and to such other persons as Developer may from time to time designate, a perpetual easement, privilege and right in and to, over, under, on and across the Common Property and the Roadways, if not included within the Plat, for ingress and egress as required by its officers, directors, employees, agents, independent contractors, invitees and designees; provided, however, that such access and use do not unnecessarily interfere with the reasonable use and enjoyment of these properties and facilities by the Owners. The Developer further reserves to itself, its successors and assigns, including, without limitation, its sales agents and representatives, and prospective purchasers of Lots, easements over, under or through the Common Property for construction, utility lines, and display, including, without limitation, signage, maintenance and exhibit purposes in connection with the erection of improvements and sale of Lots within the Property; provided, however, that such use shall terminate upon the Developer's sale of all Lots.

Section 4. Service Easement. Developer hereby grants to delivery and pickup services, school buses, governmental agents, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Developer, its successors or assigns to service the Property, and to such other persons as the Developer from time to time may

designate, the nonexclusive, perpetual right of ingress and egress over and across the Common Property and Roadways, if not included in the Common Property, for the purposes of performing their authorized services and investigation.

Section 5. Easements to County. Developer grants to Lake County the right of ingress and egress over and across the Common Property and Roadways, if not included in the Common Property, for fire, police, emergency and other County services.

Section 6. Easement for Access and Drainage; Swale Maintenance. Easement for drainage and/or for installation and maintenance of utilities are reserved as shown on the recorded map or Plat of the Property. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may impede the flow of water through drainage channels in the easements.

The Association shall have a perpetual non-exclusive easement over all areas of the Surface Water or Stormwater Management System for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any Lot which is a part of the Surface Water or Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water or Stormwater Management System as required by the St. John's River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including buffer areas or swales, without the prior written approval of the St. John's River Water Management District.

The Developer has constructed a Drainage Swale upon each Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such lot from time to time. Each Lot Owner, including builders, shall be responsible for the maintenance, operation and repair of the swales on the Lot. Maintenance, operation and repair shall mean the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the St. John's River Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the Drainage Swale shall be authorized and any damage to any Drainage Swale, whether caused by natural or human-induced phenomena, shall be repaired and the Drainage Swale returned to its former condition as soon as possible by the Owner of the Lot upon which the Drainage Swale is located.

Section 7. Owner's Right of Entry for Maintenance and Repair. Each Owner grants to the adjacent Lot Owner an easement for the

purpose of repairing, maintaining and inspecting the adjacent Lot. The easement area shall be a five (5) foot wide strip adjacent to the abutting Lot, provided, however, that the easement area shall not include any area occupied now or in the future by any portion of any house. Prior to entering the easement area for performing work on the adjacent Lot, the adjacent Lot Owner shall give the Lot Owner reasonable notice of work to be performed, together with an estimate of the time required to complete the work. Any equipment placed in the easement area for the repair and maintenance of the adjacent Lot must be removed at the end of each working day. All work must be performed in a timely manner so as not to create a nuisance. After utilizing the easement area, the adjacent Lot Owner shall replace any landscape and repair the damage resulting from the use of the easement area.

Section 8. Granted to and by the Association. There is hereby granted to the Association a perpetual non-exclusive easement across each Lot for the purpose of maintaining the Common Property. The Owners designate the Association and/or the Developer as their lawful attorney-in-fact to execute any instruments on their behalf as may be required for the purpose of creating such easement.

Section 9. Extent of Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

A. The right of the Developer or the Association, in accordance with its Bylaws, to borrow money from any lender for the purpose of improving and/or maintaining the Common Property and the Roadways, if not included in the Common Property, and providing services authorized herein and, in aid thereof, to mortgage said property.

B. The right of the Association to suspend the rights and easements of enjoyment of any Member or any tenant of any Member for any period during which any Assessment remains unpaid, and for any period, not to exceed sixty (60) days, for any infraction of its Rules and Regulations, it being understood that any suspension for either non-payment of any Assessment or breach of any of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the Assessment.

C. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility that may be situated on Common Property.

D. The right of the Board of Directors of the Association to control and regulate the use of any Roadways in the Subdivision, which control and regulation may include, but shall not be limited to, the posting of stop signs, the construction of speed control devices, the posting of signs governing the maximum and minimum speeds of vehicles, the denial of access to the Roadways to drivers of vehicles, (including but not limited to, bicycles, cars, trucks,

golf carts, motorcycles) because of prior performance, because of noise levels, and the enactment of any other necessary traffic and parking regulations which may be promulgated under the Rules and Regulations of the Association from time-to-time. The Association is authorized to enforce all traffic and parking regulations in the manner determined by the Board to be appropriate. The fact that such restrictions on the use of the Roadways shall be more restrictive than the laws of any state or local government having jurisdiction over the Property shall not make such restrictions unreasonable.

E. The right of the Association to give, dedicate or sell all or any part of the Common Property (including leasehold interests therein) or Roadways, if not included in the Common Property, to any public agency, authority, district or utility or private concern for such purposes and subject to such conditions as may be determined by the Association, provided that no such gift or sale or determination of such purposes or conditions shall be effective if the conveyance will result in a diminution in service unless the same shall be authorized by the affirmative vote of two-thirds (2/3) of the votes cast at a duly called meeting of the Board of the Association and unless written notice of the meeting and of the proposed agreement and action thereunder is sent at least thirty (30) days prior to such meeting to every person entitled hereunder to vote. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any such instrument of dedication or transfer prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the Association.

Section 10. Other Easements. Portions of the Subdivision are subject to various easements in favor of third parties, including easements set forth in the Plat and this Declaration.

The use of any easement granted under the provisions of this Article shall not include the right to disturb any building or structure in the Subdivision, and any damages caused to same shall be repaired at the expense of the party causing such damages.

Section 11. Easements of Encroachment. An easement is granted to the Association and to the Developer to permit the encroachment of any structures which may be located on a Lot at the time of conveyance of title to the Lot by the Developer to a Lot Owner. This easement of encroachment will permit the continued existence and maintenance of structures erected by the Developer on the Property such as neighborhood entry signs and structures, community mailbox centers, signage structures, irrigation equipment, and such other structures as are constructed by



Developer for the service or enhancement of Harbor Hills and its residents.

ARTICLE VII  
ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Developer covenants, and each Owner shall by acceptance of a deed, regardless of whether it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association: (1) Annual Assessments, (2) Special Assessments and (3) Individual Assessments, all of which shall be fixed, established and collected from time to time as hereinafter provided. The Annual, Special and Individual Assessments together with such interest thereon and costs of collection, including reasonable attorneys' fees therefor, shall be a charge and continuing lien as provided herein on the real property and improvements thereon of the Owner against whom each such Assessment is made. Each such Assessment, together with such interest thereon and cost of collection, shall also be the personal obligation of the person who was the Owner of such real property at the time when the Assessment first became due and payable. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Property or by the abandonment of the property against which the Assessment was made. In the case of co-ownership, all of such co-Owners shall be jointly and severally liable for the entire amount of the Assessment.

Section 2. Purpose of Annual Assessments. The Annual Assessments levied by the Association shall be used exclusively for the operation of the business of the Association, including the improvement, maintenance, enhancement and operation of the Common Property, and for the providing of services which the Association is authorized or required to provide including, but not limited to, the payment of taxes and insurance, construction, repair or replacement of improvements, construction, repair, maintenance or replacement of the Surface Water or Stormwater Management System (including but not limited to work within retention areas, drainage structures and drainage easements). The payment of the costs to acquire labor, equipment, materials, overhead, management and supervision necessary to carry out its authorized functions, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required functions and for the establishment and maintenance of a reserve account to be held in an interest bearing account or in investments to provide a source of funds for payment of major rehabilitation or major repairs to Common Property that must be replaced on a periodic basis.

Section 3. Special Assessments. In addition to the Annual Assessments authorized by Section 2 hereof, the Board of Directors may levy in any assessment year Special Assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction or reconstruction, unexpected repair or replacement of a described capital improvement upon Common Property, easements, including the necessary fixtures and personal property related thereto, or the maintenance and repair of the Surface Water or Stormwater Management Systems including, but not limited to, work within retention areas, drainage structures and drainage easements.

Section 4. Individual Assessments. The Association may impose an Individual Assessment upon any Owner for costs, expenses or fines levied against an Owner in accordance with the terms of this Declaration. The costs, expenses or fines may include, but shall not be limited to, an Owner's liability for: (a) expenses incurred by the Association in repairing or maintaining an Owner's property which is not improved or maintained in a manner consistent with the mandates of this Declaration, the Design Review Criteria, and the Rules and Regulations of the Association; and (b) expenses incurred by the Association in repairing damaged Common Property or replacing Common Property which results from the use of the Common Property by the Owner, his guests, invitees, agents, servants or employees; and (c) expenses incurred by the Association in increased insurance costs which resulted from the actions of the Owner, his guests, invitees, agents, servants or employees; and (d) fines levied against the Owner because of violations of the provisions of this Declaration, the Design Review Criteria or Rules and Regulations of the Association by the Owner, his guests, invitees, agents, servants or employees. The amount of such Individual Assessment shall be equal to such costs incurred, may include attorney's fees if such fees are incurred by the Association pursuant to the terms of this provision, and may be collected and enforced in the manner provided for any other Assessment, including the Association's right to lien, foreclose or sue for money in the event of non-payment.

Section 5. Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall be due and payable quarterly on the first day of the quarter in advance, and shall commence on the date set by the Board. At the option of the Board, the payment of Assessments may be changed to a more frequent basis.

Developer and its affiliate entities may be excused from the payment of Assessments for any property owned by it during such period of time that the Developer shall obligate itself to pay any amount of expenses of the Association incurred during that period not produced by the Assessments receivable from other Members. In

any event, the Developer shall be excused from paying the portion of the Assessments allocated to reserves.

The Annual Assessment shall be based upon an estimate of the operating expenses for the year plus adequate reserves for anticipated expenses. In the event the Annual Assessment proves insufficient to satisfy such expenses, the Board of Directors shall levy a supplementary assessment in the amount of the deficit. Notwithstanding any other provision herein, the supplementary assessment shall not require the assent of the Members.

The due date of any Assessment under Section 3 hereof shall be fixed in the resolution authorizing such Assessment. Written notice of the Assessment shall thereupon be sent to every Owner subject thereto.

Section 6. Duties of the Board of Directors. The Board of Directors shall prepare a roster of Owners and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner, at any reasonable business hour.

The Association shall, upon reasonable request, furnish to any Owner liable for such Assessment a certificate in writing signed by an officer of the Association, setting forth whether such Assessment has been paid. Such certificate shall be prima facie evidence of payment of any Assessment therein stated to have been paid.

Section 7. Allocation of Assessments. The total Assessment attributable to the Common Property (exclusive of the Individual Assessments provided for in Section 4) shall be determined in the manner more particularly set forth in the Bylaws of the Association. Any unpaid Assessments resulting from foreclosure or a deed in lieu of foreclosure shall be spread among the Members and included in the total Assessment attributable to the Common Property. The total costs, fees, expenses and other liabilities of the Association, as described in this Declaration, due in any given year shall be paid pro-rata, as set forth in attached Exhibit "C" incorporated herein.

Section 8. Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; The Lien; Remedies of Association. If the Assessments are not paid on the date due (being the dates specified in Section 5 hereof) then such Assessment shall become delinquent and shall, together with interest thereon, late charges and costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the Owner's property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The obligation of the Owner to pay such Assessment, however, shall remain his personal obligation. The Association may record a notice of lien for delinquent Assessments in the public records, may sue to foreclose

the lien in the same manner as a mortgage, and may sue the Owner personally for the unpaid Assessments, fees and costs, including attorney's fees. The lien shall secure the amount of delinquency stated therein and all unpaid assessments thereafter until satisfied of record. No Owner may waive or otherwise escape liability for the Assessments provided for herein by the non-use of the Common Area or abandonment of his portion of the Property.

If the Assessment is not paid within fifteen (15) days after the delinquency date, the Assessment shall bear interest from the date of delinquency at the maximum rate allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Owner's property, and there shall be added to the amount of such Assessment the costs of researching, preparing and filing the complaint in such action. In the event a judgment is obtained, such judgment shall include interest on the Assessment as above-provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

If the Association brings an action to foreclose the lien for sums assessed pursuant to this Declaration, then in any such foreclosure, the Owner shall be required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments which shall become due during the period of foreclosure, and the same shall be secured by the lien foreclosed and accounted for as of the date the Owner's title is divested by foreclosure. The Association shall have the right and power to bid at the foreclosure or other legal sale to acquire the property foreclosed, and thereafter to hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof. In the event the foreclosure sale results in a deficiency, the Court ordering the same may, in its discretion, enter a personal judgment against the Owner thereof for such deficiency, in the same manner as is provided for foreclosure of Mortgages in the State of Florida.

All other lienors acquiring liens on any of the Property after the recordation of this Declaration in the Public Records of Lake County, Florida, shall be deemed to consent that such liens shall be inferior to liens for Assessments, as provided herein, whether or not such consent is specifically set forth in the instruments creating such liens. The recordation of this Declaration in the Public Records of Lake County, Florida, shall constitute constructive notice to all subsequent purchasers and creditors, or either, of the existence of the lien hereby created in favor of the Association and the priority hereof.

