

IN THE CIRCUIT COURT OF THE 15TH
JUDICIAL CIRCUIT, IN AND FOR PALM
BEACH COUNTY, FLORIDA

CASE NO:

BOYNTON BEACH ASSOCIATES XXVI,
LLLP, a Florida limited liability limited
partnership,

Plaintiff,

v.

VALENCIA SOUND HOMEOWNERS
ASSOCIATION, INC., a Florida not-for-
profit corporation,

Defendant.

COMPLAINT

Plaintiff, BOYNTON BEACH ASSOCIATES XXVI, LLLP (the “Developer”), by and through its undersigned counsel, hereby sues Defendant, VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC. (the “Association”), and alleges as follows:

PARTIES, JURISDICTION, AND VENUE

1. This is an action for declaratory judgment pursuant to Chapter 86, Florida Statutes.
2. The Developer is a Florida limited liability limited partnership which maintains its principal place of business at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323.
3. The Association is a Florida not-for-profit corporation which maintains its principal place of business at 500 South Australian Avenue, Suite 700, West Palm Beach, Florida 33401.
4. This Court has personal jurisdiction over the Association pursuant to Florida Statute § 48.193.

5. Venue is proper in Palm Beach County, Florida, pursuant to Florida Statute § 47.011, as the Developer's cause of action accrued in this County.

GENERAL ALLEGATIONS

6. The Developer is the developer of the Valencia Sound community located at 12775 Old Tortuga Way, Boynton Beach, Florida 33473 ("Valencia Sound"). Valencia Sound is a luxurious 55+ retirement community consisting of approximately 412 single-family homes constructed and initially sold by Developer.

7. The original entity formed for the purposes of managing Valencia Sound was Monticello Homeowners Association, Inc. ("Monticello").

8. On December 21, 2018, Monticello was formed via filing Articles of Incorporation of Monticello Homeowners Association, Inc. with the Florida Division of Corporations.

9. On or about April 5, 2019, sales of homes in Valencia Sound began.

10. On April 29, 2019, Monticello filed an Amendment of Articles of Incorporation, thereby changing its name to Valencia Sound Homeowners Association, Inc. The actions of the Association are the subject of this action.

11. On March 20, 2020, the Amended and Restated Articles of Incorporation of Valencia Sound Homeowners Association were filed with the State of Florida Department of State (the "Articles of Incorporation"). A true and correct copy of the Articles of Incorporation is attached hereto as **Exhibit A**.

12. The same day, the Declaration of Covenants, Restrictions, and Easements for Valencia Sound (the "Declaration") was recorded in Official Records Book 31313, at Pages 1480-1634 of the Official Records of Palm Beach County, Florida. A true and correct copy of the

Declaration is attached hereto as **Exhibit B**. The Developer is the “Declarant” under the Declaration.

13. The Association is the “Association” under, subject to and described in the Articles of Incorporation and the Declaration, including any amendments and/or supplements thereto.¹

14. On or about April 1, 2023, the Developer turned over control of the Board of Directors of the Association to the homeowners of Valencia Sound. The Developer is and was a member of the Association, by virtue of, among other things, its ownership of residential lots in Valencia Sound.

15. Shortly thereafter, the new homeowner-controlled Board of Directors of the Association began working to amend the Declaration to impose, among other things, additional financial burdens upon future buyers of homes in Valencia Sound via an up-front payment in an amount equal to two quarters of the then-current Annual Assessment (the “Working Capital Contribution”), as follows:

Section 9. WORKING CAPITAL CONTRIBUTION. The Association shall establish a Working Capital Fund for the operation of the Association, which shall be collected from each Lot purchaser, and any other Owner acquiring title to a Lot, including all Lots purchased by resale, at the time of conveyance of each Lot to such purchaser in the amount of two (2) quarters of the then-current annual Individual Lot Assessment for such Lot. The Working Capital Contribution shall be collected and transferred to the Association at the time of closing of the sale or transfer of title to each Lot. The Working Capital Fund may be used for any proper expense of the Association, whether or not such expense is defined as an Operating Expense of the Association or otherwise. However, if used for an alteration or Improvement which would otherwise require a membership vote pursuant to Article IX, Section 1(K) of this Declaration, then the use of the Working Capital Fund for such alteration or Improvement shall be conditioned on obtaining such membership vote. Amounts paid into the fund are not to be considered as advanced payments of regular assessments. However, such Working Capital Contribution identified herein shall be collectible as an assessment with full collection rights

¹ The Articles of Incorporation and Declaration have been supplemented and/or amended on several occasions and recorded in the Official Records of Palm Beach County, but only the amendments that are the subject of this action for declaratory relief have been attached.

pursuant to this Declaration, including, but not limited to, the authority to file a claim of lien for the collection thereof. The working capital fund shall not apply to the Association, in the event the Association takes title to a Lot as a result of foreclosure, deed in lieu of foreclosure or otherwise. . .

See Ex. C (emphasis in original).

16. Upon information and belief, on or about July 6, 2023, the Association sent notices to certain members of the Association regarding an upcoming vote on the potential amendments to the Declaration, including the addition of the Working Capital Contribution. The Association did not send this notice to the Developer despite its ownership of numerous lots in Valencia Sound and its status as a member of the Association, and despite the requirement of Article XIV, Section 8, Paragraph D of the Declaration which requires the Association obtain specific written approval from Developer for an amendment to the Declaration of the type proposed with a Working Capital Contribution.

17. Article XIV, Section 8, Paragraph D of the Declaration provides as follows:

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

D. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant or any Institutional Mortgagee under the governing documents without the specific written approval of such party affected thereby. . .

See Ex. B.

18. Subsequent to the Developer finding out about the proposed amendments and before a formal vote on the amendments by the homeowners, on August 14, 2023, the Developer emailed the Association, objected to the proposed amendment, and specifically requested an exemption from the Working Capital Contribution for the remaining new homes to be sold by the Developer. None of the prior homeowners who purchased from the Developer over the prior four (4) years were charged a Working Capital Contribution and the remaining buyers should not be

charged this new Working Capital Contribution. The Association denied Developer's request and proceeded with the amendment to add the Working Capital Contribution.

19. On September 1, 2023, the Developer emailed the Association and objected for a second time regarding the Association's wrongful attempt to impose the Working Capital Contribution on homeowners purchasing directly from the Developer. The Developer referenced the notice requirement imposed by the Article XIV, Section 8, Paragraph D of the Declaration. The Developer has never consented to the amendment to the Declaration to add the Working Capital Contribution.

20. The Association not only ignored the Developer's objection to the proposed amendment to the Declaration to add the Working Capital Contribution, but the Association did not even attempt to obtain the Developer's consent to the proposed amendment as required by Article XIV, Section 8, Paragraph D of the Declaration. Instead, and in violation of said Article XIV, Section 8, Paragraph D, the Association proceeded to pursue the approval of the amendment by the owners in Valencia Sound.

21. The vote of the homeowners to amend the Declaration passed despite Developer's objection and on August 25, 2023, the Third Amendment to the Declaration was recorded in Official Records Book 34519, at Pages 819–827 of the Public Records of Palm Beach County, Florida (the "Third Amended Declaration"), which included the Working Capital Contribution. A true and correct copy of the Third Amended Declaration is attached hereto as **Exhibit C**.

22. On August 29, 2023, the Association emailed a letter to Nova Title Company and the Developer enclosing the Third Amended Declaration and demanding that the Working Capital Contribution be collected at all remaining closings of homes being sold by Developer.

23. Since passage of the Third Amended Declaration, the Association has imposed the Working Capital Contribution on the remaining lots owned and/or sold by the Developer.

24. The Third Amended Declaration imposing the Working Capital Contribution on Lots owned by the Developer impairs or prejudices the rights of the Developer and is, therefore, not effective as a result of the Association failing to obtain the prior approval of Developer as required by Article XIV, Section 8, Paragraph 3 of the Declaration.

25. To date, despite many requests by the Developer, the Association has not consented to amending and/or removing the Working Capital Contribution contained within the Third Amended Declaration to exempt the Developer, thus necessitating the filing of this action.

26. All conditions precedent to the filing of this action have occurred, been waived, or would otherwise be futile to perform.

27. Pursuant to Article XIV, Section 3 of the Declaration, the prevailing party in this action is entitled to recover its legal fees and costs incurred in pursuing this action.

28. The Developer has retained Greenberg Traurig, P.A. to represent it in this action and is obligated to pay Greenberg Traurig, P.A. a reasonable fee for its services.

COUNT I
ACTION FOR DECLARATORY JUDGMENT

29. The Developer repeats and alleges the allegations of paragraphs 1 through 28 of this Complaint as if fully set forth herein.

30. This is an action for declaratory judgment pursuant to Chapter 86, Florida Statutes.

31. The parties are in a bona fide dispute with regard to the parties' rights under the Declaration.

32. The Association contends that it has the authority to amend the Declaration to include the Working Fund Contribution without the consent of the Developer despite such actions being expressly prohibited by the Declaration. *See Ex. B.*

33. Further, the Association has already recorded the Third Amended Declaration in the Public Records of Palm Beach County purporting to impose the Working Capital Contribution on the remaining homes owned and being sold by the Developer and has proceeded to wrongfully collect the Working Capital Contribution from the remaining new homes sold by the Developer to purchasers.

34. There is a bona fide, actual and present practical need for the Court's determination of the respective rights and responsibilities of the parties, including: i) whether the Association had the authority to amend the Declaration to unilaterally add the Working Capital Contribution to the Declaration via the Third Amended Declaration without the Developer's express written approval, and ii) whether the Association has the authority to charge such Working Capital Contribution when all other homeowners in Valencia Sound did not have to pay such Working Capital Contribution when purchasing their homes from Developer.

35. The relief sought from this Court is not merely the giving of legal advice.

36. The Developer requests that this Court take jurisdiction of the matter and determine the rights and obligations of the parties.

37. The Developer requests that this Court enter an order declaring the Association's addition of the Working Capital Contribution to the Declaration via the Third Amended Declaration is null and void *ab initio*, as such action was taken without the Developer's express written approval as required by the Declaration.

WHEREFORE, Plaintiff requests entry of declaratory judgment as noted above against Defendant and for an award of attorneys' fees and costs, all in accordance with Florida law, together with such other and further relief as may be just and proper, including expedited relief.

Dated: December 27, 2023

Respectfully submitted,

GREENBERG TRAURIG, P.A.
777 South Flagler Drive, Suite 300 East
West Palm Beach, Florida 33401
Telephone: (561) 650-7918
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Attorneys for Plaintiff

EXHIBIT A

NOT A CERTIFIED COPY

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**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.,
(a Florida not for profit corporation)**

THESE AMENDED AND RESTATED ARTICLES OF INCORPORATION ("Restated Articles") are adopted as of the 19th day of March, 2020 by BOYNTON BEACH ASSOCIATES XXVI, LLLP, a Florida limited liability limited partnership.