Section 9. Subordination of the Lien to the Mortgages; Mortgagees' Rights. The lien of the Assessments provided for herein is unequivocally subordinate to the lien of any first mortgage of an Institutional First Lender ("Institutional First Mortgagee") now or hereafter placed upon all or any portion of the Property, provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such portion of the Property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure, including a sale or transfer of such portion of the Property pursuant to a deed in lieu of foreclosure. Such sale or transfer shall not relieve such portion of the Property from liability for any Assessments thereafter coming due, nor from the lien of any such subsequent Assessment. An Institutional First Mortgagee, upon request, shall be entitled to written notification from the Association of any default of an Owner of any obligation hereunder which is not cured within sixty (60) days. An Institutional First Mortgagee may pay taxes or other charges which are in default and which may or have become a charge against any Common Property and may pay overdue premiums or hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Property and mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charges and/or liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Property and any improvements thereon; and (c) any Roadways not otherwise included in the Common Property.

Section 11. Collection of Assessments. Assessments shall be collected by the Association.

Section 12. Costs of Collection. The Association shall be entitled to its costs of collection and attorneys' fees from any Owner against whom an Assessment must be enforced.

#### ARTICLE VIII

##### RESTRICTIONS, COVENANTS AND CONDITIONS

Section 1. Purpose of Lot. No Lot, unless specifically shown to the contrary on the Plat, shall be used for anything other than residential purposes, except for model office, sales office, and residential dwelling units which may be maintained by the Developer on the Lots for purposes of the sale of residential dwellings within the Property. Nothing herein shall be deemed to prevent an Owner from leasing a Residential Unit in accordance with the provisions of this Declaration. Except as otherwise provided herein, no building shall be erected, altered, placed or permitted

to remain on any Lot other than one detached single-family dwelling except in the multi-family area.

Section 2. Subdivision. No Lot shall be subdivided or split by any means whatsoever for the purpose of creating any greater number of residential lots. However, Lots may be subdivided for the purpose of increasing the size of contiguous Lots so long as the density of the Subdivision is not increased. Nothing herein contained shall be construed to prohibit the creation of easements or similar restrictions required by applicable governmental regulations. This provision does not prohibit the filing of plats of any areas shown on the Plat as available for future development, subsequent phases or the like, and this provision shall not be construed to prohibit the replat of portions of Plats by the Developer.

Section 3. Occupancy Approval. No building or structure upon the Property shall be occupied until the same is approved for occupancy by such governmental agency which is responsible for regulation of building construction and until it complies with the terms and provisions of these covenants.

Section 4. Other Structures. No garage or structure other than a Developer's temporary structure shall be erected on any Lot prior to the construction of a dwelling. If a garage or accessory building is built either simultaneously with or subsequent to the construction of the Residential Unit, the garage or accessory building shall be of the same kind of material as the construction of the dwelling and shall conform architecturally with the dwelling. The DRB must approve construction plans for the garage or any accessory building prior to commencement of construction.

Section 5. Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes, and only if such pets do not cause a disturbance or a nuisance on the Property. However, no more than two (2) household pets shall be permitted per Lot. All Owners at all times shall comply with all rules, regulations, ordinances, statutes, and laws adopted, promulgated, or enforced by any public agency having jurisdiction of the Property, and relating to animals.

The Owners of record of any Lot in which the above household pets become an annoyance or nuisance to the Neighborhood or adjacent or nearby homes, shall take the necessary steps to negate such annoyance or nuisance immediately. In the event any dispute shall arise in reducing or negating said annoyance or nuisance, the Board shall be empowered upon written petition of one or more of the affected Owners to make final decisions or arbitrations on the matter.

Section 6. Signs. Except as may be required by legal proceedings, or as otherwise permitted by the Association, no sign, advertisement or notice of any type or nature whatsoever may be displayed or erected upon any Lot, yard, or other Common Area within the Property, or from any window or tree, unless express prior written approval of the size, shape, content and location has been obtained from the DRB, which approval may be withheld in its discretion. If after demand and reasonable notice to Owner, such Owner has not removed an unapproved sign, the Association may, through a representative, enter the Owner's premises and remove such sign without liability therefor. Owner hereby grants a license to the Association for such purpose. Notwithstanding the foregoing, the Developer shall be permitted to post and display advertising signs on the Property it owns and the Board of Directors may erect reasonable and appropriate signs on any portion of the Common Area.

Section 7. Garbage Disposal. No Lot shall be used as a dumping ground for rubbish. No person shall be allowed to dump any refuse, grey water, chemicals, pesticides, or like substances on a Lot. Lightweight containers weighing not more than twenty-five (25) pounds are permitted for trash, garbage, rubbish, debris, waste material or other refuse. Said containers must be tied or closed at all times and except for placement at streetside as described below, kept from view by the public or residents within the vicinity. Said containers must be returned to the utility yard or enclosure within eight (8) hours after the announced pick-up time. Notwithstanding the foregoing, during construction, dumpsters will be permitted and garbage disposal shall be regulated by the DRB.

Section 8. Hedges/Plantings. All hedges and plantings must be approved by the DRB as to location, size and height.

Section 9. Maintenance of Lots. All Residential Units, structures, buildings, walls, driveways, and fences placed or maintained on the Property or any portion thereof shall at all times be maintained in good condition and repair. Each Lot, whether occupied or unoccupied, shall be maintained reasonably clean and free from refuse, debris, unsightly growth and fire hazard by the Association. Specifically:

a) Grass, hedges, shrubs, vines and mass plantings of any type on each Lot shall be kept trimmed and shall at regular intervals be mowed, trimmed and cut so as to maintain the same in a neat and attractive manner. Trees, shrubs, vines and plants which die shall be promptly removed and replaced.

b) No weeds, vegetation, rubbish, debris, garbage, objects, waste materials, or materials of any kind whatsoever shall be placed or permitted to accumulate upon any portion of a Lot which would be unsanitary, unsightly, offensive, or detrimental to the

property in the vicinity thereof or to the occupants of any such property in such vicinity.

c) The portions of the Lots visible from other Lots, the roads or from any Membership Recreational Facility, information center and Golf Course, must be kept in an orderly condition so as not to detract from the neat appearance of the Property. The Board of Directors, in its sole discretion, may determine whether or not such visible portions are orderly. After notice to the Owner failing to comply with these standards and after providing in the notice an opportunity to cure the violation, The Association may have any objectionable items removed so as to restore a proper appearance, without liability therefor, and charge the Owner for any costs incurred in the process.

Section 10. Reconstruction. Except for any Membership Recreational Facility, no person shall reconstruct, damage or destroy, open, reduce, remove, alter, modify or install any thing or improvement within, over or upon any lake, canal, bank, slope or swale even though on property they own without first obtaining written approval from the Association. No construction or excavation in the proximity of any lake, canal, bank, slope or swale shall be permitted which, in the opinion of the Association, would impair the stability of the slopes in said area.

Section 11. Preservation of Trees. In connection with the development of any Lot for residential purposes, or the construction of improvements thereon, reasonable care shall be used to preserve and retain as many trees as is reasonably possible. No excavation or fill or clearing of trees shall be performed in violation of the law. No trees greater than 3 inches in diameter at breast height shall be cut or removed without approval of the DRB. If existing trees are removed without DRB approval, or if existing remaining trees die during construction, the DRB may require the replacement of each tree with a container-grown tree with a minimum size of 14 feet/7 feet.

Each Property shall have at least 3 shade trees (not including the requirements for street trees), of which no less than 2 will be located in the front and/or along the sides of the Residential Unit. Shade tree selection shall be approved by DRB. Shade trees shall not be planted in locations that would immediately or in the future create a nuisance, materially shade a pool or block the view of an adjoining Lot. Palms may be substituted for shade trees if approval for such substitution is given by DRB.

DRB shall have the right, but not the obligation, to adopt additional restrictions concerning the height and type of trees and shrubs within the Property.

Section 12. Open Outside Storage. No stripped, unsightly, offensive, wrecked, junked or dismantled vehicles or portions thereof, no furniture or appliances designed for normal use or



operation within (as distinguished from outside of) dwellings, or any other debris or unsightly material, shall be parked, permitted, stored or located upon any Lot. No open outside storage on any Lot is permitted.

Section 13. Clotheslines. Clotheslines or other outdoor clothes-drying facilities shall be permitted at such times and in such places as permitted under the Design Review Criteria.

Section 14. Excavations. No excavations for stone, gravel, and dirt or earth shall be made on any portion of the Property, except for the construction of Residential Units, walls, foundations, structures and other appurtenances, plans and specifications for which excavations have been approved by the DRB.

Section 15. Water. No Owner may install a private water well on a Lot. However, the private water well on Lot 2 of Block H may continue in existence. Any sprinkler systems that connect into the water supply system must have Florida Department of Environmental Regulation approved back-flow preventers.

Section 16. Games and Play Structures. All basketball backboards or any other fixed games or play structures shall be installed, maintained or used only as regulated and approved by the DRB as to type, placement and size. The Association has the right to promulgate Rules and Regulations pertaining to hours of use.

Section 17. Outside Installations. No exterior antennas or aerials, satellite dish or other receiver transmitting device or any similar exterior structure or apparatus may be erected or maintained except pursuant to standards adopted by the DRB. No ham radios, or radio transmission equipment shall be operated or permitted to be operated in or on the Property. Solar hot water heating equipment and piping may be installed, but only in accordance with the Design Review Criteria and as approved by the DRB. Solar panels will be allowed if installed in an architecturally and aesthetically compatible manner as approved by the DRB.

Section 18. Storage of Construction Materials. No lumber, brick, stone, cinder block, concrete or any other building materials, scaffolding, mechanical devices or any other thing used for building purposes and no landscape materials shall be stored on any Lot, or on the Property, except for purposes of construction on such Lot, and they shall not be stored for longer than that length of time reasonably necessary for the construction in which same is to be used, and shall be screened from view as provided in the Design Review Criteria. The provisions of this Section shall not apply to Developer or his affiliate entities.

Section 19. Rules and Regulations. No Owner shall violate the reasonable Rules and Regulations for the use of the Lots and the Common Area, as the same are from time to time adopted by the Association. The prohibitions and restrictions contained in this

Article shall be self-executing without implementation by Rules and Regulations of the Association; but the foregoing shall not be construed as an implied prohibition against the Association's extension of the scope of such prohibitions and restrictions by from time to time adopting Rules and Regulations consistent with this Declaration.

Section 20. Subdivision Common Areas. Subdivision Common Property is to be used by Lot Owners in a manner consistent with the design and designation of such Common Property. Lot Owners and their guests, invitees, agents and employees who use the Common Property use it at their own risk and shall hold harmless the Association for loss or damage occasioned by any injury incurred as a result of such use. No Owner may alter the natural land contour of any Water Retention Area as identified on the Plats.

Section 21. Motor Vehicles, Trailers, Campers, Etc. Each Owner shall provide parking on its Lot for at least two automobiles. Provision for parking shall be made on the Lot prior to the Owner's occupancy of the Lot. Subject to the terms of this Section, unless otherwise specifically permitted by the Association, there shall be no outside storage or parking on a Lot or within any portion of the Common Area (other than areas provided therefor within the Common Area, if any) of any boat or other water craft, mobile home, trailers (either with or without wheels), motor home, tractor, trucks in excess of 3/4 ton capacity, commercial vehicles of any type, camper, or any other related forms of transportation devices. The above forms of transportation shall only be parked or stored within a fully-enclosed garage.

All motorized vehicles or transportation forms of any kind shall be permitted by all applicable state or local governmental authorities. All motorized vehicles must be registered with the Association. The Association may charge a minimum fee for the registration of motorized vehicles. Because of noise and safety issues, the use of motorized go-carts, all terrain vehicles (ATV's), and mopeds are prohibited within the Subdivision.

No Owners or other occupants of any portion of the Property shall repair or restore any vehicle of any kind upon or within the Property or within any portion of the Common Area, except for emergency repairs and then only to the extent necessary to enable the movement thereof to a proper repair facility. Vehicles shall be parked only within Lots on paved surfaces or designated areas and shall not block sidewalk or bike paths. Parking by Owners within street rights-of-way is prohibited. The Association is authorized to tow vehicles parked in violation hereof and charge the expense therefor against the Owner in violation. Overnight parking in street rights-of-way by non-Owners shall be prohibited.

Section 22. Delivery and Construction Hours. Unless otherwise authorized by the Association, construction activities

(other than work to be performed on the inside of a Residential Unit which is enclosed) and delivery of construction materials shall be permitted on Monday through Friday between the hours of 7:00 a.m. and 7:00 p.m., and on Saturday between the hours of 9:00 a.m. and 4:00 p.m., excluding therefrom National holidays. Storage and removal of construction debris shall be in accordance with the Design Review Criteria and any additional requirements imposed by the DRB. The utmost care shall be exercised during construction to insure safe working conditions.

Section 23. Mailboxes. No individual mailboxes shall be installed on the Property. Cluster mailboxes shall be installed in such locations and such size, color and design as approved by the DRB. Such mailboxes will be installed by the Developer and shall be maintained by the Association.

Section 24. Lawns, Landscaping and Lawn Ornaments. The design, placement and maintenance of lawns, landscaping, and lawn ornaments shall be governed by the DRB. All lawns and the approved landscaping in front of each Lot shall be extended to the street pavement (including each side of any intervening sidewalk) and shall thereafter be maintained in good condition by the Owner. No gravel, blacktop or paved parking strips shall be installed or maintained by any Owner adjacent to and along the street.