RECITALS:

WHEREAS, Articles of Incorporation of Monticello Homeowners Association, Inc. were filed with the Department of State of the State of Florida on December 21, 2018, under Document Number N18000013317 (the "Original Articles");

WHEREAS, pursuant to Article XIII, Section A of the Original Articles, prior to the First Conveyance, the Declarant may amend the Original Articles without the vote of the Members or the Board of Directors; and

WHEREAS, the First Conveyance has not occurred, and Declarant desires to amend and restate the Original Articles in their entirety, including changing the name of the Association, all as more particularly set forth in these Restated Articles.

NOW, THEREFORE, pursuant to the authority and for the reasons aforementioned, the undersigned does hereby amend and restate the Original Articles in their entirety as follows:

The foregoing recitals are true and correct and are incorporated herein by reference.

**ARTICLE I
DEFINITIONS**

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

1. "Articles" shall mean these Amended and Restated Articles of Incorporation and any amendments hereto.
2. "Association" shall mean Valencia Sound Homeowners Association, Inc., a Florida not for profit corporation. The Association is NOT a condominium association and is not intended to be governed by Chapter 718, Florida Statutes (the Florida Condominium Act).
3. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.
4. "Bylaws" shall mean the Bylaws of the Association and any amendments thereto.
5. "County" shall mean Palm County, Florida.
6. "Declaration" shall mean the Declaration of Covenants, Restrictions and Easements for Valencia Sound recorded (or to be recorded) in the Public Records of the County, as amended and/or supplemented from time to time.
7. "Director" shall mean a member of the Board.

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8. "Governing Documents" shall mean and refer, in the aggregate, to the Declaration, these Articles, the Bylaws, the Rules and Regulation of the Association, and all of the Instruments and documents referred to in such documents, all as may be amended and/or supplemented from time to time.

9. "HOA Act" shall mean the Florida Homeowners' Association Act (Chapter 720, Florida Statutes) and, where the context requires or permits shall also include, the Florida Not For Profit Corporation Act (Chapter 617, Florida Statutes).

10. "Member" shall mean a member of the Association.

All initial capitalized terms used in these Articles but not defined herein shall have the meanings given to such terms in the Declaration, which are incorporated herein by this reference.

ARTICLE II
NAME; PRINCIPAL ADDRESS

The name of the corporation shall be VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation, whose principal address and mailing address is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or at such other place as may be designated, from time to time, by the Board of Directors.

ARTICLE III
PURPOSES

The purposes for which the Association is organized are: (i) to take title to, administer, operate, maintain, finance, repair, replace, manage and lease the Association Property (including the Drainage System) in accordance with the terms of, and purposes set forth in, the Governing Documents, and (ii) to carry out and perform the Association's duties and obligations under the Governing Documents (including enforcing the provisions thereof). The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any Member, Owner or other individual person, firm or entity.

ARTICLE IV
POWERS

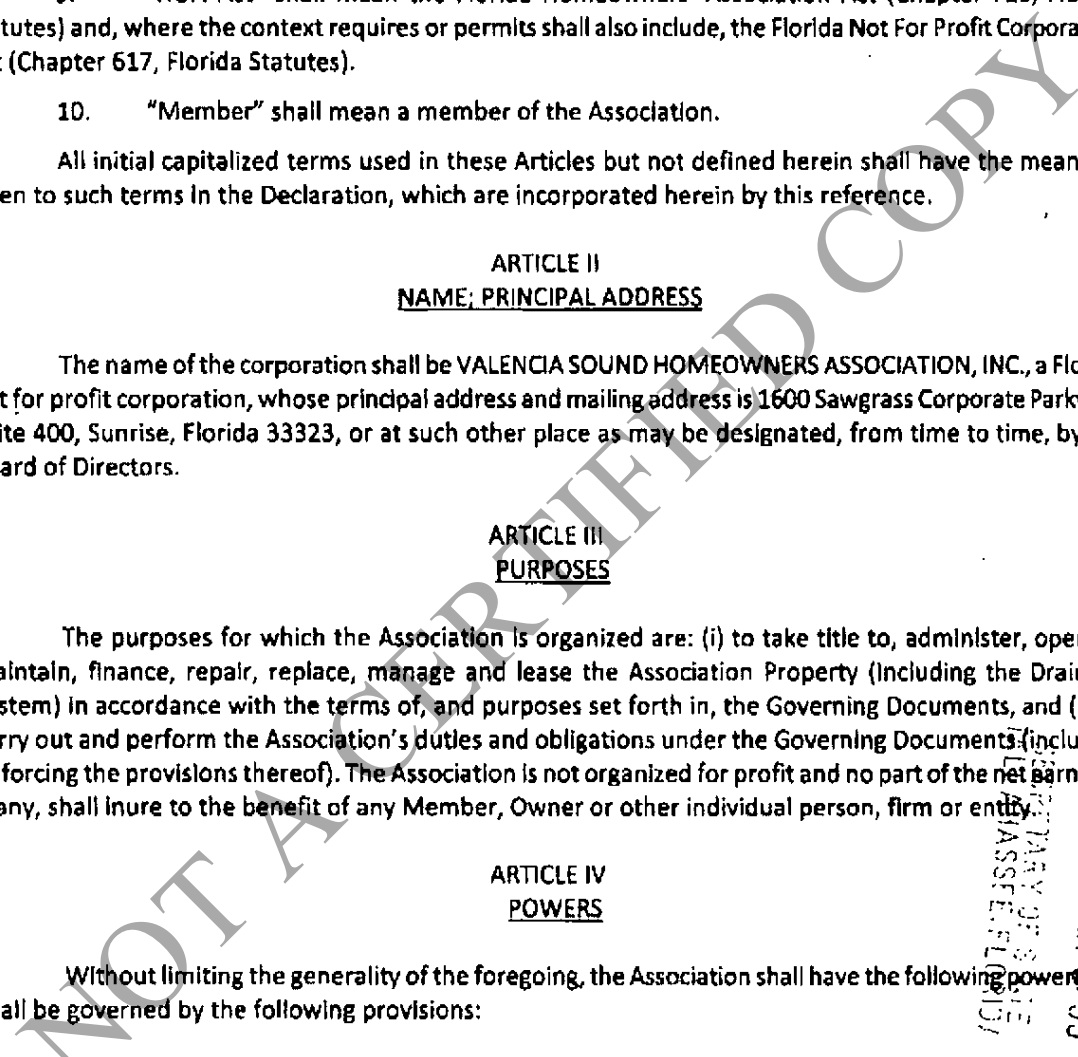
Without limiting the generality of the foregoing, the Association shall have the following powers and shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the Governing Documents or the HOA Act.

B. The Association shall have all of the powers granted to the Association in the Governing Documents. All of the provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles.

C. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

- 1. To perform any act required or contemplated by it under the Governing Documents.



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2. To make, establish, amend, abolish (in whole or in part) and enforce reasonable rules and regulations governing the use of the Association Property.

3. To make, levy and collect Assessments for the purpose of obtaining funds from its Members to pay Operating Expenses and other costs defined in the Declaration and costs of collection, and to use and expend the proceeds of Assessments in the exercise of the powers and duties of the Association.

4. To own, administer, operate, maintain, finance, repair, replace, manage, lease and convey the Association Property or any other real or personal property in accordance with the Governing Documents.

5. To enforce, including by legal means if necessary, the obligations of the Members and the provisions of the Governing Documents and the HOA Act.

6. To employ personnel, retain independent contractors and professional personnel, and enter into service contracts to provide for the administration, operation, maintenance, financing, repairing, replacing, management and leasing of the Association Property and to enter into any other agreements consistent with the purposes of the Association, including, but not limited to, agreements with respect to professional management of the Association Property and to delegate to such professional manager certain powers and duties of the Association. Prior to the Turnover Date (as hereinafter defined), the President of the Board shall have the inherent authority to enter into contracts and agreements on behalf of the Association without a meeting of the Directors, so long as the monetary amounts to be paid by the Association pursuant to the contracts and agreements do not exceed the amounts therefor as set forth in the then-adopted operating Budget of the Association, as amended from time to time.

7. To operate, maintain, and manage the Drainage System in a manner consistent with the requirements of the Water Management District Permit and applicable rules and requirements of the Water Management District; to assist in the enforcement of the Declaration's provisions relating to the Drainage System; and to levy and collect adequate assessments against Owners for the costs of maintenance and operation of the Drainage System.

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

9. To assign and/or delegate any right, duty or obligation of the Association as it deems necessary including, without limitation, assignments and delegations to a management company and/or other entity(ies) or person(s).

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

11. To borrow money and to obtain such financing as is necessary to maintain, repair and replace the Association Property in accordance with the Declaration and, as security for any such loan, to collaterally assign the Association's right to collect and enforce Assessments levied for the purpose of repaying any such loan and to provide such other collateral as may be necessary to obtain such financing.

12. Notwithstanding anything to the contrary, there are hereby excluded from the powers and authority of the Association the right or ability, in its own name or on behalf of some or all Owners, to take action against, to object to and/or refuse to consent to, any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Valencia Sound (including, without limitation, comprehensive plan changes, land use changes, rezoning requests, development orders and

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approvals, construction plans or permitting and/or other matters relating to the development or redevelopment of Valencia Sound), regardless of its actual or estimated impact thereon. This provision shall likewise prohibit the Association from paying, providing or contributing any funds to any business entity, organization or person for the aforesaid purposes.

The powers of the Association shall be subject to and exercised in accordance with the provisions of these Articles, any other Governing Documents and the HOA Act provided, however, that in the event of a conflict, the provisions of the HOA Act shall have control over these Articles and any other Governing Documents.

**ARTICLE V
MEMBERS AND VOTING**

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

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

B. After the First Conveyance, Declarant shall be a Member as to each of the remaining Lots until each such Lot is conveyed to another Owner, and thereupon and thereafter each and every Owner, including Declarant as to Lots owned by Declarant, shall be a Member and exercise all of the rights and privileges of a Member in accordance with (but at all times subject to) the Governing Documents.

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

D. The Association shall have two (2) classes of voting membership:
1. "Class A Members" shall be all Members, with the exception of Declarant while Declarant is a Class B Member, each of whom shall be entitled to one (1) vote for each Lot owned.

2. "Class B Members" shall be Declarant, who shall be entitled to three times the total number of votes of the Class A Members plus one. Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following events ("Turnover Date"):

(a) Three (3) months after the conveyance of ninety percent (90%) of the "Total Developed Lots" (as defined in Article VIII.C below) by Declarant, as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County;

(b) At such earlier time as Declarant shall designate in writing to the Association; or

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(c) On such other date as a majority of the Board is elected by the Class A Members as required by the HOA Act.

On the Turnover Date, the Class A Members other than Declarant shall be entitled to elect at least a majority of the Board. After the Turnover Date, Declarant may exercise the right to vote as a Class A Member in the same manner as any other Class A Member except for purposes of reacquiring control of the Association or selecting a majority of the members of the Board.