Section 25. Protected Areas. Owners of Lots adjacent to Protected Areas are prohibited from any act which might result in a violation of Article X hereof.

All Owners are specifically prohibited from disturbing any aquatic vegetation in any Lake or canal.

Section 26. Leasing. Except in neighborhoods of Harbor Hills which the Developer has designed and developed for short-term accommodation use, no Owner shall lease their Lot for a period of less than three (3) months or more than twice in any calendar year. Owner shall be responsible for providing notice to the Association at the time of leasing. The Owner shall be personally liable for the actions of their tenants. The Owner shall be responsible for apprising the tenant of the Rules and Regulations of Harbor Hills. The Owner shall insure that the tenant utilizes the Lot only for single family use.

Section 27. Boat Docks. Owners must obtain permission from DRB and any and all governmental agencies to construct any dock, davit, ramp, outbuilding or any structure designed for the use of a boat or watercraft within a Lot in or on a Lake or canal. If approval is obtained, then Owner must construct such dock or structure in accordance with the Design Review Criteria.

Section 28. Fences. No fences or walls shall be erected without approval by the DRB. Fences shall be of the same material as the exterior of the Residential Unit. No fences shall be allowed in the front of a Residential Unit.

Section 29. Swimming Pools. Swimming pools may be constructed on any Lot in the rear yard subject to Lake County rules and regulations, provided that access from outside the Lot is controlled from all directions, and provided that all swimming pools constructed on any Lot shall be subject to the restrictions and conditions of the Design Review Criteria and must be approved by the DRB.

Section 30. Limitations. Nothing shall be erected, constructed, planted or otherwise placed on the Property or on a Lot in such a position (subsequent to the initial construction of improvements on the Property by Developer) so as to create a hazard upon or block the vision of motorists upon any of the streets or roads or at street intersections. No improvement or modification or alteration of an improvement shall interfere with those easements or other rights which are set forth in this Declaration.

Section 31. Lot Improvement Restrictions. All building construction and landscape design for the Property shall be consistent with the provisions of the Design Review Criteria. No improvement or modification to a Lot or to landscaping shall interfere with the easements or other rights set forth in this Declaration. Once a Lot is improved with a Residential Unit and landscaping, the Owner must obtain approval from DRB to make any subsequent changes to the Lot, except for interior alteration not affecting the external structure or appearance of such Unit.

Section 32. Service Yards. All garbage receptacles, fuel tanks, gas meters, air conditioning and heating, and pool equipment and materials which are placed or stored outside, must be placed or stored in such a way to conceal them from view from roads and adjacent properties. Any such visual barrier shall be consistent with the Design Review Criteria, which may require construction of privacy walls or buffer landscaping.

Section 33. Nuisance, Unlawful or Offensive Use. No immoral, improper, noxious, offensive or unlawful use shall be made of the Property, nor shall anything be done thereon which may be or become an annoyance or nuisance to a Neighborhood, or to any neighborhood in the vicinity thereof, or to its occupants, or to the Common Area. All applicable laws, zoning ordinances, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property. No waste will be committed to the Common Area.

Section 34. Insurance. Nothing shall be done or kept on the Property or in the Common Area which will increase the rate of insurance for the Property or any other neighborhood. No Owner shall permit anything to be done or kept in or on his Lot or on the Common Area which will result in the cancellation of insurance on the Common Area or contents thereof, or any other neighborhood, or the contents thereof, or which would be in violation of any law.

Section 35. Outside Lighting. All outside lighting must be approved by the DRB. Except as may be installed initially by Developer, no spotlights, floodlights or similar high intensity lighting shall be placed or utilized upon any Lot which in any way will allow light to be reflected on any other Lot or the improvements thereon or upon any Common Areas without the written authorization of the DRB. The Design Review Criteria may include a requirement of minimal lighting of Lots for safety reasons. Seasonal lighting, if permitted, will be governed by the Design Review Criteria.

Section 36. Temporary Structures. No structure of a temporary character, trailer, tent, shack, barn, shed or other outbuilding shall be permitted at any time other than:

(a) Temporary structures during the period of actual construction as approved by the DRB;

(b) Tents or other temporary structures for use during social functions utilized pursuant to Rules and Regulations of the Association; and

(c) Temporary Structures used by Developer in connection with development of the subdivision.

Section 37. Fuel Storage Tanks. Installation and placement of fuel or gas storage tanks must be first procured from the DRB.

Section 38. Garages. All Residential Units shall include a garage adequate to house two (2), but not more than four (4) large size American automobiles and shall include adequate space for storage. The minimum space allotments for garages shall be as follows:

A. Floor space allocation for each automobile shall be not less than ten (10) feet in width and twenty (20) feet in length.

B. No garage shall be less than four hundred (400) square feet of total floor space.

All garages shall include a door (which shall be a minimum width of eight (8) feet for each automobile) constructed of a material that is similar in appearance to the exterior materials of the Residential Unit. The color of the garage door shall be compatible with the color of the other exterior finishes of the Residential Unit. Garage doors and service doors shall be maintained in a useful working condition. No garage may be converted to an additional room or an apartment without the approval of the DRB. No carports will be permitted. Placement of garage doors shall be regulated by the DRB. The DRB is empowered to approve front facing garages, in its sole discretion.

Section 39. Soliciting. No soliciting shall be permitted in the areas of Harbor Hills which are designated for residential use.

Section 40. Provisions Inoperative as to Initial Construction. Nothing contained in the Declaration shall be interpreted, construed or applied to prevent the Developer, its

assignees, or its or their contractors, subcontractors, agents and employees, from doing or performing on all or any part of the Property owned or controlled by Developer or its transferees, whatever they determine to be reasonably necessary or convenient to complete work on the Property, including:

(a) Erecting, constructing and maintaining such structures as may be reasonably necessary or convenient for the conduct of Developer's business or completing the work, establishing the Property as a residential community, and disposing of the same by individual Lots by sale, lease or otherwise; or

(b) Conducting thereon its or their business of completing the work, establishing the Property as a residential community, and disposing of the same by individual Lots by sale, lease or otherwise; or

(c) Maintaining such sign or signs as may be necessary or convenient in connection with the sale, lease or other transfer of the Property in Lots.

(d) Marketing the Property utilizing model homes, speculative built homes, or the like, by Developer and others appointed by Developer for such purpose.

Developer hereby reserves temporary easements over, across and through the Common Areas for all uses and activities necessary or convenient for completing any construction and maintenance work. Such easements shall continue for so long as Developer prosecutes any construction and maintenance work with due diligence and until Developer no longer offers any Lot within the Property for sale or lease in the ordinary course of Developer's business.

Section 41. Ownership Rights Limited to Those Enumerated. No transfer of title to any Lot shall pass to the Owner thereof any rights in and to the Common Area except as are expressly enumerated in this Declaration; and no provision in any Deed or other instrument of conveyance of any interest in any Lot shall be construed as passing any right, title and interest in and to the Common Area except as expressly provided in this Declaration. The conveyance of the Common Area by Developer to the Association shall vest in the Association exclusively all riparian rights in and to any stream, pond, Lake, or other body of water situated in whole or in part upon the Common Area, notwithstanding the fact that any Lot is shown or described as abutting the same. Such conveyance additionally shall vest in the Association the underlying fee simple title or right of reverter, as the case may be, to any street, utility easement, or other area dedicated to public use and situated upon the Common Area, notwithstanding the fact that any Lot is shown or described as abutting the same. It is Developer's express intent that the fact that any Lot is shown or described as bounded by an artificial or natural monument on the Common Area shall not pass to the Owner of such Lot any rights therein, except

as expressly granted by this Declaration, but that such monument shall be a part of the Common Area and all rights therein shall inure to the benefit of the Association.

Section 42. Access. Owners shall allow the Board of Directors or the agents and employees of the Association to enter any Neighborhood for the purpose of maintenance, inspection, repair, replacement of the improvements within the Neighborhood, or in case of emergency for any purpose, or to determine compliance with this Declaration.

Section 43. Developer's Sales and Construction Activities. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Developer and its agents, employees, successors and assigns to maintain such facilities and conduct such activities that may be reasonably required, convenient or incidental to the completion, improvement, sale, and development of the Property, including, without limitation, the placement of sales and construction offices, signs and model dwellings. The location of any construction offices by Developer or builders selected by Developer shall be subject to Developer's control. The right to maintain such facilities and conduct such activities shall include specifically the right to use Residential Units as model residences, and to use any Residential Unit as an office for the sale of Residential Units on the Property and for related activities. The Developer's right of use, as described hereinabove, shall continue even after conveyance of all of the Common Property to the Association.

Section 44. Tennis Courts. No tennis courts are allowed on any Lot.

Section 45. Flagpoles. No flagpoles shall be erected without the approval of the DRB.

Section 46. Paving. All driveway surfaces for Residential Units shall be finished in patterned concrete, pressed concrete, brick, interlocking concrete pavers or other stone aggregate finishes. The color shall be compatible with those used throughout Harbor Hills. The use of gravel, black top, paved parking strips or mulch driveways is prohibited by the DRB. All paving and any modifications thereto must be approved by the DRB.

Section 47. Air Conditioners. No window air conditioning units shall be permitted in any Residential Unit.

Section 48. Parking. Parking shall only be authorized at Harbor Hills in such areas that are designated for parking purposes. Parking Rules and Regulations may be promulgated by the Board of Directors.

Section 49. Sidewalks. Sidewalks are required to be constructed and maintained by Owners in conjunction with the construction of Lot improvements in areas of Harbor Hills

designated by the DRB. The DRB will advise Owners if sidewalks are required for their Lot. Sidewalks must be built in accordance with the Design Review Criteria.

Section 50. Seawalls. If seawalls are constructed, they must be approved by the DRB.

#### ARTICLE IX

##### DESIGN CRITERIA AND REVIEW

Section 1. Purpose. To preserve the natural beauty, to protect environmentally sensitive lands and to assure that construction of improvements upon the Property shall be in harmony with the natural aesthetics of the site, the Property is hereby made subject to the following restrictive covenants in this Article IX and every Owner agrees to be bound and comply with the provisions contained in this Article.

Section 2. Design Review Board. The Association shall establish a standing committee which shall be known as the Design Review Board (the "DRB"). The Design Review Board shall be empowered to:

(a) Review all plans for construction on Lots at Harbor Hills as more particularly set forth herein; and

(b) Audit the Lots at Harbor Hills from time-to-time to determine that the Lots are in compliance with the maintenance and construction requirements of the Declaration, the Design Review Criteria and the Rules and Regulations of the Association.

A. Membership; Sub-Committees. All members of the DRB shall be appointed by the Association. The Board of Directors of the Association shall designate the chairman of the DRB. Subsequent to Turnover, every DRB member must be a Residential Unit Owner. All appointments to the DRB shall be for a one-year term. The DRB shall convene at such times and places as may be designated by the chairman.

From time-to-time, the Association shall have the option of establishing a sub-committee to the DRB, the members and chairman of whom shall be appointed by the Board of Directors for one-year terms. If so appointed, the DRB sub-committee shall be responsible for reviewing plans and specifications received from Lot Owners for remodeling, alterations, or additions to existing construction. The DRB sub-committee shall review all plans submitted in accordance with the criteria and procedures of the Design Review Criteria and consistent with the timeframes for review established herein. After review, the DRB sub-committee shall make a recommendation of approval or denial to the DRB. The DRB shall render its decision within 10 days of receipt of the decision of the DRB sub-committee.

The DRB shall be comprised of no less than five (5) members and three (3) members shall constitute a quorum. If a sub-committee is appointed, the sub-committee shall have a minimum of five (5) members and three (3) members shall constitute a quorum.



The DRB is authorized to retain the services of consulting architects, urban designers, engineers, inspectors, contractors, attorneys and such other professionals as it deems necessary and proper to consult in its efforts to perform its functions.

B. Construction Subject to Design Review. No construction, modification, alteration or other improvement of any nature whatsoever, except interior alterations not affecting the external structure or appearance, shall commence on any Residential Unit or Lot unless and until the plans of such construction or alteration shall have been approved in writing by the DRB. Modifications which require DRB approval specifically include, but are not limited to the following: painting or other alteration of a dwelling (including doors, windows and roof); installation of solar panels or other energy-generating devices; construction of fountains, swimming pools, whirlpools, or other pools; construction of privacy walls or other fences; addition of awnings, shutters, gates, lawn ornamentation, bird houses, flower boxes, shelves, statues, gazebos, or other outdoor ornamentation (excluding seasonal lighting and ornamentations which is erected and removed in the manner consistent with the Rules and Regulations); installation of patterned or brightly colored internal window treatment; any alteration of the landscaping or topography of the parcel, including without limitation the cutting or removal of trees in excess of three inches (3") in diameter at breast height; planting or removal of plants; the creation of any pond or swale or similar features of the landscape. This Article shall not apply to Developer owned property prior to Turnover.