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

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

G. Any Member who conveys or loses title to a Lot by sale, gift, inheritance, devise, bequest, judicial decree or otherwise shall, immediately upon such conveyance or loss of title, no longer be a Member with respect to such Lot and shall lose all rights and privileges of a Member resulting from ownership of such Lot, but such party shall remain jointly and severally liable, together with the new Member owning the Lot, for all outstanding obligations (including monies owed) to the Association.

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

Notwithstanding the foregoing provisions, whenever any Lot is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

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

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

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3. When neither spouse is present, the person designated in a "Proxy" (as defined in the Bylaws) signed by either spouse may cast the Lot vote, when voting by Proxy is allowed, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Proxy by the other spouse, the vote of said Lot shall not be considered, but shall count as one (1) Member for purposes of establishing a quorum.

I. Unless some greater number is provided for in the Governing Documents, a quorum for the transaction of business at any meeting of the Members shall exist if Members holding at least thirty percent (30%) of the total voting interests of the Members shall be present or represented by proxy at the meeting.

ARTICLE VI
TERM

The term for which this Association is to exist shall be perpetual. In the event of dissolution of the Association (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Association shall be conveyed to a similar homeowners association or a public agency having a similar purpose, or any Member may petition the appropriate circuit court of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and its properties in the place and stead of the dissolved Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties.

In the event of the Association's termination, dissolution, or final liquidation, the responsibility for the operation and maintenance of the Drainage System must be transferred to and accepted by an entity which complies with Section 62-330.310, F.A.C. and is approved by the Water Management District prior to such termination, dissolution, or liquidation.

ARTICLE VII
INCORPORATOR

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

Steven M. Helfman, Esq.
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323

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TALLAHASSEE, FLORIDA

ARTICLE VIII
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors of the Association ("First Board") shall be three (3) and shall be increased to four (4), or such greater odd number of not more than seven (7) as determined in the sole discretion of the Declarant, upon the election of one (1) "Purchaser Member" (as hereinafter defined) to the Board in accordance with Section 720.307(2) of the HOA Act. The "Initial Elected Board" (as hereinafter defined) shall be three (3) and the number of Directors elected by the Members subsequent to the "Declarant's Resignation Event" (as hereinafter defined) shall be an odd number of no less than three (3) nor more than seven (7). The Board shall determine the number of Directors to comprise the Board prior to each meeting at which Directors are to be elected. Except for Declarant-appointed Directors, Directors must be: (i) Members or the parents, children or spouses of Members, (ii) a partner, shareholder,

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member, manager, director or officer of a Member that is an entity, or (iii) a trustee or beneficiary of a Member that is a trust. Each Director shall have only one (1) vote.

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

<u>NAMES</u>	<u>ADDRESSES</u>
Salvatore DeJulio	1600 Sawgrass Corporate Parkway, Suite 400 Sunrise, Florida 33323
Marcie DePlaza	1600 Sawgrass Corporate Parkway, Suite 400 Sunrise, Florida 33323
N. Maria Menendez	1600 Sawgrass Corporate Parkway, Suite 400 Sunrise, Florida 33323

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

C. In accordance with Section 720.307(2) of the HOA Act, the Members other than Declarant ("Purchaser Members") shall be entitled to elect one member of the Board after fifty percent (50%) of all the Lots in Valencia Sound to be constructed with a Home thereon (the "Total Developed Lots") have been conveyed to Members. The election of such one (1) Purchaser Member to the Board shall occur at the annual meeting of the Members following such conveyance.

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

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

F. At the Initial Election Meeting, Purchaser Members, who shall include all Members other than Declarant, shall elect a majority of the Directors, and Declarant, until the Declarant's Resignation Event, shall be entitled to designate the remaining Directors on the Board (same constituting the "Initial Elected Board"). Declarant reserves and shall have the right, until the Declarant's Resignation Event, to name the successor, if any, to any Director it has so designated.

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

H. A Director (other than a Declarant-appointed Director) may be removed from office upon the affirmative vote or agreement in writing of a majority of the voting interests of Purchaser Members for

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any reason deemed to be in the best interests of the Purchaser Members. A meeting of the Purchaser Members to so remove a Director (other than a Declarant-appointed Director) shall be held upon the written request of ten percent (10%) of the Purchaser Members. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in the HOA Act. Notwithstanding the foregoing, the Declarant shall not vote or consent with respect to removal of any Director elected by Members other than Declarant.

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

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

Upon Declarant's Resignation Event, the Directors elected by Purchaser Members shall elect successor Directors to fill the vacancies caused by the resignation or removal of Declarant's designated Directors. These successor Directors shall serve until the next Annual Members' Meeting and until such Directors' successors are elected and qualified. In the event Declarant's Resignation Event occurs prior to the Initial Election Meeting, the Initial Election Meeting shall be called in the manner set forth in Article VIII.E above, and all of the Directors shall be elected by the Purchaser Members at such meeting.

J. At each Annual Members' Meeting held subsequent to Declarant's Resignation Event, all of the Directors shall be elected by the Members. At the first Annual Members Meeting held after the Initial Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. a number equal to fifty percent (50%) of the total number of Directors rounded up to the nearest whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the highest number of votes at the meeting; and
2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

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

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**ARTICLE IX
OFFICERS**

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President(s), Secretary and Treasurer, and such other officers as the Board may from time to time elect, subject to the directions of the Board. Except for officers elected prior to the Turnover Date, officers must be: (a) Members or the parents, children or spouses of Members, (b) a partner, shareholder, member, manager, director or officer of a Member that is an entity, or (c) a trustee or beneficiary of a Member that is a trust.

Except for the First Officers as set forth below, the officers of the Association, in accordance with any applicable provision of the Bylaws, shall be elected by the Board for a term of one (1) year and thereafter until qualified successors are duly elected and have taken office. The Bylaws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers. The President shall be elected from amongst the membership of the Board, but no other Officers need be a Director, but each Officer shall be an Owner (other than Officers elected or appointed by Declarant-appointed Directors). If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any other office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy. Except for the office of President, the same person may hold two or more offices, the duties of which are not incompatible.

**ARTICLE X
FIRST OFFICERS**

The names of the Officers who are to serve until the first election of officers by the Board (or otherwise designated by Declarant) are as follows:

- President - Salvatore DeJulio
- Vice President - Marcie DePlaza
- Secretary/Treasurer - N. Maria Menendez

**ARTICLE XI
INDEMNIFICATION**

Each and every Director, officer, and member of the Architectural Control Committee of the Association shall be indemnified by the Association from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, consequential and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, reasonable fees for attorney and paralegal services and all costs and court costs through and including all trial, appellate and post-judgment levels and proceedings), related to, arising out of and/or resulting from his/her being or having been a Director or officer of the Association, and the foregoing provision for indemnification shall apply whether or not such person is a Director or officer at the time such cost, expense or liability is incurred. Notwithstanding the above, (1) In the event of a settlement in connection with any of the foregoing, the indemnification provisions provided in this Article XI shall not be automatic and shall apply only when the Board approves such settlement and reimbursement for the costs and

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expenses of such settlement as being in the best interest of the Association, and (ii) in the event a Director or officer admits that he/she is or is adjudged guilty of willful misconduct, gross negligence or criminal conduct in the performance of his/her duties, the indemnification provisions of this Article XI shall not apply. The foregoing right of indemnification provided in this Article XI shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer of the Association may be entitled under statutory or common law.

The Association shall have the power and authority to purchase and maintain insurance on behalf of any person (a "Covered Person") who is or was a Director, officer or member of the Architectural Control Committee of the Association, or is or was serving at the request of the Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise. Such insurance shall cover any liability asserted against such Covered Person and incurred in any such capacity, or arising out of such Covered Person's status as such, whether or not the Association would have the power to indemnify the Covered Person against such liability under the provisions of this Article XI.

The provisions of this Article XI shall not be amended in a manner which would limit or deny indemnification for any Director or officer entitled to indemnification hereunder prior to such amendment.

ARTICLE XII
BYLAWS

The Board shall adopt Bylaws consistent with these Articles. Such Bylaws may be altered, amended or repealed in the manner set forth in the Bylaws. In the event of any conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII
AMENDMENTS

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

B. After the First Conveyance, and prior to the Turnover Date, these Articles may be amended solely by a majority vote of the Board, without the prior written consent of the Members, at a duly called meeting of the Board.

- C. After the Turnover Date, these Articles may only be amended in the following manner:
 1. The Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may be at either the Annual Members' Meeting or a special meeting. Any number of proposed amendments may be submitted to the Members and voted upon by them at one meeting.
 2. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member within the time and in the manner provided in the Bylaws for the giving of notice of meetings.
 3. At such meeting, a vote of the Members shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted only upon receiving the affirmative vote of a majority of the total number of Members in the Association.

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

D. Notwithstanding any provisions of this Article XIII to the contrary, these Articles shall not be amended in any manner which shall prejudice the rights of any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

E. Notwithstanding the foregoing provisions of this Article XIII to the contrary, no amendment to these Articles shall be adopted which shall abridge, prejudice, amend or alter the rights of Declarant without the prior written consent of Declarant, including, but not limited to, Declarant's right to designate and select members of the First Board or otherwise designate and select Directors as provided in Article VIII above, nor shall any other amendment be adopted or become effective without the prior written consent of Declarant for so long as Declarant holds either a leasehold interest in or title to at least one (1) lot.

F. A proposal to amend these Articles must contain the full text of the provision to be amended with new language underlined and deleted language stricken. However, if the proposed change is so extensive that underlining and striking through language would hinder, rather than assist, the understanding of the proposed amendment, the following notation must be inserted immediately preceding the proposed amendment: "Substantial rewording. See Governing Documents for current text." An amendment is effective when recorded in the public records of the County. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

ARTICLE XIV
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, and the initial registered agent of the Association at that address shall be Steven M. Helfman, Esq.

ARTICLE XV
AMENDMENT AND RESTATEMENT

These Amended and Restated Articles of Incorporation of the Association amend, restate and replace the Original Articles in their entirety.

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IN WITNESS WHEREOF, the Declarant has hereunto affixed its signature as of the date first stated above.

BOYNTON BEACH ASSOCIATES XXVI, LLLP, a Florida limited liability limited partnership

By: Boynton Beach XXVI Corporation, a Florida corporation, its general partner

By: 
Richard M. Norwalk, Vice President

[CORPORATE SEAL]

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


STEVEN M. HELFMAN, Registered Agent

Dated: March 19, 2020

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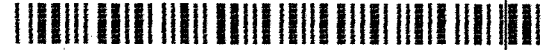
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EXHIBIT B

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This Instrument Prepared By And After Recording Should Be Returned To: (enclose self-addressed stamped envelope)

Boynton Beach Associates XXVI, LLLP
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323
Attn: Steven M. Helfman, Esq.



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**DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR**

V A L E N C I A S O U N D

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**DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS
FOR
V A L E N C I A S O U N D**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR VALENCIA SOUND ("Declaration") is made as of the Effective Date (as hereinafter defined) by BOYNTON BEACH ASSOCIATES XXVI, LLLP, a Florida limited liability limited partnership, its successors and assigns ("Declarant"), and is joined in by VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit ("Association").

RECITALS:

WHEREAS, Declarant desires to develop a planned community to be known as Valencia Sound (as hereinafter defined) on certain real property more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property");

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

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

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

**ARTICLE I
DEFINITIONS**

The initial capitalized terms used in this Declaration shall be defined as set forth in this Article I unless expressly provided otherwise.

Section 1. "ADDITIONAL PROPERTY" shall mean any real property (other than the Property) that may be submitted by Declarant to the terms and provisions of this Declaration by a Supplemental Declaration which shall be executed by the owner of the Additional Property and

need not be joined in by any other person or Owner. No portion of any Additional Property shall be encumbered by this Declaration unless and until such property is added by a Supplemental Declaration executed by the fee owner thereof and Declarant. In the event any Additional Property becomes encumbered by this Declaration, then, and only then in such event, the term "Property" as used herein shall also mean and be inclusive of the Additional Property.

Section 2. "AMENDMENTS" shall mean any and all amendments to this Declaration, all of which shall be consecutively numbered beginning with the "First Amendment to the Declaration of Covenants, Restrictions and Easements for Valencia Sound" and each of which shall be properly adopted pursuant to the terms of the Governing Documents and recorded in the Public Records; provided, however, the failure to so consecutively number or otherwise title such amendments shall not impair their validity hereunder and such amendments to the extent not otherwise numbered will be deemed to have been numbered in chronological order of their having been recorded in the Public Records. "Amendments" shall also mean any and all amendments to any Supplemental Declaration, as recorded in the Public Records.

Section 3. "ARCHITECTURAL CONTROL COMMITTEE" or "COMMITTEE" shall mean the committee created pursuant to Article VIII hereof.

Section 4. "ARTICLES" shall mean the Amended and Restated Articles of Incorporation of the Association which have been filed in the Office of the Secretary of State of the State of Florida, a true copy of which is attached hereto as Exhibit "B" and made a part hereof, as such Articles may be amended from time to time.

Section 5. "ASSESSMENTS" shall mean assessments for which all Owners are obligated to pay to the Association and includes "Individual Lot Assessments", "Special Service Assessments" and "Special Assessments" (as such terms are defined in Article VII hereof) and any and all other assessments and monetary fines and charges which are or may be levied by the Association in accordance with the Governing Documents.

Section 6. "ASSOCIATION" shall mean VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC., a not-for-profit Florida corporation (formerly known as Monticello Homeowners Association, Inc.), its successors and assigns, existing pursuant to the Articles, which Association is responsible for the ownership, administration, operation, management, maintenance, preservation, enforcement and architectural control of Valencia Sound as provided in this Declaration.

Section 7. "ASSOCIATION PROPERTY" shall mean such portions of the Property which are not included in any Lot and which are: (a) or shall be owned or maintained by the Association, as set forth in this Declaration, (b) indicated on the Plats as "Association Property" for the common use and enjoyment of the Owners within Valencia Sound, and/or (c) dedicated to or reserved for the Association on the Plats. Association Property also includes all landscaping, personal property and any other Improvements thereon, including, without limitation, all of the following if and to the extent located therein or thereon: the gatehouse, entranceways and

entrance features including, without limitation, the entry gates; the Recreation Tract and Passive Rec Areas (as more particularly defined and described in Article II, Section 2(1) below); the Lakes (as hereinafter defined); wetlands; littoral plantings; Open Space Areas (as more particularly defined and described in Article II, Section 2(4) below); buffer tracts; private streets, street signs and street trees; bridges; bike paths and sidewalks; the Drainage System (as hereinafter defined); the Irrigation System (as hereinafter defined); Street Lights and Decorative Street Lights (as those terms are more particularly defined and described in Article II, Section 2(4) and 2(5) below); perimeter fences and walls; entry, street and other lighting; monument walls and signs; site walls and retaining walls; and fountains. Association Property shall also include: (a) interests acquired by the Association in the form of easements, licenses and/or other agreements; and (b) such portions of the Property as are declared to be Association Property in any Supplemental Declaration. Association Property does not include, and specifically excludes: (i) all public utility installations on the Property; (ii) all portions of the Property dedicated to the public by the Plats; (iii) all portions of any Community Systems (as hereinafter defined) not made Association Property pursuant to Article II, Section 8 below; (iv) any property of Declarant not intended to be made Association Property; and (v) all portions of the Property which are declared to be withdrawn from the provisions of this Declaration in any Supplemental Declaration.

Section 8. "BOARD" shall mean the board of directors or other legally recognized governing body of the Association.

Section 9. "BYLAWS" shall mean the Bylaws of the Association, which have been or will be adopted by the Board, a copy of which is attached hereto as Exhibit "C" and made a part hereof, as such Bylaws may be amended from time to time.

Section 10. "CANALS" shall mean the canals in, around or near Valencia Sound.

Section 11. "CANAL LOT" shall mean a Lot within Valencia Sound abutting one of the Canals.

Section 12. "COMMUNITY SYSTEMS" shall mean any and all television (cable, satellite or otherwise), telecommunication, broadband and/or internet access, and alarm monitoring systems (all whether wired or wireless); together with all utility or other lines, conduits, wires, satellites, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) used for or relating to such systems; all as installed by Declarant, an affiliate of Declarant, any other entity in which Declarant or an affiliate of Declarant may have an interest (financial or otherwise), or any third party expressly granted the rights by Declarant or Association to provide Community Systems within the Property, or pursuant to any grant of easement or authority by Declarant or Association and serving the Association Property and/or more than one (1) Lot.

Section 13. "COMPLETED LOT" shall mean a Lot on which the construction of a Home has been completed, for which Home a certificate of occupancy or equivalent therefor has been

issued by the applicable Governmental Authority (as hereinafter defined), and the fee title to such Lot has been conveyed to an Owner by Declarant.

Section 14. "COMPLETED LOT OWNER" shall mean the Owner of a Completed Lot.

Section 15. "COUNTY" shall mean Palm Beach County, Florida.

Section 16. "DECLARANT" shall mean Boynton Beach Associates XXVI, LLLP, a Florida limited liability limited partnership, and any successor or assign thereof to which Boynton Beach Associates XXVI, LLLP, specifically assigns (on an exclusive or non-exclusive basis) all or part of the rights and/or obligations of Declarant hereunder by an express written assignment, whether recorded in the Public Records or not. The written assignment may give notice as to, among other things, which rights of Declarant are to be exercised and/or obligations assumed, and as to which portion of the Property. In any event, any subsequent Declarant shall not be liable for any default or obligations incurred by any prior Declarant, except as may be expressly assumed by the subsequent Declarant. An Owner shall not, solely by the purchase of a Home and/or Lot, be deemed a successor or assign of Declarant under the Governing Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Declarant. Whether or not specifically stated, a predecessor Declarant shall be afforded the same protection with respect to matters arising during its tenure as Declarant as the predecessor Declarant would have if it were still Declarant.

Section 17. "DECLARATION" shall mean this instrument as it may be amended in writing from time to time, together with any Supplemental Declarations or Amendments thereto, which may be recorded amongst the Public Records.

Section 18. "DIRECTOR" shall mean a member of the Board.

Section 19. "DRAINAGE DISTRICT" shall mean the Lake Worth Drainage District and any successor Governmental Authority charged with the rights and responsibilities of the Drainage District.

Section 20. "DRAINAGE SYSTEM" shall mean a system of structures and other improvements, including, without limitation, control structures, culverts, headwalls and/or swales, which is designed, constructed and installed to, among other things, collect and convey rainwater runoff from Valencia Sound to the water management tracts (i.e., the "Lakes", as hereinafter defined) within the Property and/or the Canals adjacent to the Property and to also control the discharge of water from the Lakes into the Canals, or vice versa, all as required or permitted by the Water Management District Permit (as hereinafter defined). The Drainage System is located upon and designed to serve the Property and certain off-site roadways and properties as further described in Article II, Section 2(9) below. Except as set forth in this Declaration, the Drainage System is a private drainage system.

Section 21. "EFFECTIVE DATE" shall mean the date that this Declaration is recorded in the Public Records.

Section 22. "GOVERNING DOCUMENTS" shall mean, in the aggregate, this Declaration, the Articles, the Bylaws, the Rules and Regulations, and all of the instruments and documents referred to herein and therein, including, but not limited to, any Amendments and Supplemental Declarations, all as may be amended and/or supplemented from time to time.

Section 23. "GOVERNMENTAL AUTHORITY" shall mean, as applicable, the County, the Water Management District (as hereinafter defined), the Drainage District and all other federal, state, or County governmental or quasi-governmental agencies, agencies, authorities, bureaus, departments, commissions and the like having jurisdiction over Valencia Sound.

Section 24. "HOA ACT" shall mean the Homeowners' Association Act, Chapter 720, Florida Statutes, and (unless the context otherwise requires), the Florida Not for Profit Corporation Act, Chapter 617, Florida Statutes, each in effect and as same exists on the Effective Date and notwithstanding any subsequent amendment, restatement and/or recodification thereof (or any portion thereof) from time to time.

Section 25. "HOME" shall mean a residential dwelling unit constructed within Valencia Sound, which is designed and intended for use and occupancy as a single-family residence (including, without limitation, single-family homes and zero-lot line homes as evidenced by the issuance of a temporary or final certificate of occupancy for the Home); provided, however, that no portion of any Community System, even if installed in a Home, shall be deemed to be a part of a Home unless and until such Community System (or portion thereof) is made a part of a Home pursuant to the terms of this Declaration, if at all. Upon completion of construction of a Home on a Lot, the Lot and the Improvements thereon are sometimes collectively referred to as a Home in this Declaration and the other Governing Documents.

Section 26. "IMPROVEMENT" shall mean all structures or artificially created conditions and appurtenances thereto of every type and kind whatsoever located within Valencia Sound, including, but not limited to, buildings, bridges, structures, fixtures, walkways, recreation areas and facilities, parking areas, berms, fountains, the Irrigation System, the Drainage System, the gatehouse, Streets, Drives, Roads, Roadways, driveways, fences, screening and retaining walls, underground footers and other foundation supports, stairs, decks, landscaping, trees, hedges, shrubs and other plantings, antennae, satellite dishes, poles, swings, gym sets and play structures, trampolines, tennis courts, swimming pools, covered patios, screen enclosures, jogging, bicycling and walking paths, basketball courts, backboards and hoops, signs, site and perimeter walls, gazebos, benches, mailboxes, street lights and signs.

Section 27. "INCOMPLETE LOT" shall mean a Lot which is not a Completed Lot.

Section 28. "INCOMPLETE LOT OWNER" shall mean the Owner of an Incomplete Lot.

Section 29. "INSTITUTIONAL MORTGAGE" shall mean a mortgage held by an Institutional Mortgagee on any property within Valencia Sound.