C. Maintenance Subject to Design Review. Lot Owners are obligated to maintain the condition of their Lots and the improvements located thereon in a manner consistent with the provisions of this Declaration, the Design Review Criteria and the Rules and Regulations of the Association. The DRB is charged with the task of monitoring the condition of the Lots at Harbor Hills to determine compliance with the maintenance and construction provisions contained in this Declaration and the Rules and Regulations. This task may be delegated to the DRB sub-committee, at the option of the Association. The DRB shall notify the Board of the Association if Lot Owners fail to comply with the maintenance and construction provisions of the Declaration, the Design Review Criteria and the Rules and Regulations of the Association.

D. Design Review Procedures.

1. The Association has adopted Design Review Criteria for all construction, other improvements and landscaping to which this Article applies and uniform procedures for the review of applications submitted to it. The criteria and procedures are published in the Harbor Hills Design Review Criteria ("Design Review Criteria"). These standards may be modified from time to

time by the Association, provided such modifications are not inconsistent with this Declaration, Lake County ordinances or other instruments filed in the Public Records of Lake County, Florida.

2. The procedures for design review are more particularly set forth in the Design Review Criteria. In general, the Design Review Criteria requires the submittal of an Application for Design Review to the DRB. The Application should include payment of the fee for review and six (6) copies of the following plans and specifications:

- (a) construction and site plans and specifications including all proposed landscaping; and
- (b) an elevation or rendering of all proposed improvements; and
- (c) a survey showing the following:
  - (i) any areas within sixty (60') feet of any protected area.
  - (ii) the locations of all trees in excess of three inches (3") in diameter at breast height; and
  - (iii) such other information or samples as the DRB may reasonably require.

The role of the DRB is to review plans submitted by Lot Owners. The task of the DRB is to determine that the plans are consistent with the Design Review Criteria and should be approved as submitted; or, that the plans are inconsistent with the Design Review Criteria but a variance should be granted and the plans should be approved; or, that the plans are inconsistent with the Design Review Criteria, a variance should not be recommended, and the plans should not be approved as submitted. Any request for a variance to the Design Review Criteria should be presented in a document separate from the plans.

The Lot Owners will be charged a review fee and a compliance deposit. Upon completion of construction, including landscaping, the compliance deposit will be released less any surcharges for fines assessed by the Association for non-compliance with the terms of this Declaration, the Rules and Regulations, and the Design Review Criteria or for expenses incurred by the Association because of the failure of the Owner or his agents to comply with the ordinances, laws, rules and regulations and permit conditions of governmental agencies having jurisdiction over the Property.

D. The DRB shall have the right to refuse to approve any plans and specifications which, in its sole discretion, are not suitable or desirable. In approving or disapproving such plans and specifications, the DRB shall consider the suitability, square footage, floor plan, elevations, color schemes, and exterior finishes of the proposed dwelling, improvements, or structure and the materials of which the same are to be built, the site upon which it is proposed to be erected, the landscaping, the lighting,

energy conservation features, the harmony thereof with the surrounding area and the effect thereon on adjacent or neighboring property, all in accordance with the provisions of this Declaration and the Design Review Criteria. Any party aggrieved by a decision of the DRB shall have the right to make a written request to the Board of Directors within thirty (30) days of such decision, for a review thereof. The determination of the Board upon reviewing any such decision shall in all events be dispositive. The DRB in accepting or reviewing any plans shall not have or undertake any responsibility or liability for the quality or safety of design or construction. The DRB will not be liable for any loss or damage arising out of any design or construction defect of any approved plans.

E. If any structure, paving, landscaping or other improvement requiring approval pursuant to this Article IX is changed, modified or altered without prior approval of the DRB of the plans and specifications therefore, then the Owner shall upon demand cause the improvement or structure to be dismantled, removed and restored to comply with the plans and specifications originally approved by the DRB, and shall bear all costs and expenses of such restoration, including costs and reasonable attorney's fees of the DRB.

F. All improvements for which approval of the DRB is required under this Declaration shall be completed within a reasonable time from the date of commencement of said improvements or within the time set by the DRB in the event that the approval is so conditioned.

G. The DRB shall in all cases have the right to determine and designate building set back lines necessary to conform to the general plan of the land where those lines are not set in the graphics of the Design Review Criteria, in order to preserve the integrity of the Property and the Plat.

H. In the event the DRB shall fail to approve, disapprove or request additional information regarding the plans and specifications submitted in final and complete form within forty-five (45) days after written request for approval or disapproval together with payment of all fees and submittal of all necessary supporting plans, specifications or information is delivered to the DRB by the Owner or the Owner's agent or attorney, then such approval of the DRB shall not be required; provided, however, that no building or other structure shall be erected or shall be allowed to remain which violates any of the covenants, conditions or restrictions contained in this Declaration, or which violates any zoning or building ordinance or regulation.

I. There is specifically reserved unto the DRB, the right of entry and inspection upon any Residential Unit, Residential Property or Commercial Property for the purpose of determination by the DRB whether there exists any construction of any improvement which violates the terms of any approval by the DRB or the terms of

this Declaration or of any other covenants, conditions and restrictions to which the deed or other instrument of conveyance makes reference. The Association is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed improvement, or to remove any unapproved improvements, the prevailing party shall be entitled to recovery of all court costs, expenses and reasonable attorney's fees in connection therewith. The Association shall indemnify and hold harmless the members of the DRB from all costs, expenses and liabilities including attorney's fees incurred by virtue of any member of the DRB's service as a member of the DRB.

J. The DRB may adopt such further rules and regulations as it deems necessary to carry out its functions and purposes hereunder provided all such rules and regulations shall be filed with and ratified by the Association as evidenced by the minutes of the Association.

K. The Association may impose reasonable fees and charges against Lot Owners to offset the expenses incurred by the DRB as it performs its functions described herein. Such fees and charges may include the fees of professionals hired to review plans, inspect construction or the like, and the charges of copying plans and specifications and duplicating other material, and other expenses including overhead vital to the DRB's performance of its functions described herein. The Association may levy fines and penalties against Lot Owners for violations of the terms of this Declaration, the Design Review Criteria, or Rules and Regulations of the Association, by the Lot Owners or by the agents and employees of the Lot Owners.

L. The Lot Owners shall be responsible for all construction activities on the Lot by whomever performed. The Lot Owner is obligated to apprise all of its contractors, subcontractors, laborers and materialmen of the regulations governing construction as contained in this Declaration, the Design Review Criteria, and the Rules and Regulations of Harbor Hills promulgated from time-to-time by the Association.

ARTICLE X

PROTECTED AREAS

Section 1. Declaration of Restrictive Covenants. The Protected Areas are divided into two types of areas - Conservation Areas and Recreational Areas. Each type is defined in this Article X and limited to certain uses. Developer hereby declares that the Protected Areas shall be conveyed, leased, mortgaged and otherwise held subject to the covenants, conditions and restrictions set forth in this Article.

A. Conservation Area. Conservation Areas are the areas shown on the Plat as Conservation Easement or W.R.A. The Conservation

Areas shall and are hereby declared to be subject to the restrictions set forth in this Declaration and shall run in favor of the Developer, its successors and assigns, for the purpose of retaining and maintaining the Conservation Areas in their predominantly natural condition as a wooded water recharge, detention and percolation and environmental conservation area. Each of the following uses of the Conservation Areas are hereby prohibited and restricted without the prior written consent of the St. John's River Water Management District and Lake County, to wit:

(a) The construction, installation or placement of signs, buildings, fences, walls, roads or any other structures and improvements on or above the ground of the Conservation Easement Areas;

(b) The dumping or placing of soil or other substances or materials as landfill or the dumping or placing of trash, waste or unsightly or offensive materials;

(c) The removal or destruction of trees, shrubs or other vegetation or animals from the Conservation Areas;

(d) The excavation, dredging or removal of loam, peat, gravel, rock, soil, or other material substance in such a manner as to affect the surface of the Conservation Areas;

(e) Use herbicides, pesticides or fertilizers;

(f) Any use which would be detrimental to the retention of the Conservation Areas in their natural condition; and

(g) Acts or uses detrimental to such retention of land or water areas.

The Conservation Areas shall be preserved with the above restrictions in perpetuity.

The Developer, its successors and assigns, representatives of the St. John's River Water Management District, and Lake County shall have the right to enter upon the Conservation Areas at all reasonable times and in a reasonable manner, to assure compliance with the above prohibitions and restrictions.

The Developer and all subsequent Owners of any land upon which there is located a Conservation Area shall be responsible for the periodic removal of trash and other debris which may accumulate in such Conservation Area.

The prohibitions and restrictions upon the Conservation Areas as set forth in this paragraph may be enforced by St. John's River Water Management District and Lake County by proceedings at law or in equity including, without limitation, actions for injunctive relief. The restrictions listed above may not be amended without prior approval from the St. John's River Water Management District and Lake County.

All rights and obligations arising hereunder are appurtenances and covenants running with the land of the Conservation Areas, and shall be binding upon, and shall inure to the benefit of the Developer, and its successors and assigns. Upon conveyance by the

Developer to third parties of any land affected hereby, the Developer shall have no further liability or responsibility

hereunder, provided the deed restrictions as set forth in this Declaration regarding the Conservation Areas are properly recorded.

2. Within these areas, the following minimal activities are allowed if first approved by St. John's Water Management District and Lake County:

(a) Encroachment from drainage systems, or similar activities which will not impact the continued viability of these areas.

(b) Movement through these areas in non-organized public recreation activities.

(c) Planting of native species to enhance the natural systems or wildlife value.

(d) Use of these areas in a sensitive fashion as a living laboratory for environmental education and for monitoring and testing to protect their natural attributes.

(e) A bicycle path within certain portions of the Conservation Areas.

B. Recreational Areas. Recreational Areas are those areas as shown on the Plat as Golf Course, Park, Marina, or Recreational Areas.

1. Within these areas, no person other than an Owner of a Membership Recreational Facility, and then only on property he owns, shall:

(a) Construct buildings or structures.

(b) Remove plants or animals from these areas or plant plants or release animals into these areas except with permission of the Board of Directors of the Association.

(c) Remove water from the wetlands, Lakes or surficial aquifer without permission of the Board and, in no event in amounts that would alter the essential character of these areas.

(d) Place any debris in any Lake.

(e) Undertake any activity which is incompatible with the recreational and open space purpose for which these areas are set aside.

(f) Construct docks without DRB approval.

2. The Membership Recreational Facilities shall be available for use only in accordance with the membership and other requirements set forth in Article III, Section 5 of this Declaration.

ARTICLE XI

ENFORCEMENT OF RULES AND REGULATIONS

Section 1. Compliance by Owners. Every Owner shall comply with the restrictions and covenants set forth herein and in the Rules and Regulations and in the Design Review Criteria (collectively referred to herein as "Restrictions"). All Restriction violations shall be reported immediately to a member of

the Board of Directors. Disagreements concerning violations, including, without limitation, disagreements regarding the proper interpretation and effect of the Restrictions shall be presented to and determined by the Board of Directors, whose interpretation and/or whose remedial action shall control.

Section 2. Enforcement. Failure of the Owner to comply with the Restrictions shall be grounds for court action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof, including costs and attorneys' fees incurred in bringing such actions, and if necessary, costs and attorneys' fees for appellate review. Enforcement of the Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate the Restrictions either to restrain violation, enforce compliance, or to recover damages, and against the Lots owned by the violator to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce the Restrictions shall in no event be deemed a waiver of the right to do so thereafter. Furthermore, the St. John's River Water Management District and Lake County shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

Section 3. Fines. In addition to all other remedies, in the sole discretion of the Board of Directors, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, tenants or employees to comply with the Restrictions provided the procedures hereinafter described are followed:

A. Notice. The Association shall notify the Owner of the infraction or infractions. Included in the notice shall be the date and time of the next Board of Directors meeting at which time the Owner shall present reasons why penalty(ies) should not be imposed.

B. Hearing. The noncompliance shall be presented to the Board of Directors after which the Board shall hear reasons why penalties should not be imposed. A written decision of the Board shall be submitted to the Owner within thirty (30) days after the Board's meeting.

C. Appeal. Any person aggrieved by the decision of the Board of Directors as to a noncompliance may, upon written request to the Board filed within seven (7) days of the Board's decision, file an appeal. An appeals committee will be appointed by the Board within seven (7) days of the request and shall consist of three (3) members of the Association. The appeals committee will meet and file a written determination of the matter and serve copies on both the Board and the aggrieved person. In no case shall the appeals committee's findings be binding on either party; however, the Board

may elect to review its decision in light of the findings of the appeals committee.

D. Penalties. The fines levied hereunder by the Board of Directors shall be in accordance with the following:

1. First noncompliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).

2. Second noncompliance or violation: a fine not in excess of Five Hundred Dollars (\$500.00).

3. Third and subsequent noncompliance, or violation or violations that are of a continuing nature: a fine not in excess of One Thousand Dollars (\$1,000.00). Each day of non-compliance can be considered a separate violation in the discretion of the Board.

E. Payment of Penalties. Fines shall be paid not later than thirty (30) days after notice of the imposition or assessment of the penalties. Any fines not so paid shall bear interest at the maximum rate allowed by law.

F. Collection of Fines. Fines shall be treated as Individual Assessments.

G. Application of Penalties. All funds received from fines shall be allocated as directed by the Board of Directors.

H. Nonexclusive Remedy. These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association or the Neighborhood Associations may be otherwise legally entitled; however, any penalty paid by the offending Owner shall be deducted from or offset against any damages that the Association or any Neighborhood Associations may otherwise be entitled to recover by law from such Owner.