Section 30. "INSTITUTIONAL MORTGAGEE" or "INSTITUTIONAL LENDER" shall mean any lending institution owning a first mortgage encumbering any Home or Lot within Valencia Sound, which owner and holder of said mortgage shall either be: a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, building and loan association, mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof, licensed or qualified to make mortgage loans in the State of Florida or a national banking association chartered under the Laws or any "secondary mortgage market institution," including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation and such other secondary mortgage market institutions as the Board shall hereafter approve in writing; any and all lenders, and the successors and assigns of such lenders, which have loaned money to Declarant or another Owner and which hold a mortgage on any portion of the Property securing any such loan; any pension or profit-sharing funds qualified under the Internal Revenue Code; any other lender as is generally recognized in the community as an institutional lender; or Declarant, its successors and assigns. An Institutional Mortgagee shall also include any other lender whose mortgage encumbering any Home or Lot within Valencia Sound is guaranteed by the Veterans Administration, the Federal Housing Administration or the Department of Housing and Urban Development.

Section 31. "INTEREST" shall mean the maximum nonusurious interest rate allowable by Law, as amended from time to time, on the subject debt or obligation, and if no such rate is designated by Law, then eighteen percent (18%) per annum.

Section 32. "IRRIGATION SYSTEM" shall mean one or more irrigation systems for the Association Property and/or any or all of the Lots within Valencia Sound. The Irrigation System may be connected to any of the Lakes as a source of water for the Irrigation System and is designed to use reclaimed water and lake water as described in Article XIV, Section 18 below.

Section 33. "LAKES" shall mean those portions of the Property designated on the Plats as lakes, lake tracts or storm water management tracts.

Section 34. "LAKE BANK" shall mean the portion of a Lake from the water's edge of such Lake (as such water's edge may change from time to time) up to the outside perimeter line of the Lake Maintenance Easement (as described in Article II, Section 2(2) below) of such Lake.

Section 35. "LAKE LOT" shall mean a Lot within Valencia Sound abutting one of the Lakes.

Section 36. "LAW" shall mean all applicable federal, state and local laws, statutes, codes, ordinances, rules, regulations, requirements, restrictions, orders (including, without limitation, development orders), and rulings imposed or binding upon Valencia Sound.

Section 37. "LEGAL FEES" shall mean reasonable fees for attorney and paralegal services and all costs and court costs through and including all trial, appellate and post-judgment levels and proceedings incurred in connection with the negotiation and preparation for mediation, arbitration and/or litigation, whether or not an action is actually begun including, without limitation, with respect to the preparation of notices and liens, and the collection of past due Assessments, as well as the enforcement of the Governing Documents. Legal Fees shall also include: (a) pre-litigation attorneys' fees and costs incurred by the Association in enforcing the Governing Documents, and (b) all reasonable fees for attorney and paralegal services and all costs and court costs incurred in enforcing and exercising the right to collect all such Legal Fees incurred by the Association.

Section 38. "LOT" shall mean any parcel of land within Valencia Sound as shown on the Plats upon which a Home is permitted to be constructed, together with the Improvements thereon, and any portion of the Property within Valencia Sound that is declared to be a Lot by a Supplemental Declaration and is not subsequently withdrawn from the provisions of this Declaration by a Supplemental Declaration; provided, however, that no portion of any Community System shall be deemed to be part of a Lot unless and until such Community System (or portion thereof) is made a part of a Lot pursuant to the terms of this Declaration, if at all. For purposes of Individual Lot Assessments, a Lot is either a Completed Lot or an Incomplete Lot. Upon completion of construction of a Home on a Lot as evidenced by the issuance of a final certificate of occupancy, such Lot and Home are sometimes collectively referred to as a Lot in this Declaration and the other Governing Documents.

Section 39. "MEMBERS" shall mean all of the Owners who are also members of the Association as provided in the Governing Documents.

Section 40. "NOTICE AND HEARING" shall mean written notice and a public hearing before the Board or Sanction Review Committee (as defined in Article X, Section 1.A below) at which the Owner concerned shall have an opportunity to be heard in person or by counsel, at Owner's expense, in the manner set forth in Article X below. In that regard, Owner shall have the right, but not the obligation, to have legal counsel of Owner's choice present at such hearing at the Owner's expense.

Section 41. "OCCUPANT" shall mean a family member, guest, or invitee of an Owner, for any period of time, including any tenant or licensee residing in a Home. For purposes of determining who is an Occupant, neither Declarant nor the Owner or family member of Owner of an Incomplete Lot shall be deemed to be an Occupant. Other than invitees of Declarant, the Board shall have the authority to limit and/or prohibit certain invitees from the use and/or enjoyment of the Association Property (or any portions thereof).

Section 42. "OPERATING EXPENSES" shall mean the expenses for which Owners are liable to the Association as described in this Declaration and any other Governing Documents and include, but are not limited to: (a) all fees, costs and expenses incurred by the Association in owning, administering, operating, managing, maintaining, financing, or repairing (but not reconstructing, replacing or improving) the Association Property, any portion thereof and the

Improvements thereon and/or all other property owned by the Association (including, without limitation, the Drainage System and Irrigation System), (b) all fees, costs and expenses described as Operating Expenses in the Governing Documents including, without limitation, in Article VI, Section 1 below, and (c) all fees, costs and expenses incurred by the Association in carrying out its powers, duties and obligations hereunder or under any other Governing Documents including, without limitation, its duties and obligations under the Rural Parkway Easement (as hereinafter defined).

Section 43. "OWNER" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Valencia Sound, and includes Declarant for as long as Declarant owns fee simple title to a Lot, but excluding therefrom those having such interest as security for the performance of an obligation.

Section 44. "PLATS" shall mean the one or more plats of the Property recorded or to be recorded in the Public Records, as well as all replats, if any, of all or any portion of the Property comprising Valencia Sound.

Section 45. "PROPERTY" shall initially mean that certain real property described in Exhibit "A" attached hereto and made a part hereof, less and except any portion thereof dedicated or conveyed to a Governmental Authority, and thereafter, as applicable, to such additions thereto as may hereafter be brought within the jurisdiction of this Declaration and/or the Association; provided, however, Declarant reserves the right to withdraw from the provisions hereof, such portion or portions of the Property as Declarant from time to time elects, upon the execution by Declarant of a Supplemental Declaration. However, no amendment that withdraws Property from the terms of this Declaration shall be recorded unless approved in writing by the County Attorney's Office.

Section 46. "PUBLIC RECORDS" shall mean the Public Records of the County.

Section 47. "RULES AND REGULATIONS" shall mean the duly adopted rules, regulations, policies and procedures of the Association, as same may be amended from time to time. The initial Rules and Regulations are attached as Exhibit "D" hereto and made a part hereof.

Section 48. "SUPPLEMENTAL DECLARATION" shall mean any instrument executed by Declarant which, when recorded in the Public Records, shall: (a) commit Additional Property, if any, to the provisions of this Declaration, and shall be the only method of committing such property to the provisions of this Declaration, (b) withdraw any portions of the Property from the lien and effect of this Declaration, (c) designate portions of the Property or Additional Property to be or not to be Association Property hereunder, and/or (d) be for such other purposes as are provided in this Declaration. A Supplemental Declaration may also be used to impose additional covenants, restrictions, reservations, regulations, burdens, liens and easements upon the Property or any portion thereof and/or remove any of same. The Association shall join in the execution of any Supplemental Declaration at the request of Declarant, but such joinder shall not be required to make any such Supplemental Declaration

effective. The Owners shall not be required to join in the execution of any Supplemental Declaration but shall nevertheless be bound thereby.

Section 49. "TURNOVER DATE" shall mean the date upon which Class A Members (as defined in the Articles) shall assume control of the Association and elect a majority of the Board, as more particularly described in the Articles.

Section 50. "VALENCIA SOUND" shall mean that planned development located in the County which encompasses the Property, and is presently intended to consist of Homes and the Association Property. Valencia Sound will initially consist of the Property and may be expanded to include Additional Property or reduced by withdrawal of property, all by the recording of one or more Supplemental Declarations.

Section 51. "WATER MANAGEMENT DISTRICT" shall mean the South Florida Water Management District, a regional water management district established in accordance with Florida Law, and any successor, Governmental Authority, body or special district charged with the rights and responsibilities of the Water Management District.

Section 52. "WATER MANAGEMENT DISTRICT PERMIT" shall mean that certain environmental resource permit for Valencia Sound issued by the Water Management District under Permit Number 50-10764-P, as same may be amended, modified and/or supplemented from time to time.

ARTICLE II

DESCRIPTION OF VALENCIA SOUND

Section 1. GENERAL PLAN OF DEVELOPMENT. Valencia Sound comprises the Property encompassing, or which will encompass, Homes and other Improvements, Lots and Association Property, all as more particularly defined by this Declaration and, in addition, lands which Declarant may add, but shall in no way be obligated to add, by one or more Supplemental Declarations. The Property initially declared hereunder is described in Exhibit "A" attached hereto. It is presently anticipated that Valencia Sound will contain both zero-lot line and non-zero lot line Homes. Notwithstanding the foregoing, however, Declarant reserves the right to: (a) modify its plan of development of Valencia Sound (including, without limitation the right to modify the site plan and/or master plan of Valencia Sound); (b) supplement, change or reduce the recreational facilities and/or amenities; (c) change and/or reduce the number of Homes and Home product types to be constructed within Valencia Sound; and (d) add land to Valencia Sound and/or withdraw land from Valencia Sound; all in Declarant's sole and absolute discretion. Therefore, in the event Declarant modifies its plan of development of Valencia Sound, adds land to Valencia Sound and/or withdraws land from Valencia Sound, the number of Lots, the layout of Lots and/or the size of Lots within Valencia Sound may change. In any of such events, the Assessments required to be paid pursuant to this Declaration may increase or decrease as applicable. Declarant's general plan of development further contemplates that such Homes shall be whatever types of structures Declarant may choose from time to time which are in conformance with this Declaration. Declarant's general plan of development of Valencia

Sound may also include whatever facilities and amenities Declarant considers in its sole and absolute judgment to be appropriate for Valencia Sound, as well as any changes thereto.

The Association is intended to be a "Homeowners Association," governed by and subject to the HOA Act, but is not in any fashion subject to or affected by the provisions of Florida's Condominium Act, Chapter 718, Florida Statutes, including any aspect of regulating condominium associations. Further, the express intent of this Declaration is that the substantive rights, duties and obligations under and pursuant to this Declaration shall not be retroactively affected by legislation enacted subsequent to the date of the execution of this Declaration, unless specifically stated otherwise in this Declaration.

Additional Property will become a part of Valencia Sound if, and only if, Declarant in its sole and absolute discretion adds Additional Property to Valencia Sound by recording a Supplemental Declaration to such effect. Declarant hereby reserves an easement for ingress and egress and for utilities and drainage over, under and across the Property for the benefit of any Additional Property; provided, however, no such easement may be granted upon any portion of the Property that lies directly beneath a Home.