## ARTICLE XII

### TURNOVER

Section 1. Time of Turnover. The Turnover of the Association by the Developer shall occur at the time determined in accordance with the provisions in Article III, Section 2 hereof.

Section 2. Procedure of Calling Turnover Meeting. No more than forty-five (45) days and no less than thirty (30) days prior to the Turnover Meeting, the Association shall notify all Members in writing of the date of the Turnover Meeting and that the purpose of the meeting is the election of a new Board of Directors.

Section 3. Procedure for Meeting. The procedures for the election and Turnover Meeting shall be conducted in accordance with the most recent revision of Robert's Rules of Order.

Section 4. Developer's Rights. Prior to Turnover, the Developer shall have the right to control the Association. In that regard, the Developer shall not be obligated to present any issues to the membership. Even after Turnover, for as long as the Developer shall own any of the Property, it shall have the right to appoint one (1) member of the Board.



ARTICLE XIIICABLE TELEVISION SERVICES

Section 1. Developer's Rights. The Developer currently offers free basic cable television service to every Lot on the Property. The Developer reserves the right to discontinue this service at any time or charge for same. Each Owner shall have the right to enter into a contract with the Developer for the provision of cable television service upon such terms as the Developer shall deem, in its sole discretion, to be in the best interests of all Owners within the Property.

The contract for CATV services may additionally provide as follows:

A. Every Residential Unit constructed within the Property shall be subject to a charge for basic CATV services and/or security services, if applicable, to be collected directly from each Owner by the Contractual Designee (as that term is defined in Section 1 B of this Article XIII) providing such services.

B. The term "Contractual Designee" or "Contractual Designees" shall mean the company or companies with which the Developer has contracted for the furnishing of such CATV.

C. Where an Institutional First Lender or other Owner of a Residential Unit obtains title to the Residential Unit as a result of foreclosure of an institutional mortgage or acceptance of a deed in lieu of foreclosure, such acquiror of title, its successors and assigns, shall not be liable for the payment of the aforementioned charges pertaining to such Residential Unit which become due prior to acquisition of title by Institutional First Lender.

D. The Contractual Designee may impose such additional charges for optional CATV or security services at applicable rates for services as approved by local governmental agencies having jurisdiction over the franchising of such services, or, if none, such rates as are usual in the area of the Property. Such services shall not be mandatory, but if elected by individual Owners, such Owners will be individually billed for such services by the Contractual Designee or the Developer.

E. The Developer may exclude non-residential tracts within the Property from the provisions of this Article XIII and may further exclude residential tracts which, in the determination of the Developer have uses for CATV inconsistent with the overall design of such services in Harbor Hills.

F. The provisions of this Article shall be effective for a period of ten (10) years from and after the date of recordation after which time they shall be extended, automatically, for successive periods of five (5) years thereafter.

G. Enforcement shall be by an appropriate action at law or in equity against any parties or persons violating or attempting to violate any covenants. The bringing of one action shall not

constitute an election or exclude the bringing of another action. When the Developer or Contractual Designee takes action to enforce any of the provisions of this Article, whether by bringing suit or otherwise, it shall be entitled to recover, in addition to interest, costs and expenses allowed by law, a reasonable sum for attorneys' fees.

H. In the event that any portion hereof shall be deemed invalid or unenforceable, it shall not in any way affect the remainder of any portion hereof.

Section 2. Developer's Reservations. Developer on behalf of itself or for a Contractual Designee hereby expressly reserves and retains to itself, its assigns, or a Contractual Designee title to any "Television Reception System" located or installed by Developer or Contractual Designee now or in the future on the Property or any improvements constructed thereon. The term "Television Reception System" shall include, but not be limited to, any closed circuit system, and related ancillary services, and the equipment necessary to provide such system and services, which equipment shall specifically include but not be limited to, conduits, wires, amplifiers, receivers, towers, antennae and related apparatus and electronic equipment, both active and passive. Title to said Television Reception System shall remain in Developer, its assigns, or a Contractual Designee and such Television Reception System shall not be deemed to be a fixture or appurtenance, Common Element, or Common Property nor shall any Owner of a Residential Unit, Residential Property, Commercial Property, or Membership Recreational Facility have any right, title or interest in any part of said Television Reception System except as expressly provided to the contrary in this Article XIII.

The Developer further expressly reserves, for itself, its assigns, or a Contractual Designee a nonexclusive, perpetual right, privilege and easement in, over, under and through the Property and any improvements constructed thereon for the purpose of installing, operating, replacing, repairing, removing and maintaining the Television Reception System.

The Developer further expressly reserves, for itself, its assigns, or a Contractual Designee the exclusive right, but not the obligation, to, at any time in its sole discretion, connect the Television Reception System to such receiving source as Developer or Contractual Designee may, in its sole discretion, deem appropriate, including, without limitation, companies licensed to provide cable television services in Lake County, Florida, or companies providing private cable television service.

Section 3. Developer's Obligation. Developer agrees that it will not construct any apparatus or facility which would obstruct, hinder, or interfere with the Television Reception System.

ARTICLE XIVOWNER'S OBLIGATIONS

Section 1. Owner's Obligation to Maintain. In addition to covenants for Assessments as provided in Article VII, each Owner or Neighborhood Association shall keep all property owned by him or designated as his responsibility by Developer, and all improvements therein or thereon, in good order and repair, including but not limited to, the seedling, watering, and mowing of all lawns, the pruning, and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings, houses and other improvements and external appurtenances, all in a manner and with such frequency as is consistent with good property management.

Section 2. Owner's Obligation to Repair. Each Owner shall, at his sole cost and expense, repair his residence, keeping the same in a condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.

Section 3. Owner's Obligation to Rebuild. If all or any portion of a residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner thereof, with all due diligence, to rebuild, repair, or reconstruct each residence in a manner which will substantially restore it to its appearance and conditions immediately prior to the casualty or to immediately remove all debris from the Owner's Lot and regrade and resod the Lot. Reconstruction shall be undertaken within six (6) months after the damage occurs, and shall be completed within twelve (12) months after the damage occurs, unless prevented by causes beyond the control of the Owner or Owners. If reconstruction or repair of any such building or improvement is not so commenced within six (6) months, the Association may raze or remove the same promptly from Owner's Lot at Owner's expense as an Individual Assessment.

Section 4. Remedies. If any Owner or Neighborhood Association fails to perform the duties imposed by Sections 1, 2 or 3 of this Article, the Association shall have the right (but not the obligation), through its agents and employees, to enter upon the Residential Unit in question and to repair, maintain and restore the Residential Unit and/or Residential Property to good order and repair all without liability or responsibility for trespass or injury to property in the course of performing the acts set forth in this Article; provided, however, the Association shall follow the procedure set forth in Section (1)(N) of Article IV. The cost of such restoration shall be assessed and be a binding, personal obligation of the Owner or Neighborhood Association, as well as a lien (enforceable in the same manner as any other Assessment provided for herein) upon the Residential Unit or parcel in question. Any such lien shall be subordinate to the lien of

Institutional First Lenders in the same manner set forth in Article VII, Section 10.

ARTICLE XV

INSURANCE

Section 1. Any insurance purchased by the Association shall be issued by a company authorized to do business in the State of Florida. The named insured shall be the Association individually and as trustee for Owners covered by the policy, and shall include Institutional First Lenders who hold mortgages on the property covered by the policy whether or not the lenders are named. The Association is irrevocably appointed agent for each Owner and for each Institutional First Lender or other lienor of a Lot and for each Owner of any other interest in the Property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and the Institutional First Lenders as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as trustee or to such institution in Florida with trust powers as may be designated as insurance trustee by the Board. The trustee shall hold the proceeds for the benefit of the Owners and the Institutional First Lenders in the following share:

A. An undivided share for each Owner, that share being the same as such Owner's undivided share in the Association expenses shown on Exhibit C.

B. If a mortgagee endorsement of an insurance policy has been issued to any property, the share shall be held in accordance with such mortgagee endorsement. However, no Institutional First Lender may appear or participate in the determination as to whether or not any improvements shall be reconstructed or repaired, and unless provided by the terms of the mortgage, no Institutional First Lender shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution and proceeds made to the Institutional First Lender.

Section 2. The Association shall maintain the following types of insurance coverage:

A. Casualty. The Association shall maintain a master policy or policies to insure all buildings and improvements on the Common Area. This coverage shall be in such amounts so that the insured will not be co-insured except under the deductible clauses required to obtain coverages at a reasonable cost.

The coverage will EXCLUDE the following: (i) foundation and excavation costs; and (ii) any Residential Unit, Residential Property, Commercial Property or Membership Recreational Facilities and special improvements, alterations and betterments to the above.

The coverage will INCLUDE the following: (i) loss or damage by fire or other hazards covered by a standard coverage endorsement; and (ii) such other risks as from time to time shall be customarily covered on buildings similarly built, located and used, such as insurance covering windstorm damage, vandalism and malicious mischief; and, when appropriate and possible, the policy shall waive the insurer's right to: (i) subrogation against the Association and against the Owner, individually and as a group; (ii) the pro rata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and (iii) avoid liability for loss that is caused by an act of the Board or a member of the Board or by one or more Owner.

B. Reconstruction and Repair After Casualty. Although it is impossible to anticipate all problems which may arise from casualty, the intent is to try to assure that the overall plan of quality development of Harbor Hills is maintained by requiring that damaged improvements be rebuilt and repaired and unsightly dangerous conditions be remedied as soon as possible. Any reconstruction and repair will be substantially in accordance with the plans and specifications of such improvements as originally constructed, if available, and if not available, then according to plans and specifications approved by the Board. If the insurance proceeds are not sufficient to defray the estimated costs of reconstruction and repair for which the Association is responsible, or if at any time during that work, or upon completion of the work, the funds available for payment of the costs are insufficient, Special Assessments shall be made by the Association against all Owners in sufficient amounts to provide funds for the payment of those costs.

C. Public Liability Coverage. The Association shall obtain public liability coverage insuring the Association against any and all claims and demands made by any person or persons for injury received in connection with the operation and maintenance of the Common Areas and Improvements located thereon, or for any other risk insured by such policies which the Association, in its sole discretion, determines to insure against. Each policy purchased by the Association shall have limits of not less than five million dollars covering all claims for personal injury and property damage arising out of the single occurrence provided, however, that the Board may in its sole discretion determine to set higher or lower limits for such coverage upon determining that it is in the best interest of the community to do so. The liability coverage shall include protection against liability for non-owned and hired automobiles and liability hazards related to usage. All such policies shall name the Association (and Developer until transfer date), as their respective interest may appear, as insured

parties under such policy or policies. The original of each policy shall be held by the Board.

D. Fidelity Bond Coverage. The Association may obtain fidelity bonds covering officers, directors, employees and other persons who handle or are responsible for handling Association funds. If obtained, such bonds shall be in an amount equal to one hundred percent (100%) of three months operating expenses of the Association and shall contain waivers of any defense based upon the exclusion of persons serving without compensation.

#### ARTICLE XVI

##### RESERVED DEVELOPER'S RIGHTS

Until Developer has closed sales on all of the Residential Units, Residential Properties and Commercial Properties it owns, or for as long as Developer holds any interest by way of lease or mortgage in any Residential Unit, Residential Property or Commercial Property, the Developer reserves unto itself the following:

- 1) Right to appoint the members of the Board of Directors and thereby control the Association or any Neighborhood Association;
- 2) Right to amend this Declaration;
- 3) Right to grant additional easements;
- 4) Right to annex, include and subject additional property to this Declaration;
- 5) Right to withdraw property including any portion of the Property from the terms and conditions of this Declaration;
- 6) Right to assign these rights to successors and assigns of the Developer;
- 7) Right to replat portions of the Property.

#### ARTICLE XVII

##### GENERAL PROVISIONS

Section 1. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association, the Developer and any Owner, their respective legal representative, heirs, successors and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any

subsequent ten (10) year renewal period, three-fourths (3/4) of the votes cast at a duly held meeting of the Members vote in favor of terminating this Declaration at the end of its then-current term. It shall be required that written notice of any meeting at which such proposal to terminate this Declaration is to be considered, shall be given at least forty-five (45) days in advance of such meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such meeting was given, the total number of votes of Members, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution and the total number of votes cast against such resolution. Said certificate shall be recorded in the Public Records of Lake County, Florida and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

Section 2. Amendments by Members. Besides other methods of amendment provided for herein, such as the Developer's right to amend, this Declaration may be amended at any time provided that two-thirds (2/3) of the votes cast by the Members present at a duly called and held meeting of the Association vote in favor of the proposed amendment; provided, however, that if the affirmative vote required for approval of action under the specific provision to be amended is a higher or lower percentage, then such higher or lower percentage shall be required to approve amendment of the provision. Notice shall be given at least forty-five (45) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an amendment to this Declaration which shall set forth the amendment, the effective date of the amendment, which in no event shall be less than sixty (60) days after the date of recording the amendment, the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes of Members, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt the amendment, the total number of votes cast for the amendment, and the total number of votes cast against the amendment. Such amendment shall be recorded in the Public Records of Lake County, Florida. Any amendment that would lessen or alleviate the Association's responsibility to maintain any private

water, sewer, streets or drainage facilities shall not be effective unless and until such amendment has been approved in the manner set forth in this Article XVII. Any amendment that would impair or prejudice the rights and priorities of any Institutional First Lender or the St. John's River Water Management District or Lake County shall not be effective without the prior written consent of such Institutional First Lender or St. John's River Water Management District or Lake County.