Declarant expressly further has and reserves the right as to the Property to (i) commence construction and development of the Property if and when Declarant desires; (ii) develop and construct the Property (including, without limitation, the recreational facilities and amenities) upon such timetable and in such phases as Declarant chooses; and/or (iii) modify the permits and approvals for the Property including, without limitation, the Water Management District Permit and the permits issued by the Drainage District, all in Declarant's sole and absolute discretion. Nothing contained herein shall be construed as obligating Declarant to construct Valencia Sound according to the present plan of development or as obligating Declarant to declare any Additional Property to be Property.

Section 2. ASSOCIATION PROPERTY. The Association Property shall consist of: (a) the property indicated on the Plats as Association Property or as property reserved for or dedicated to the Association on such Plats, (b) any property which may be used or enjoyed by the Association by virtue of an easement or license rights in favor of the Association, and (c) any other property designated as Association Property in this Declaration or any Supplemental Declaration. The Association Property shall be used for recreational and social purposes as well as other proper purposes by the Association and the Owners and their Occupants in accordance with the Governing Documents. Association Property may not be altered, modified, removed or replaced by Owners or their Occupants.

The portions of Valencia Sound described in this Section 2 shall constitute Association Property and shall be used solely in accordance with the covenants, restrictions, reservations, regulations and burdens imposed upon the Association Property including, without limitation, the following:

(1) Recreation Areas. Valencia Sound is planned to contain one (1) active recreation area (the "Recreation Tract") and may (but shall not be obligated to) contain one or

more passive recreation areas (the "Passive Rec Areas"). The Recreation Tract and Passive Rec Areas, if any, shall be used for recreational purposes by the Association, and the Owners and their Occupants. Such portions, if any, of the Recreation Tract and Passive Rec Areas upon which Declarant has constructed or hereafter constructs Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located or to be located thereon. The Recreation Tract and Passive Rec Areas shall always be kept and maintained by the Association for recreational uses or beautification and attendant uses (e.g., parking spaces within any of the Recreation Tract shall be used for proper purposes by those using the recreational facilities but only while using such facilities), and shall be used for such purposes and not for residential, commercial or industrial construction of any kind. The Recreation Tract and Passive Rec Areas shall be maintained, administered, operated and ultimately owned by the Association.

Declarant reserves the right, but shall not be obligated, to construct additional recreational facilities upon the Recreation Tract and/or Passive Rec Areas, and to modify, reduce and/or eliminate the facilities and amenities planned for the Recreation Tract and/or Passive Rec Areas (or any portions thereof). Declarant, at its sole and absolute discretion, hereby further reserves the right to reduce and/or modify the planned facilities, and to determine the timing of construction of the recreational facilities and installation of amenities. The decision as to whether to construct additional recreational facilities or amenities, to modify the planned facilities or amenities, to reduce the planned facilities or amenities, and/or determine the timing of the construction thereof, shall all be in the sole and absolute discretion of Declarant.

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

(2) Lakes and Canals. The Lakes shall always be kept and maintained as lakes for water retention, drainage, irrigation, littoral plantings, lake banks and water management purposes, all in compliance with all applicable requirements of Governmental Authorities, including, without limitation, the Water Management District and Drainage District. The Lakes shall be maintained, administered, operated and ultimately owned by the Association. In furtherance of the foregoing, Declarant hereby reserves and grants an easement in favor of the Association throughout all portions of Valencia Sound as may be necessary for the purpose of accessing, maintaining and administering the Lakes, and no Owner shall do any act which may interfere with the performance by the Association of its obligations hereunder or which would constitute a violation of the Water Management District. The Canals are owned and/or controlled by the Drainage District and therefore are (i) not part of and are expressly excluded from the Property (including, without limitation, the Association Property), and (ii) not operated, maintained and/or repaired by the Association.

Water levels in the Lakes and Canals may rise and fall significantly due to, among other things, certain natural or man-made causes including, without limitation, rain, sun, and fluctuations in ground water elevations within the Property and areas surrounding the

Property, as well as water level control measures taken by the Water Management District, the Drainage District and/or other entities having jurisdiction over such functions. Accordingly, neither Declarant nor the Association has any control over such water levels and/or ground water elevations. Each Owner, by acceptance of a deed or title to a Lot, hereby releases Declarant, the Association and the County from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees) related to, arising out of and/or resulting from water levels in the Lakes and/or Canals regardless of the cause thereof.

DECLARANT, THE ASSOCIATION, THE WATER MANAGEMENT DISTRICT AND THE DRAINAGE DISTRICT SHALL NOT BE OBLIGATED TO PROVIDE ANY SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE RECREATION TRACT, PASSIVE REC AREAS, THE LAKES, CANALS AND/OR ANY OTHER PORTIONS OF THE ASSOCIATION PROPERTY. ANY INDIVIDUAL USING THE RECREATION TRACT, PASSIVE REC AREAS, THE LAKES, THE CANALS AND/OR ANY OTHER PORTIONS OF THE ASSOCIATION PROPERTY SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DECLARANT, THE ASSOCIATION, THE WATER MANAGEMENT DISTRICT AND THE DRAINAGE DISTRICT HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES) RELATED TO, ARISING OUT OF AND/OR RESULTING FROM SUCH USE.

EACH OWNER AND OCCUPANT ACKNOWLEDGES THAT THE LAKES AND CANALS MAY BE EXTREMELY DEEP AND DANGEROUS. NEITHER DECLARANT, THE ASSOCIATION, THE WATER MANAGEMENT DISTRICT, THE DRAINAGE DISTRICT AND/OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN OR AROUND VALENCIA SOUND, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE OR RESPONSIBLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK.

ALL PERSONS ARE ALSO HEREBY NOTIFIED THAT FROM TIME TO TIME WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN OR NEARBY VALENCIA SOUND AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ALL OWNERS, OCCUPANTS AND USERS OF ANY PORTION OF VALENCIA SOUND SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED OR TITLE TO OR USE OF SUCH PROPERTY, TO HAVE AGREED TO RELEASE AND HOLD HARMLESS THE LISTED PARTIES FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES) RELATED TO, ARISING OUT OF AND/OR RESULTING FROM ANY AND ALL OF THE FOREGOING IN THIS SECTION 2(2), INCLUDING, WITHOUT LIMITATION: CHANGES IN THE SAFETY, QUALITY AND/OR LEVEL OF THE WATER IN SUCH BODIES; STORM OR HURRICANE-RELATED DAMAGE RESULTING FROM WAVE ACTION WITHIN ANY WATER BODY; AND/OR ANY WILDLIFE INHABITING OR ENTERING THE WATER BODIES WITHIN OR NEARBY VALENCIA SOUND.

(3) Streets, Drives, Roads and/or Roadways. The "Streets," "Drives," "Roads" and/or "Roadways" are those portions of the Property designated on the Plats as a street, driveway, road or roadway, and which are reserved for or dedicated to the Association, but specifically excluding any Streets, Drives, Roads and/or Roadways dedicated to the public on the Plats. Except as provided in this Declaration, the Streets, Drives, Roads and/or Roadways shall be used as private roads by Declarant, the Association, the Owners, and Owners' Occupants in accordance with the provisions of this Declaration, but subject to non-exclusive easements for public and private utilities, as provided in the Governing Documents or on the Plats. The Streets, Drives, Roads and/or Roadways shall be maintained, administered, operated and ultimately owned by the Association. Notwithstanding anything to the contrary, each Owner shall be responsible for the maintenance, repair and replacement of the driveway serving such Owner's Lot and all brick pavers, marble and/or other driveway surfaces thereon, including that portion of the driveway and surfaces located within a Street, Drive, Road and/or Roadway, if any, unless the driveway was damaged by the Association in the fulfillment of its obligations and duties under this Declaration.

(4) Open Space Areas. The "Open Space Areas" are those portions of the Property designated on the Plats as "OS" tracts or as open space, and are to be used, kept and maintained as such by the Association, the Owners and the Owner's Occupants in accordance with the provisions of this Declaration. No Improvement, landscaping or other additions or deletions are permitted to be made or installed by any Owner in an Open Space Area. The Open Space Areas shall be ultimately owned by the Association, and shall be maintained, administered and operated by the Association in accordance with the requirements of this Declaration and the appropriate Governmental Authorities. Except as expressly provided in the Declaration or the Rules and Regulations, no Owner shall be permitted to attach their fence to any fence or wall located within any Open Space Areas or to otherwise fence in or enclose any portion of any Open Space Areas and/or other Association Property. In addition, no Owner shall be permitted to install any other Improvements (including, without limitation, any landscaping) in any Open Space Areas.

(5) Street Lights. The "Street Lights" and any associated facilities placed within the Property and any street lights and associated facilities placed within public rights of way by agreement between Declarant or Association and the public utility responsible therefor, are or shall be installed by Declarant, and if installed, will be repaired, replaced, relocated, maintained and owned by the public utility responsible therefor, but the Association shall be responsible to pay all fees associated with such installation, repair, replacement, relocation and maintenance, and for the furnishing of electricity thereto, at a set rate pursuant to a street lighting agreement entered into or to be entered into with such public utility. Nothing in this Declaration shall be construed to require Declarant or the Association to install Street Lights within Valencia Sound.

(6) Decorative Street Lights. Declarant reserves the right, but shall not be obligated, to install "Decorative Street Lights" in or near the entranceways and the gatehouse to Valencia Sound. The Decorative Street Lights, if installed by Declarant, shall be repaired, replaced, relocated, maintained and owned by the Association. If installed, such Decorative Street Lights may not be typical of what may be installed in and around the Lots. Nothing in this Declaration shall be construed to require Declarant or the Association to install Decorative Street Lights within Valencia Sound.

(7) Gatehouse, Entranceways and Entry Gates. Valencia Sound may include a gatehouse, entranceways and/or entry gates installed by Declarant or the Association. Such gatehouse, entranceways and/or entry gates shall be deemed Association Property and shall be administered, operated, maintained, repaired and/or replaced by the Association and the expense thereof shall be included as an Operating Expense. The gatehouse and/or entry gates, if any, may or may not be staffed, as determined in the sole and absolute discretion of the Board. Additionally, there will be a residents-only pedestrian access entry gate located across from Lots 108 and 109 for entry to and/or exit from the Rural Parkway (as defined below). All portions of the entranceways shall also be owned and maintained by the Association. The Board shall have the right and power to adopt, enforce, amend and/or abolish, from time to time, policies and procedures regarding operation of the gatehouse and/or ingress/egress in and out of Valencia Sound. Neither Declarant nor the Association makes any representations whatsoever as to the security of the Property or the effectiveness of any gatehouse and/or entry gates. All Owners agree to hold Declarant and its affiliates (and each of their respective partners, shareholders, directors, members, managers, officers, employees, agents, successors and assigns) and the Association harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees) related to, arising out of and/or resulting from the occurrence of a crime or other act on or within the Property. The Owners acknowledge that the gatehouse and entry gates are designed only to restrict vehicular access to Valencia Sound, and will not be able to prevent crime. Notwithstanding anything herein to the contrary, neither Declarant nor the Association

makes any representations whatsoever to commence, complete, construct or staff any gatehouse or entry gates within any specific time period, if at all.

(8) Buffers. The "Buffers" are those portions of the Property, if any, which run: (a) along the outer perimeter of the Property, (b) adjacent to certain Streets, Drives, Roads and/or Roadways, and/or (c) between the rear yards of certain "back-to-back" Lots; and are designated on the Plats as "BT" tracts, "Buffer Tracts," "Buffer Easements," or as buffers. The Buffers shall be maintained by the Association in accordance with the provisions of this Declaration and the requirements of the Governmental Authorities. In order to preserve the aesthetic image of Valencia Sound and to help maximize the Owners' use and enjoyment thereof, except as expressly provided in the Governing Documents, no Improvements (including, without limitation, landscaping trees, fences, pools, spas, patios, decks and/or other additions) may be installed within the Buffers without the prior written consent of the Association and applicable Governmental Authorities, excepting any Improvements, landscaping or other additions made or installed by Declarant and/or the Association, such as, but not limited to, berms, landscaping, fences, sod, Irrigation System facilities, Drainage System facilities, signs, walkways, walls and light poles. Additionally, no Owner shall be permitted to attach their fence to any fence located within the Buffers or to otherwise fence-in or enclose any portion of the Buffers or other Association Property.

(9) Drainage System. Except as provided in the Governing Documents and/or the permits issued by the applicable Governmental Authorities, the Drainage System within Valencia Sound is a private drainage system intended to be owned, managed and maintained by the Association. The Drainage System will serve and provide legal positive outfall for rainwater runoff from: (a) certain portions of public right-of-ways adjacent to or near Valencia Sound (including, without limitation, Lyons Road, the public roadway adjacent to the eastern boundary of Valencia Sound and/or Flavor Pict Road, the public roadway adjacent to the northern boundary of Valencia Sound), and (b) that certain property owned by the County and located at the intersection of said Lyons Road and Flavor Pict Road, northeasterly of Valencia Sound. The Association shall be responsible for all costs associated with all cleaning, maintenance, repair and replacement of any portion of the Drainage System necessary to maintain the system in its original condition and use and such costs shall be part of the Operating Expenses of the Association. Each Owner by acceptance of a deed and/or title to a Lot acknowledges that the widths of drainage easements provided for the Drainage System in the Valencia Sound may vary from the standard County requirements and, in such event, will require additional costs for maintenance above and beyond standard costs for stormwater management systems designed in accordance with County standards. All such costs of cleaning, maintenance, repair and replacement of the Drainage System shall be part of the Operating Expenses of the Association. The owners of the properties outside of Valencia Sound who are entitled to use the Drainage System as provided in the Declaration are not obligated to pay or reimburse the Association for any of the costs or expenses associated with the operation, maintenance, repair and/or replacement of the Drainage System.

(10) Irrigation System. The Irrigation System will serve the Association Property, any or all of the Lots within Valencia Sound, and/or other properties to be maintained

by the Association in accordance with this Declaration. The Irrigation System is designed to utilize reclaimed water provided by the County and may be centrally controlled and operated by the Association. The responsibility for owning, operating, maintaining, repairing and replacing such Irrigation Systems shall be governed by Article IX below. All fees, costs and expenses of owning, maintaining, repair and replacing the Irrigation System shall be part of the Operating Expenses of the Association.

(11) Rural Parkway/Scenic Corridor. The Rural Parkway/Scenic Corridor is that portion of the Property, approximately one hundred feet (100') in width (hereafter referred to as the "Rural Parkway"), which runs along the eastern boundary of Valencia Sound, and is designated on the Plats as an open space tract encumbered with the Rural Parkway Easement. The Rural Parkway may (but is not necessarily obligated to) contain certain Improvements (including, without limitation, flowering trees, undulating berms and a benches/pedestrian gathering area). The Rural Parkway is to be used, kept and maintained as such by the Association, the Owners and Occupants in accordance with the provisions of: (a) this Declaration, (b) that certain Lyons Road Rural Parkway Preserve Area Easement given by Declarant in favor of the County, dated April 11, 2019 and recorded May 6, 2019 in Official Records Book 30590, at Page 1674 of the Public Records of the County, as same has been (or shall be) assigned by Declarant to the Association and assumed by the Association including, without limitation, all liabilities, duties and obligations thereunder (the "Rural Parkway Easement"), (c) any other agreements by, between and among Declarant and the County with respect to the Rural Parkway, and (d) all requirements of the applicable Governmental Authorities having jurisdiction thereof.

Notwithstanding anything to the contrary contained in this Declaration, each Owner, by acceptance of title to a Lot, acknowledges and agrees that the Rural Parkway is or will be dedicated for public pedestrian and equestrian ingress, egress and access. Accordingly, the general public shall have the right to use and enjoy the Rural Parkway and all Improvements located therein or thereon. Nothing shall be planted and/or altered in the Rural Parkway by any Owner.

(12) Easement Areas. All land, landscaping and improvements which may be used or enjoyed by virtue of any easement or license in favor of the Association. The Association shall maintain all such land, landscaping and improvements if, and to the extent, required by such easement or license. All fees, costs and expenses incurred by the Association in connection with such maintenance shall be Operating Expenses of the Association.

(13) Right to Add Additional Improvements. Improvements on or in the Association Property shall be kept and maintained for use in a manner consistent with the nature of such Improvements located, or to be located, thereon. Declarant and the Association reserve the right, but shall not be obligated, to construct additional Improvements upon the Association Property. Declarant's decision as to whether to construct additional Improvements and the construction thereof shall be in the sole and absolute discretion of Declarant, and the Association's decision as to whether to construct additional Improvements and the construction thereof shall be in the sole and absolute discretion of the Association.

Section 3. LAKES AND LAKE LOTS. Except as provided in this Declaration, the Lakes shall be reserved for the private use and enjoyment of all Owners and their Occupants, but only in accordance with this Declaration. Notwithstanding the foregoing, such use and enjoyment shall, at all times, be subject to the rights and obligations of the Association under this Declaration to use and maintain the Lakes for water retention, drainage, irrigation and water management purposes for all of Valencia Sound, and the right of the Association to adopt rules and regulations from time to time with respect to the use of the Lakes for such purposes.

Only "catch and release" fishing in the Lakes shall be permitted; however, notwithstanding anything contained herein to the contrary, an Owner shall only access the Lakes from the "Lake Maintenance Access Easement" or "Lake Maintenance Easement" shown on the Plats which immediately abuts such Owner's Lot if the Owner's Lot is a Lake Lot (a "Lake Lot Owner"). If an Owner is not a Lake Lot Owner, or if a Lake Lot Owner wishes to access a different Lake or another area of the same Lake, access to the Lake shall be exclusively from the Lake Maintenance Access Easement and Lake Bank abutting an Open Space Area and such access shall be limited to the portion of the Lake Maintenance Access Easement and Lake Bank abutting the Open Space Area. If no portion of the Lake Maintenance Access Easement and Lake Bank abuts an Open Space Area, Owners other than Lake Lot Owners whose Lots abut the Lake, shall not be permitted access to that Lake. In addition, no Owner shall be permitted access to or to fish from any Lake Maintenance Easement or Lake Bank which is located on or immediately abuts a Lake Lot owned by another Owner.

Lake Lot Owners and their Occupants shall be permitted at their sole risk to operate non-motorized and electric watercraft in the Lakes. No other persons shall be entitled to operate watercraft in the Lakes. Notwithstanding the foregoing, the launching into and removal from the Lakes of any permitted non-motorized or electric watercraft by a Lake Lot Owner shall be limited to such Lake Lot Owner's Lake Lot and the Lake Lot Owner shall only access the Lakes from the Lake Maintenance Easement which immediately abuts such Lake Lot Owner's Lake Lot. Watercraft shall be limited in size to eighteen feet (18') in length. No watercraft of any kind shall be permitted in the Canals. The operation of motorized watercraft, other than electrically-operated watercraft, in the Lakes are prohibited. Watercraft and trailers shall not be stored on the Lake Banks, the Lake Maintenance Easements and/or Lake Maintenance Access Easements. Only watercraft which are permitted to be used within the Lakes of Valencia Sound may be temporarily stored within the backyards of Lake Lots. Swimming in the Lakes is also prohibited.

No planting, fencing or other Improvements or additions to any Open Space Areas surrounding a Lake and outside the Lot is permitted by any Owner (or any of Owner's Occupants). Other than sod, no planting, fencing or other Improvements (including landscaping) or additions shall be permitted by Owners within or along the Lake Banks, the Lake Maintenance Easements and/or Lake Maintenance Access Easements. No installation of sand or other materials intended to simulate a beach shall be permitted within or along the Lake Banks or within the Lake Maintenance Easements, Lake Maintenance Access Easements and/or rear yards of Lake Lots; provided, however, Declarant shall have the right, but not the obligation, to

install sand along the Lake Banks (and/or within the Lake Maintenance Easements and/or Lake Maintenance Access Easements) that are on or adjacent to the Recreational Tract, and if Declarant installs such sand, it shall be the Association's obligation to maintain and replace same, and the expense thereof shall be included as an Operating Expense.

In addition to the use of any Lake Maintenance Easement or Lake Maintenance Access Easement by any Lake Lot Owner, as described and permitted above, such easements are for the use of the Association, the County, the Water Management District and any other Governmental Authority for access to the Lakes for maintenance of the Lakes and littoral plantings, if any, and other proper purposes. No alteration, relocation, removal or damage to littoral plantings, wetland plantings or upland plantings, if any, located in Lake Maintenance Easements or Lake Maintenance Access Easements is permitted by any Owner.

The Association shall also be responsible for the maintenance, repair and replacement of all littoral plantings, if any, in all Lakes. In no event shall any Owner cause erosion or change in grade of any Lake Bank slopes from design grade.

Section 4. COSTS. All fees, costs and expenses associated with owning, operating, maintaining and/or repairing (but not reconstructing, replacing or improving) the Association Property shall be Operating Costs and therefore the obligation of the Association. The costs associated with reconstructing, replacing and improving the Association Property shall be the subject of a Special Assessment as provided in Article VII, Section 3 below.

Section 5. PRIVATE USE. Except as otherwise expressly provided in this Declaration (e.g., the Rural Parkway), the Association Property is not for the use and enjoyment of the public, but is expressly reserved for the private use and enjoyment of Declarant, the Association, and the Owners and Owners' Occupants, but only in accordance with and subject to this Declaration and the other Governing Documents (including, without limitation, the Rules and Regulations).