Section 3. Amendments by Developer. Until such time as the last Lot which the Developer holds for sale in the ordinary course of business is conveyed by Developer, Developer specifically reserves for itself, its successors and assigns, the absolute and unconditional right to alter, modify, change, revoke, rescind or cancel any or all of the terms, conditions, provisions or restrictions in this Declaration or hereinafter included in any subsequent Declaration, provided, however, that no such alteration, modification, amendment, revocation, rescission, or cancellation shall prejudice or otherwise impair the security rights and priorities of any Institutional First Lender of record or the St. John's River Water Management District or Lake County as to any of the Property.

Section 4. Enforcement. Enforcement of this Declaration shall be by any proceeding at law or in equity and may be instituted by the Developer, its successors and assigns, the Association, its successors or assigns, the St. John's River Water Management District or Lake County or any Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to mandate compliance or to recover damages and to enforce any lien created by these covenants; and failure by the Association or any Owner or the Developer or the St. John's River Water Management District or Lake County to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or act as an estoppel of the right to enforce same thereafter.

Section 5. Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable for any reason by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 6. Interpretation. The Board of Directors shall have the right, except as limited by any other provisions of this document or the Bylaws, to determine all questions arising in



connection with this Declaration and to construe and interpret its provisions, and, its good faith determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 7. Termination of Declaration. Should the Members vote not to renew and extend this Declaration as provided for herein, all Lots shall continue to be used in accordance with the development plan and all Common Property shall be transferred to the Owners in equal shares as tenants in common. In such event, however, adequate provision shall be made for the maintenance of any private water, sewer, streets or drainage facilities located within such Common Property, and such maintenance responsibility shall not become the responsibility of Lake County without its consent.

Section 8. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will neither perform any act nor undertake any activity which will violate or jeopardize its non-profit or tax exempt status under applicable state or federal law. The Common Area may not be conveyed, encumbered, abandoned, partitioned or subdivided without the approval of all Institutional First Mortgagees holding mortgages on the Common Area.

Section 9. Assignment. Any or all of the rights, powers and obligations, easements and estates reserved or given to the Developer or the Association may be assigned by the Developer or by the Association, respectively, as the case may be, to the Association or other assignee, and any such assignee shall agree to assume the rights, powers, duties and obligations and carry out and perform the same. No such assignment to an Institutional First Lender shall be valid without the prior written consent of such Institutional First Lender. With the exception of an assignment to a mortgagee, any such assignment or transfer shall be made by appropriate instrument in writing and the assignee or transferee shall join in such written assignment for the purpose of evidencing its consent to such assignment and its acceptance of the rights and powers, duties and obligations herein contained; and such assignee or transferee shall thereupon have the same rights and powers and be subject to the same obligations and duties as are herein given to the Developer and the Association. After such assignment, the Developer and the Association shall be relieved and released of all responsibility hereunder.

Section 10. Annexation or Withdrawal of Property. Developer shall have the right to annex additional residential, commercial or recreational property or withdraw property, including Common Property, from the Property without the consent or joinder of the

Owners, the Association, the Institutional First Lender, or any other entity, until the last Lot which the Developer holds for sale in the ordinary course of business is conveyed by Developer. Developer shall have no obligation to annex additional property. Any use, rights and/or easements created with respect to any property withdrawn from the Property shall automatically terminate upon such withdrawal.

Section 11. Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and use of any gender shall be deemed to include all genders.

Section 12. Construction. The provisions of this Declaration shall run with the land (Property), shall be binding upon all heirs, successors and assigns of any interest in the Property and shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property.

IN WITNESS WHEREOF, the Developer has executed this Declaration as of the 6 day of December, 1995.

Signed, sealed and delivered in the presence of:

"DEVELOPER"

HARBOR HILLS DEVELOPMENT, L.P.,  
D/B/A HARBOR HILLS DEVELOPMENT,  
LTD.

BY: H.H.C.C., INC.  
General Partner

By: [Signature]  
R. SCOTT HUTCHESON  
Vice-President  
6538 Lake Griffin Road  
Lady Lake, FL 32159

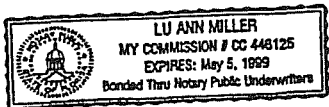
[Signature]  
Brady [unclear]  
(Printed Name)  
[Signature]  
MARCIA L. HAZIDAY  
(Printed Name)

STATE OF FLORIDA  
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 6 day of December, 1995, by R. SCOTT HUTCHESON, as Vice-President of H.H.C.C., INC., as General Partner of HARBOR HILLS DEVELOPMENT, L.P. D/B/A HARBOR HILLS DEVELOPMENT, LTD., who is personally known to me.

[Signature]  
Notary Public

PREPARED BY/RETURN TO:  
MARYBETH L. PULLUM  
Pullum & Pullum, P.A.  
P.O. Box 492160  
Leesburg, FL 34749-2160  
(904) 728-3060  
(hhadr.jg)



2. Land Use: (Developed as follows):

Single-family units - 735  
Multi-family units - 64

TOTAL UNITS: 799 Lots

Net Density on 753 acres - 1.06 units/acre  
Gross Density on 866 acres - .92 units/acre

Residential Area: 554 +/-acres  
Commercial Area: 3.2 +/-acres

Convenience Store 2,500 sq. ft.  
Specialty Shops 10,000 sq. ft.  
Commercial area may be platted with any phase.

Club House Area: 36 +/-acres  
Golf Course Area: 153 +/-acres  
Marina Area: 1 +/-acre  
Park Area: 2 +/-acres

B. Residential

1. A total of 799 units shall be permitted, including 735 single-family and 64 multi-family units.
2. Setbacks from street rights-of-way shall be sixty-two (62) ft. from the centerline of the roadway or twenty-five (25') ft. from the property line, whichever is greater.
3. Setbacks from water bodies for any building shall be fifty (50) ft. from the normal high water elevation.
4. Single-family lots with frontage on two streets shall front on the boulevard, with driveway access from the rear street. Rear setbacks shall be 25 ft. from the property line.
5. On corner lots, one street may be designated for front setbacks, with a side setback a minimum of 20 ft. from the side street.

For double corner lots, setbacks shall be 20 ft. from the site street and 25 ft. from the rear street for double front lots..

Other setbacks shall be 25 ft. rear and 10 ft. side.

6. Buffer along development property lines and streets to the rear of single-family lots shall be as shown on the Preliminary Development Plan.

C. Commercial

1. Commercial areas shall be limited to C-1 & C-2 uses except the following under C-2:  
Tavern, bar & lounge  
(j) mobile home sales center;  
(k) automotive center & storerooms;  
(s) commercial kennels;  
(u) Theaters;  
(aa) boat sale; and through (ee)
2. Setbacks shall be as follows:  
  
Front: Fifty (50) ft. from street rights-of-way  
Side/Rear: Ten (10) ft. from property lines; and  
25 ft. where adjacent to residential  
uses.
3. Parking shall be provided in accordance with County Zoning Regulations.
4. A site plan shall be required prior to the issuance of any building permits.

D. Recreational Facilities:

The recreational facilities as shown on the Preliminary Plan shall be developed during Phase I, and shall include the golf course, club house, tennis complex, swimming pool.

Parking requirements shall meet County requirements. A site plan shall be approved by the Lake County Site Plan Review Committee prior to the issuance of any building permits for the facilities.

II Public Facilities:

A. Water and Sewer Facilities

1. A central water treatment plant shall be provided to serve the entire development.
2. Septic tanks shall be provided for the single-family lots. On water front lots, septic tanks shall be located in front of the structure. No septic tank may be closer than 75 ft. from any wetland.

3. A package sewage treatment plant shall serve the multi-family, clubhouse and commercial areas of the PUD.

B. Drainage/Stormwater Management

Drainage and stormwater management plans shall be required when filing for plat approval. All applicable federal, state and local regulations must be met.

C. Fire Protection

1. The Developer will donate land and build a 60' x 60' fire station similar to floor plan of Prototype "A", Pine Lakes Volunteer Fire Department within the area designated for commercial uses on the Preliminary Development Plan, during Phase I of the project.
2. Fire flow standards shall be 750 gpm on commercial, clubhouse and multi-family; 500 gpm on single-family.

III Open Space Requirements

A. Residential

Twenty-five (25%) percent of the gross land area utilized for residential purposes shall be provided as open space.

B. Commercial

Twenty (20%) percent of the net land area utilized for commercial purposes shall be allocated for open space. Parking areas may not be included in the open space requirement.

C. Buffers

A ten (10') ft. wide vegetative buffer shall be provided between residential and commercial areas, and included within setbacks. The buffer shall be adequately sodded and maintained at all times.

D. Wetlands

A jurisdictional survey of wetlands shall be required (to be done by Springstead Engineering).

#### IV Transportation Improvements

##### A. Internal Standards

1. Boulevard pavement widths shall be eighteen (18') ft. on each side of the median from the entrances to the first intersecting street, and twenty-four (24') ft. wide thereafter. Local streets will have 20 ft. pavement width.
2. All streets will be curbed.
3. Standards for the golf cart crossings and tunnel under the golf course shall be determined at the time of plat approval.
4. Right-of-way for the boulevard will be 100 ft., and for local streets 50 ft.
5. All internal streets will be privately maintained and constructed to County standards.
6. Final road development standards will be according to County Subdivision Regulations.

##### B. External Improvements

1. South entrance - Harbor Hills Blvd. & Griffin View Rd.
  - a. Construct left turn lane from Griffin View Rd. onto Harbor Hills Blvd.
  - b. Re-construct a portion of Griffin View Rd. east of Harbor Hills Blvd. This will involve the lowering of the peak of "Thrill Hill" to provide a safe sight distance for west bound traffic to see vehicles entering onto Griffin View Rd. from Harbor Hills Blvd.
2. North entrance - Harbor Hills Blvd. & Lake Griffin Rd.
  - a. Re-construct Lake Griffin Rd. to flow directly into Harbor Hills Blvd. with a right angle intersection back onto Lake Griffin Rd. to fish camp.
3. Intersection of Lake Griffin Rd. & Gray's Airport Rd.

- a. Construct left turn lane for west bound traffic on Lake Griffin Rd. to make left turn southerly onto Gray's Airport Rd.
4. Intersection of Griffin View Rd. & Gray's Airport Rd.
  - a. Construct left turn lane for west bound traffic on Griffin View Rd. to make left turn Southerly onto Gray's Airport Rd.

All construction will be to Lake County Subdivision Standards with horizontal dimensions to FDOT standards.

5. Construction of two entrances shall be done during construction of Phase I. All other improvements shall be done at the option of the developer but not later than the end of Phase II.
6. Widening Griffin View Rd. from Gray's Airport Rd. to Harbor Hills Blvd.
  - a. Existing Pavement Width - 18 ft. widen to 22 ft.
  - b. 2-1/2 ft. of 8" limerock in 2 lifts overlay entire 22 ft. with 1-1/4" type III asphalt
  - c. The improvements to Griffin View Rd. shall be completed not later than Phase II of the project.

V Special Requirements:

The applicant shall be permitted 36 parking spaces for 36 boat slips for the residents of Harbor Hills, as required by the Department of Community Affairs under the threshold for Development of Regional Impact.

2. Conditions as altered and amended which pertain to the above tract of land shall mean:
  - A. After establishment of the facilities as provided herein, the aforementioned property shall only be used for the purposes named in this ordinance. Any other proposed use must be specifically authorized by the Planning and Zoning Commission and the Board of County Commissioners.

- B. No person, firm or corporation shall erect, construct, enlarge, alter, repair, removed, improve, move, convert, or demolish any building structure, or alter the land in any manner within the boundaries of the above described land without first submitting the necessary plans in accordance with Section 70.31 of the Zoning Ordinance of Lake County, and obtaining approval from the Director of Current Planning upon obtaining the permits required from the other appropriate governmental agencies.
- C. This amendment shall inure to the benefit of, and shall constitute a covenant running with the land and the terms, conditions, and provisions hereof, and shall be binding upon the present owner and any successor, and shall be subject to each and every condition herein set out.
- D. Construction and operation of the proposed use shall at all times comply with the regulations of this and other governmental agencies.
- E. The transfer of ownership or lease of any or all of the property described in Ordinance #44-90 shall include in the transfer or lease agreement, a provision that the purchaser or lessee is made good and aware of the conditions pertaining to the PUD (Planned Unit Development) established by Ordinance #44-90, and agrees to be bound by these conditions. The purchaser or lessee may request a change from the existing plans and conditions by following procedures contained in Section 691, Paragraph 691.12, Lake County Zoning Regulations, as amended.



DONE AND RESOLVED by the Lake County Board of County Commissioners on the 18th of September, 1990, A.D.

STATE OF FLORIDA )

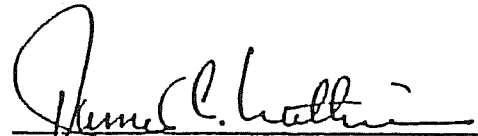
:

COUNTY OF LAKE )

  
MICHAEL J. BAKICH, CHAIRMAN  
BOARD OF COUNTY COMMISSIONERS

I HEREBY CERTIFY that the above and foregoing is a true copy of an Ordinance adopted by the Board of County Commissioners in regular session on September 18, 1990 as the same appears on record of County Commissioners Minute Book 39  
Page 444.

BY:

  
JAMES C. WATKINS  
Clerk of the Circuit Court  
and Ex-Official Clerk of the  
Board of County Commissioners  
of Lake County, Florida

HARBOR HILLS MINOR AMENDMENTFORMAL

Mr. Stubbs stated that the Planned Unit Development for Harbor Hills was approved several years ago. He said that a property owner within the PUD submitted a petition to the Board of Zoning Appeals for a variance from the PUD conditions. He said this can be acted upon as a minor amendment rather than a variance.

The conflict occurs on Lot 2. The applicant is requesting the driveway access onto Harbor Hills Boulevard rather than Spinnaker Loop. The house will be built facing Harbor Hills Boulevard as per the PUD Ordinance. In response to Mr. Griffey, Mr. Stubbs said there will be a handicapped person living in the house; and it would be easier to access on the north side because of the grade. Mr. Griffey was informed that no input has been received from the developer. He stated that Harbor Hills Boulevard is a private road. He said Public Works had no objection although he felt a condition of the approval should be that the lot owner must receive approval from the development. Mr. Stubbs said the lot owner had told him the developer had no objection. Mr. Stubbs suggested requiring a letter from 347 Realty Corporation stating their approval before a building permit can be obtained.

On a motion by Mr. Griffey, seconded by Mr. Molnar, and carried by a vote of 8-0, the Committee approved the Harbor Hills Minor Amendment to allow access off Harbor Hills Boulevard, subject to receipt of a letter from the development corporation approving this change. Mr. Weis was not present for the vote.

HARBOR HILLS, PHASE IIA

FORMAL

This is a minor amendment to the Planned Unit Development to change a phase line and develop this phase within Phase II instead of Phase V as approved within the PUD. This is also a partial replat of Phase I.

Mr. Stubbs said that the Code states that when the phase lines are changed in a Planned Unit Development but the phase can stand alone, the PUD must be brought back before this Committee for review.

Mr. Bruce Phillips of Springstead Engineering was present to represent the project. He said this is Phase IIA, but it was originally a portion of Phase V of the project. Preliminary plat approval and construction plan approval have been received. Phase V was to include 150 lots. This phase will include 54 townhouses and 13 single-family residences. Originally Phase 5 had the balance of the townhouses for the project. However, the market has shown that more townhouse lots are needed at this time. Mr. Stubbs said this phase can stand alone, and he did not feel it would be a hindrance to the PUD's objective. In response to Mr. Barker, Mr. Phillips explained that the improvements such as roads, sewer system, drainage system, and water system for Phase IIA are already built. Mr. Barker confirmed that approval has been given for what has already been constructed for this phase.

On a motion by Mr. Griffey, seconded by Ms. Bowerman, and carried by a vote of 8-0, the Committee approved a minor amendment to the Planned Unit Development to change a phase line to create an area for townhouses only to separate them from the single-family residential area. Mr. Weis was not present for the vote.

Ms. Hicks stated that the original plat and the Opinion of Title would be needed. Mr. Phillips said the Opinion of Title had already been submitted. He added that there is no maintenance bond requirement for this project.

There was discussion regarding the school impact fees.

**COUNTY MANAGER**  
315 WEST MAIN STREET  
TAVARES, FLORIDA 32778

Reply to: Post Office Box 7800  
Tavares, FL 32778-7800



PHONE: 904-343-9888

SUNCOM: 659-1888

FAX: 904-343-9496

February 7, 1995

Steven J. Richey, P.A.  
P. O. Box 492460  
Leesburg, FL 34749-2460

Re: Determination of a Nonsubstantial Amendment to the Harbor Hills PUD,  
Adjustment of Front Setback on Lots 1-10, Block "BB"

Dear Mr. Richey:

This letter is in response to your request regarding the determination of a nonsubstantial amendment to the Harbor Hills PUD. As I have discussed with Tim Hoban, County Attorney's Office, Section 14.04.00(D) requires the County Manager or his designee to make a determination of the substantiveness of any proposed alteration. We are in agreement that no single item within the criteria triggers a determination of the degree of amendment; however, all criteria should be evaluated to come up with a total perspective. Section 14.04.00 addresses the "Approval Procedure for PUD and MUQD's. Under 14.04.01 Generally: it states, Planned Unit Developments and Mix Used Quality Developments may require the imposition of commissioners approval to ensure their compatibility with surrounding land uses in the public interest of the citizens of Lake County.

I have reviewed your proposal within that general policy directive. Section 14.04.06 addresses submittal requirements for consideration for PUD's and MUQD's. Subparagraph (D) addresses alterations to preliminary PUD and MUQD development plans. This section contains like criteria against which the alteration of those development plans must be reviewed in making the determination of substantial or nonsubstantial amendment. I have attempted to address each of these. This section is found on page XIV-24 of the December 1, 1993 edition of the Land Development Regulations.

**Item 1. A change which would include a land use not previously permitted under the approved PUD or MUQD zoning.**

There is no proposed change in land use.

RECEIVED  
FEB 09 - 10 AM

DISTRICT ONE  
RHONDA H. GERBER

DISTRICT TWO  
WILLIAM "BILL" H. GOOD

DISTRICT THREE  
RICHARD SWARTZ

DISTRICT FOUR  
CATHERINE C. HANSON

DISTRICT FIVE  
WELTON G. CADWELL

**Determination of a Non-Substantial Amendment to the Harbor Hills PUD  
February 1, 1995**

**Item 2. A change which would alter the land use type and be adjacent to a property boundary.**

There is no alteration of land use type nor is there any direct impact on adjoining properties.

**Item 3. A change which would require an amendment of the conditions by the Board of County Commissioners upon approval.**

No such amendment of conditions is requested.

**Item 4. A change which would increase the land use intensity within any development phase without a corresponding decrease in some other portion of the overall PUD or MUQD.**

There is no change that would increase the land use intensity within any development phase.

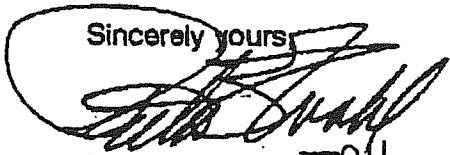
**Item 5. An amendment to the phasing which would propose that land use in advance of the development it was designed to support.**

There is no such amendment requested.

Based on the above and based on the review and recommendation of the Lake County Technical Review Committee, January 19, 1995, (copy of minutes attached for ready reference) this request constitutes a nonsubstantial amendment under this section of the Land Development Regulations of Lake County Florida. Therefore, your nonsubstantial amendment is approved as requested and this letter will be filed with the PUD in the Lake County Department of Planning and Development.

I trust this responds to your request. If you have questions or require further information, please feel free to contact me at 343-9888. Thank you.

Sincerely yours



Peter F. Wahl  
County Manager

TPH

**Determination of a Non-Substantial Amendment to the Harbor Hills PUD  
February 1, 1995**

PFW:js  
Attachment

cc: County Attorney's Office  
Rolon W. Reed, Interim County Attorney  
Timothy P. Hoban, Senior Assistant County Attorney  
Department of Planning and Development Services  
Paul A. Bergmann, Senior Director, Planning & Development  
Gregory K. Stubbs, Director, Development Regulation Services  
Sharon Farrell, Planner III  
James E. Barker, Director, Environmental Management Division  
Vicki Kiley, Land Use Technician  
Leo Vaughn, Director, Code Compliance Services  
Jack Bragg, Director, Building Services  
Carmen Carroll, Building Office Coordinator  
Department of Public Services  
Donald A. Griffey, Engineering Director  
Board of County Commissioners

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TRC

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JANUARY 19, 1995

MINOR AMENDMENT

HARBOR HILLS PUD

Mr. Steve Richey, attorney, was present to represent this project.

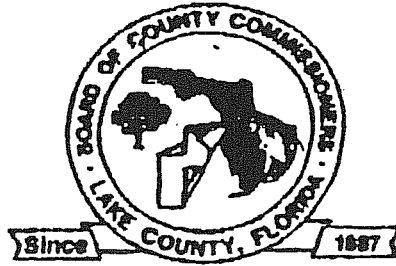
In response to Mr. Stubbs, Mr. Richey said he has met with Pete Wahl and is awaiting a final determination of a nonsubstantial nature for this request. This determination will be subject to the comments of this Committee.

Mr. Stubbs explained that this is a setback change for Lots 1 through 9, a partial replat of Block B.

Mr. Stubbs said this Committee does not have any specific objections to this amendment.

**COUNTY MANAGER**  
318 WEST MAIN STREET  
TAVARES, FLORIDA 32778

Reply to: Post Office Box 7800  
Tavares, FL 32770-7800



PHONE: (352) 343-8888

BUNCOM: 888-1288

FAX: (352) 343-9485

January 13, 1997

Steven J. Richey  
Richey & Neal, P.A.  
Post Office Box 492460  
Leesburg, FL 34749-2460

**Re: Non-Substantial Amendment Determination for Harbor Hills**

Dear Mr. Richey:

This letter is in response to your inquiry of December 30, 1996, for a determination of a non-substantial amendment for the Harbor Hills PUD.

The specific request is to amend the rear lot setback for Lot 26 (only), of Block BB of a Partial Replat of Harbor Hills from twenty-five (25) feet to ten (10) feet (permit sketch enclosed).

The Director of the Division of Planning and Development Services has reviewed your request against Section 14.04.06 D and also sought counsel from the Development Review Staff. Based on this review, this request constitutes a non-substantial amendment under this section of the Land Development Regulations of Lake County. Therefore, your non-substantial amendment is approved as amended. This letter will be filed with the PUD in the Division of Planning and Development Services.

If you have any questions, please feel free to contact me at your earliest convenience.

Sincerely,

  
Sue B. Whittle

SBW:lg

Enclosure

cc: Sanford A. Minkoff, County Attorney  
Sharon O. Farrell, Senior Director, Growth Management  
Paul A. Bergmann, Director, Planning & Development Services  
Mary Williams, Public Hearing Coordinator  
Donna Bechtel, Development Coordinator

FILE/RECORDING/DOCS/CR/2/13/97/11/11/97

DISTRICT ONE  
IONDA H. GERBER

DISTRICT TWO  
WILLIAM "BILL" H. GOOD

DISTRICT THREE  
RICHARD SWARTZ

DISTRICT FOUR  
CATHERINE C. HANSON

DISTRICT FIVE  
WELTON G. CADWELL



ORDINANCE #44-90

WHEREAS, the Lake County Planning and Zoning Commission did, on the 29th day of August, 1990, review petition #174-87A-1, a request to approve the preliminary development plan for a Planned Unit Development (PUD) on property generally located in the Lady Lake area - Property lying S of Lake Griffin Rd. (DR1-7611) & N of Griffin View Drive (DR1-7212) & W of Sullen Rd. (DR1-7316). The property is more particularly described as:

LEGAL DESCRIPTION: Section 13, Twp. 18S, Rge. 24E, the E 1/2; the E 1/2 of the NW 1/4; the E 1/2 of the NW 1/4 of the NW 1/4; the E 30 acres of the SW 1/4 of the NW 1/4 and the E 1/2 of the SW 1/4 less the S 210 ft. of the W 210 ft.; Sec. 24, Twp. 18S, Rge. 24E, all of Gov't Lot 3; all of Gov't Lot 6, less the SE 1/4; the W 500 ft. of the N 660 ft. of Gov't Lot 7, and the W 660 ft. of Gov't Lot 2; Sec. 18, Twp. 18S, Rge. 25E, all of Gov't Lots 2 & 4; that portion of Gov't Lot 2 lying S of Lake Griffin Rd. (DR1-7611); and the following described portion of Gov't Lot 1; begin at the NW cor of Gov't Lot 1 and run thence E along the N line of said Gov't Lot 1 a distance of 1528.25 ft. thence S 08 deg. 56' 00" W, 1000.00 ft.; thence E to the waters of Lake Griffin; thence SW'ly along said waters edge to the W line of said Gov't Lot 1; thence N along said W line to the P.O.B.; Sec. 7, Twp. 18S, Rge. 25E, that part of Gov't Lot 4 and that portion of the SW 1/4 of the SE 1/4 lying S of Lake Griffin Rd. (DR1-7611).

AND, after giving Notice of Hearing on petition for development plan approval, including a notice that said petition could be presented to the Board of County Commissioners of Lake County, Florida, on the 18th day of September, and

W 7 5 26 PM '90  
CLERK  
FLORIDA

FILED

WHEREAS, the Board of County Commissioners reviewed said petition, the recommendations of the Lake County Planning and Zoning Commission, and any comments, favorable or unfavorable from the Public and surrounding property owners at a Public hearing duly advertised, and

WHEREAS, upon review, certain terms and conditions pertaining to the development of the above described property have been duly approved, and

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Lake County, Florida, that the Zoning Rules and Regulations of Lake County, Florida, be altered and amended as they pertain to the above tract of land subject to the following terms and conditions:

Terms and conditions of this Planned Unit Development shall mean and include the total of the following:

A. General Information:

1. The total area of the PUD shall be developed as follows according to the Preliminary Development Plan with a 62 ft. setback for all structures:

Total Area:	<u>866 +/-acres</u>
Total Developable Area Natural Above 100 yr. Flood:	714 acres
Total Area of Wetlands:	125 acres
Total Area of Altered Wetlands:	12 acres
Total Area of Wetlands Remaining in Environmental Easement:	113 acres
Total Area to be Developed:	<u>753 +/-acres</u>

## PARCEL NO. 1:

That part of Government Lot 1 in Section 18, Township 18 South, Range 25 East, in Lake County, Florida, bounded and described as follows: Beginning at the Northwest corner of the said Government lot 1 run East along the North line of the said Government lot 1 a distance of 1528.5 feet; thence South 8°56' West 1000 feet; thence East to the waters of Lake Griffin; thence run in a Southwesterly direction along the waters of the said Lake to the West line of the said Government lot 1; thence run North along the West line of the said Government lot 1 to the point of beginning.

## PARCEL NO. 2:

Government lot 2, less that part lying North and West of a clay road and also less the right of way of the clay road; all of Government lots 3 and 4, all being in Section 18, Township 18 South, Range 25 East, in Lake County, Florida.

## PARCEL NO. 3:

That part of Government lot 4 lying South of the Southerly line of the right of way of a clay road; and that part of the Southwest 1/4 of the Southeast 1/4 lying South of the Southerly line of the right of way of a clay road, all being in Section 7, Township 18 South, Range 25 East, in Lake County, Florida.

## PARCEL NO. 4:

Government lot 1, less the South 260 feet thereof; the North 1/2 of Government lot 2; the South 1/2 of the Northeast 1/4; all being in Section 13, Township 18 South, Range 24 East, in Lake County, Florida.

## PARCEL NO. 5:

The Northeast 1/4 of the Northeast 1/4 of Section 13, Township 18 South, Range 24 East, in Lake County, Florida, less and except the following: Begin at the Northeast corner of said Section 13, run South 89°36'10" West along the North line of said Section 13 to the Northwest corner of the Northeast 1/4 of the Northeast 1/4 of said Section 13; thence South 1°08'10" East along the West line of the said Northeast 1/4 of the Northeast 1/4 to the Southwest corner of the said Northeast 1/4 of the Northeast 1/4; thence North 89°40'15" East along the South line of the said Northeast 1/4 of the Northeast 1/4 a distance of 372.45 feet; thence North 34°49'15" East 1624.56 feet to the point of beginning.

## PARCEL NO. 6:

The Northwest 1/4 of the Northeast 1/4; the Northeast 1/4 of the Northwest 1/4; and the East 1/2 of the Northwest 1/4 of the Northwest 1/4 of Section 13, Township 18 South, Range 24 East, in Lake County, Florida.

Begin at the Northeast corner of Section 13, Township 18 South, Range 24 East, in Lake County, Florida, and run thence South 89°35'10" West along the North line of said Section 13 to the Northwest corner of the Northeast 1/4 of the Northeast 1/4 of said Section 13; thence South 1°08'10" East along the West line of the said Northeast 1/4 of the Northeast 1/4 to the Southwest corner of the said Northeast 1/4 of the Northeast 1/4; thence North 89°40'15" East along the South line of the said Northeast 1/4 of the Northeast 1/4 a distance of 372.45 feet; thence North 34°49'15" East a distance of 1624.56 feet to the point of beginning.

## PARCEL NO. 7:

The East 30 acres of the Southwest 1/4 of the Northwest 1/4; the Southeast 1/4 of the Northwest 1/4; the East 1/2 of the Southwest 1/4, less the South 210 feet of the West 210 feet thereof, the South 260 feet of Government lot 1 and the South 1/2 of Government lot 2, all in Section 13, Township 18 South, Range 24 East, in Lake County, Florida.

## PARCEL NO. 8:

Government lot 3; Government lot 6, less and except the Southeast 1/4 thereof; the West 660 feet of the North 660 feet of Government lot 7; and the West 660 feet of Government lot 2, all in Section 24, Township 18 South, Range 24 East, in Lake County, Florida, less road right of way for Griffinview Road and Sullen Road.

## LESS AND EXCEPT from Parcel Nos. 7 and 8 the following:

That part of the South 1/2 of Government lot 2 in Section 13, Township 18 South, Range 24 East, in Lake County, Florida, bounded and described as follows: From the Southwest corner of said Government lot 2 run North 28°53'23" East 577.85 feet to the point of beginning of this description; from said point of beginning run North 19°0'50" West 199.43 feet; thence North 65°44'25" East 110.43 feet; thence South 30°17'53" East 229.53; thence South 51°24'04" West 62.6 feet; thence North 88°09'09" West 102.64 feet to the point of beginning.

## LESS AND EXCEPT from all of the above described Parcels:

That part of the W 1/2 of the W 1/2 of the SW 1/4 of the NW 1/4, Section 13, Township 18 South, Range 24 East, Lake County, Florida, lying Easterly of the West line of the East 30 acres of said SW 1/4 of the NW 1/4.

EXHIBIT "B"

The Owners shall have a membership in the Association and voting rights as set forth below:

1. Residential Units - One (1) membership and one (1) vote for each Residential Unit owned.

2. Residential Parcels - One (1) membership and one (1) vote for each Lot owned.

3. Commercial Property - One (1) membership and one (1) vote for each 500 square feet of property owned. Fractional votes and memberships shall be prohibited.

4. Membership Recreational Facility - One (1) membership and one (1) vote for each Membership Recreational Facility.

5. Future Development Land - An Owner of Future Development Land shall be entitled to One (1) membership and one (1) vote for each anticipated Lot as identified in the PUD issued by Lake County for the Property.

EXHIBIT "C"

OR  
BOOK 1403 PAGE 875

The Owners of various portions of the Property shall be obligated to pay Assessments on a pro rata basis with the total Assessments divided by the total number of assessment units and with the result thereof multiplied by the assessment unit allocated to each interest in the Property as set forth below:

1. Residential Unit - One (1) assessment unit per each Residential Unit owned.
2. Residential Parcel - One (1) assessment unit per each Lot owned.
3. Commercial property - One (1) assessment unit for each 500 square foot of property owned.
4. Membership Recreational Facility - One (1) assessment unit for each Membership Recreational Facility.

The total assessment units for the Property shall be found by adding the respective assessment units above.

BYLAWS  
OF  
HARBOR HILLS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I  
NAME AND LOCATION

The name of the corporation is HARBOR HILLS HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 16114 North Florida Avenue, Lutz, Florida 33549, but meetings of members and directors may be held at such places within the State of Florida, County of Hillsborough, as may be designated by the Board of Directors.

ARTICLE II  
DEFINITIONS

Section 1. "Articles" and "Bylaws" shall mean and refer to the Articles of Incorporation and the Bylaws of the Association (as defined in section 2 of this Article II) as they may exist from time to time.

Section 2. "Association" shall mean and refer to HARBOR HILLS HOMEOWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation, its successors and assigns.

Section 3. "Board" or "Board of Directors" shall mean the board of directors of the Association, elected in accordance with the Articles and Bylaws. Members of the Board shall be referred to as "Directors."

Section 4. "Commercial Property" shall mean any improved or unimproved parcel of land within the Property, which is intended and designed to accommodate retail commercial enterprises excluding any Membership Recreational Facility (as that term is defined in Section 14 of this Article II). Sites conveyed to a governmental or quasi-governmental entity for public facilities are included within this definition.

Section 5. "Common Area" shall mean all real property (including improvements thereto), if any, owned by the Association for the common use and enjoyment of the Owners (as that term is defined in Section 16 of this Article II).

Section 6. "Common Property" shall mean the Common Area and those parcels of land, together with any improvements thereon, which are conveyed, dedicated, or leased to the Association and designated in such conveyance, dedication or lease as "Common Property." The term "Common Property" shall also include any personal property acquired by the Association.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Harbor Hills as it may, from time to time, be amended.

Section 8. "Design Review Board" (hereinafter the "DRB") shall refer to that board as established by the Board of Directors to review designs and plans for proposed construction, modification, alteration or other improvement to the Property as described in Article IX of the Declaration.

Section 9. "Design Review Criteria" shall mean and refer to that document entitled "Design Criteria and Development Policy Standards," prepared by the Developer, and as amended from time to time, setting forth the development standards for the Property.

Section 10. "Developer" shall mean and refer to The 347 Corporation of Florida, Inc., a Florida corporation, its successors and assigns, if such successors and assigns should acquire more than one (1) undeveloped Lot from the Developer for the purpose of development.

Section 11. "Harbor Hills" shall mean the real property platted as Harbor Hills in the Public Records of Lake County, Florida. It shall also include any additional tracts which are subsequently platted and subjected hereto, whether presently designated for Future Development on the Plat or subsequently annexed as provided elsewhere herein.

Section 12. "Lot" shall mean a portion of real property separately described as a lot on the Plat of the Property, excluding Commercial Property and Membership Recreational Facilities.

Section 13. "Member" shall mean and refer to any Owner who is a member of the Association.

Section 14. "Membership Recreational Facilities" shall mean those areas on the Plat whether committed to be built or only proposed, which are designated as golf course, clubhouse and amenities area, and marina, if built, as well as all other lands designated or set aside for recreational purposes, developed by the Developer from time to time, and at the time of development are designated as part of a club or organization where membership is controlled and for which a membership fee is charged.

Section 15. "Notice" shall mean delivery of any document by mail with postage prepaid to the last known address, according to the Association's records of the person or entity who appears as Owner in the records of the Association. Notice to one, two or more co-owners shall constitute notice to all Owners. Notice shall be deemed received three (3) days, excluding Sundays and legal holidays, after posting in the U.S. Mail or one (1) business day after delivery to an overnight service like Federal Express, Purolator or the like.

Section 16. "Owner" shall mean and refer to the Owner, as shown by the records of the Association, whether it be the Developer, one or more persons or entities, of fee simple title to any portion, Lot or parcel of the Property. Owner shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns unless and until such holder has acquired title pursuant to foreclosure or other appropriate proceedings or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

Section 17. "Plat" shall mean and refer to the recorded Plat of the Property as altered, amended, vacated or otherwise modified.

Section 18. "Property" shall mean and refer to that certain real property described in Exhibit "A" attached to and made a part of the Declaration of



Covenants, Conditions and Restrictions for Harbor Hills, and such additions thereto as may hereafter be brought within jurisdiction of the Association.

Section 19. "Residential Unit" shall mean and refer to any improved property intended for use as a dwelling, including, but not limited to, any detached dwelling, patio home, garden home or townhouse unit located within the Property. For the purposes of this Declaration, any such dwelling shall not be deemed to be improved until a certificate of occupancy has been issued by the appropriate governmental authorities for the dwelling constructed or until said dwelling is determined by the Association, in its reasonable discretion, to be substantially complete.

Section 20. "Rules and Regulations" shall mean the rules, regulations and policies which may be adopted by the Board from time to time by resolution duly made and carried.

Section 21. "Subdivision" shall mean Harbor Hills.

### ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and unless otherwise scheduled by the Board of Directors, each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at an hour as determined. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to

the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

#### ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be Members of the Association. The total number of directors shall always be an odd number. The Board may be increased by amendment of the Bylaws of the Association at any special or annual meeting of the membership.

Section 2. Term of Office. At the first annual meeting the Members shall elect three (3) directors for a term of one (1) year, and at each annual meeting thereafter the Members shall elect three (3) directors for a term of one (1) year.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting when they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Unless otherwise waived by a majority of the Members present and voting, election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

**ARTICLE VI  
NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VII  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

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

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

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

(c) As more fully provided in the Declaration, to:

(1) Adopt a budget for each calendar year to provide for the improvement, enhancement, operation and maintenance of the Association and the Common Property;

(2) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, by dividing the adopted budget by the number of lots in Harbor Hills;

(3) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(4) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates.

If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the exterior of the Residential Units to be maintained.

## ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) 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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be

presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

#### **ARTICLE IX COMMITTEES**

The Association shall appoint a Design Review Board, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

#### **ARTICLE X BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be obtained at reasonable cost.

#### **ARTICLE XI ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the maximum rate allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Owner's property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

#### **ARTICLE XII CORPORATE SEAL**

The Association shall have a seal in circular form determined by the first Board of Directors.



**ARTICLE XIII  
AMENDMENTS**

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XIV  
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the HARBOR HILLS HOMEOWNERS' ASSOCIATION, INC., have hereunto set our hands this 22<sup>nd</sup> day of March, 1990.

All of the Members of the  
Board of Directors

  
\_\_\_\_\_  
JOHN McNAMARA

  
\_\_\_\_\_  
AL GIRARD

  
\_\_\_\_\_  
SHARON K. STEPHENS

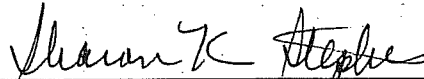
CERTIFICATION

I, the undersigned, do hereby certify;

THAT I am the duly elected and acting secretary of the HARBOR HILLS HOMEOWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 22nd day of March, 1990.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 22<sup>nd</sup> day of March, 1990.



SHARON K. STEPHENS  
SECRETARY



LORRAINE CARUANA  
Notary Public, State of New York  
No. 48-11755  
Qualified in Suffolk County  
Commission Expires Feb 28 1991