A. Notwithstanding anything in this Declaration to the contrary, however, Declarant hereby expressly reserves for itself and its affiliates the right to use the Association Property (including, without limitation, all parking spaces within or adjacent to the Recreation Tract, if any) for such period of time as Declarant determines to be necessary in connection with the sale and marketing by Declarant and/or its affiliates of Homes in Valencia Sound and/or in any other communities developed or to be developed by Declarant or its affiliates, including, but not limited to, the holding of sales and marketing meetings, the use of model rows if one or more, the use of design centers, the use of service and construction trailers and offices, and engaging in sales promotions and events, and related sales and marketing activities for the general public.

B. The administration, management, operation and maintenance of the Association Property shall be the responsibility of the Association, as provided herein and in the other Governing Documents.

C. The Rural Parkway is or will be dedicated to the public for pedestrian and equestrian ingress, egress and access.

Section 6. PRIVACY FENCES AND HEDGES. Certain of the Lots within Valencia Sound on which "zero lot line" homes are constructed, as further described in Article IV, Section 6.C below, may have privacy fences installed by Declarant ("Privacy Fences") on or along their rear and/or side lot lines (or portions thereof), with hedges planted by Declarant on either or both sides of such Privacy Fences ("Hedges"). The Privacy Fences and Hedges, if installed by Declarant (which Declarant shall have no obligation whatsoever to do), shall be the maintenance, repair and replacement obligation of the Association, except as otherwise provided in Article X, Section 18 below, and may not be altered in any way or removed by the Owner of the Lot.

Section 7. MODEL ROW. Declarant hereby reserves the right to construct and/or operate one or more "model rows" in Valencia Sound. The model rows may contain models for Valencia Sound or other communities being developed by Declarant or affiliates of Declarant, as Declarant and/or any of Declarant's affiliates may so determine, in their sole and absolute discretion. The model rows may also contain parking, landscaping and fencing across Streets, Drives, Roads and/or Roadways as Declarant may determine in its sole and absolute discretion. In the event that Declarant and/or any of Declarant's affiliates constructs model rows in Valencia Sound, such model rows may be used for such period of time that Declarant and/or any of Declarant's affiliates determine to be necessary in its or their sole and absolute discretion including, without limitation, after the Turnover Date. Each Owner, by acceptance of a deed or title to a Lot in Valencia Sound, acknowledges and agrees that: (i) Declarant and/or any of Declarant's affiliates have a right to construct and/or operate one or more model rows even after the Turnover Date; (ii) Declarant and/or any of Declarant's affiliates have an easement over and across Valencia Sound for ingress and egress to and from the model rows (whether through the gatehouses or any alternative temporary entrances constructed by Declarant) and to use and show the models, the Recreation Tract, and the other portions of the Association Property to prospective purchasers in Valencia Sound or other communities being developed by Declarant and/or any of Declarant's affiliates, and (iii) Owner shall not interfere in any manner whatsoever with the sales process by Declarant and/or any of Declarant's affiliates, including, without limitation, prohibiting the carrying of signs, the posting of signs on Lots or Homes, or other types of demonstrations in or around Valencia Sound or any public right-of-way adjacent to the Property. Each Owner acknowledges and agrees that any such sales interference by Owner (directly or indirectly) shall be deemed a nuisance and actionable, improper interference with Declarant's and/or its affiliates' business, and therefore detrimental to: (x) the quiet enjoyment of Valencia Sound by the other Owners, (y) the value of the Homes within Valencia Sound, and (z) Declarant's and/or Declarant's affiliates' ability to conduct their business.

In addition, whether before or after the Turnover Date, the Association shall not prohibit, restrict or limit access into or out of Valencia Sound (whether through the gatehouse or other portions of Valencia Sound of any potential customer or invitee of Declarant including, without limitation: customers or invitees desirous of using such model rows and/or contractors,

subcontractors and vendors of Declarant. Declarant hereby reserves the right to provide access to and from such model rows from alternative portions of Valencia Sound, as determined by Declarant from time to time in Declarant's sole and absolute discretion. Notwithstanding anything to the contrary in this Declaration (including, without limitation, Article XIV, Section 8 below), this Section 7 may not be amended or modified without the prior written approval of Declarant, which approval may be withheld or delayed by Declarant in Declarant's sole and absolute discretion.

Section 8. COMMUNITY SYSTEMS. Declarant shall have the right, but not the obligation, to convey, transfer, sell, license or assign all or any portion of the Community Systems located within the Property, or all or any portion of the rights, duties or obligations with respect thereto to the Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in such Owner's Lot). Without limiting the generality of this Section 8, if and when any of the aforesaid persons and/or entities receive such a conveyance, sale, transfer or assignment, such person and/or entity shall automatically be deemed vested with such rights of Declarant with regard thereto as are assigned by Declarant in connection therewith; provided, however, that if the Association is the applicable entity, then any Community Systems or portions thereof shall be deemed Association Property hereunder and the Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Association Property unless otherwise provided by Declarant. Any conveyance, transfer, sale or assignment made by Declarant pursuant to this Section 8: (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Association or any Owner, and (iii) if made to the Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed). In recognition of the intended increased effectiveness and potentially reduced installation and maintenance costs and user fees arising from the connection of Lots and Association Property to the applicable Community Systems, each Owner and occupant of a Home shall, by virtue of the acceptance of a deed or title to a Lot or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that such Lot be so connected. The foregoing shall not, however, prohibit the Association or Community Systems provider from making exceptions to any such use requirement in its reasonable discretion. WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO ARTICLE VI, SECTION 8 BELOW, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

Section 9. PARKING RIGHTS. The Association may maintain upon the Association Property parking spaces for Owners and their Occupants, as well as Declarant. The use of such parking spaces by Owners and their Occupants shall be subject to this Declaration and the Rules and Regulations.

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

Section 1. **ADDITIONS.** Declarant may from time to time, in its sole and absolute discretion, by recording a Supplemental Declaration in the Public Records, add any Additional Property or any other real property to the Property governed by this Declaration, and may declare all or part of such Additional Property or other property (including any Improvements thereon) to be Lots or Association Property. Upon the recording of a Supplemental Declaration, the property described therein shall be deemed part of the Property as if it were originally included therein and subject to this Declaration. Any such Supplemental Declaration may submit any Additional Property or any other real property to such modifications of the covenants, restrictions, reservations, regulations, burdens, liens and/or easements contained in this Declaration as may be necessary or convenient to reflect or adapt to any changes in circumstances or differences in the character of any such Additional Property or other property. Nothing contained in this Section 1 shall be construed to require the joinder by or consent of the Owners or the Association to any such Supplemental Declaration; provided, however, the Association shall join in the execution of any such Supplemental Declaration at the request of Declarant. In addition, nothing herein shall require Declarant to add any Additional Property.

Section 2. **DESIGNATION OF ADDITIONAL ASSOCIATION PROPERTY.** Declarant may, from time to time, in its sole and absolute discretion, by recording a Supplemental Declaration in the Public Records, designate additional portions of the then existing Property owned by it to be Association Property.

Section 3. **DISCLAIMER OF IMPLICATION.** As of the Effective Date, only the real property described in Exhibit "A" hereto is submitted and declared as the Property subject to this Declaration. Unless and until a Supplemental Declaration is recorded in the Public Records pursuant to this Declaration, no other property (including any Additional Property) shall in any way be deemed to constitute a portion of the Property or be affected by the covenants, restrictions, easements, reservations, rules, regulations, charges, burdens, and liens expressly binding the Property as provided by the terms of this Declaration.

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

Section 5. **WITHDRAWAL.** Notwithstanding anything herein to the contrary, Declarant reserves the absolute right at any time to withdraw portions of the Property from the provisions of this Declaration by recording one or more Supplemental Declarations in the County. Any such Supplemental Declaration must be: (a) executed by Declarant, the Owner of the Property sought to be withdrawn (if any), and each holder of an Institutional Mortgage on a

Lot located on the Property sought to be withdrawn (if any), in order to be effective, and (b) approved in writing by the County Attorney's Office. Nothing contained in this Section shall be construed to require the joinder by or consent of the Association or the Owners of Lots on the portion of the Property which is not withdrawn by such Supplemental Declaration, or such Owners' Institutional Mortgagees holding mortgages on Lots on the portion of the Property which is not withdrawn by such Supplemental Declaration, or the Association.

Section 6. TITLE TO THE ASSOCIATION PROPERTY. To the extent herein provided, the Association Property is hereby dedicated non-exclusively to the joint and several use in common with the Declarant and all Owners of Lots that may, from time to time, constitute part of the Property. Except as otherwise required by applicable Law, when deeds and/or title to all Lots subject to the provisions of this Declaration have been conveyed to non-Declarant purchasers (or earlier at Declarant's option, exercisable from time to time, as to any portions of the Association Property), the Declarant or its successors and assigns shall convey and transfer to the Association, by: (a) quitclaim deed, the fee simple title, or (b) by easement or license (or assignment of easement or license), the easement or license rights, as applicable, to the Association Property free and clear of any mortgages. The Association shall accept such conveyance and transfer for the Owners as aforesaid. Such conveyance shall be subject to: (i) all real estate taxes and assessments due with respect to the Association Property from and after the date of recording of this Declaration; (ii) all Laws imposed by Governmental Authorities, including, without limitation, all building, zoning, land use and environmental Laws; (iii) matters which would be disclosed by an accurate survey of the Association Property; (iv) easements, covenants, conditions, restrictions, reservations, limitations and other matters of record; and (v) the terms and provisions of this Declaration, as the same may have been modified, amended and/or supplemented from time to time.

At the time of conveyance of the Association Property or any portion thereof, the Association shall accept the Association Property (together with the personal property and Improvements appurtenant thereto, if any) and shall pay all costs of such conveyance including documentary stamps and other taxes of conveyance, recording charges, title insurance expenses and insurance fees. The conveyance shall not, however, impair in any way Declarant's rights and easements as set forth in this Declaration. The Association shall also accept the Association Property and the personal property and Improvements appurtenant thereto in "AS IS" "WHERE IS" condition, with all faults, and without any representation or warranty, expressed or implied, in fact or by Law, as to the condition or fitness of the Association Property, the personal property and/or the Improvements appurtenant thereto being conveyed. IN THAT REGARD, TO THE FULL EXTENT PERMITTED BY LAW (INCLUDING, WITHOUT LIMITATION SECTION 553.835, FLORIDA STATUTES), THE ASSOCIATION AND EACH OWNER KNOWINGLY AND VOLUNTARILY RELINQUISHES AND WAIVES, AND DECLARANT EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES (EXPRESS OR IMPLIED) AS TO THE HOMES, ASSOCIATION PROPERTY, PERSONAL PROPERTY AND THE IMPROVEMENTS ON OR UNDER THE PROPERTY WHETHER ARISING FROM CUSTOM, USAGE OR TRADE, COURSE OF CONDUCT, COURSE OF DEALING, CASE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE.

TO THE EXTENT THAT BY LAW OR OTHERWISE ANY OF THE WARRANTIES RELINQUISHED, WAIVED OR DISCLAIMED CANNOT BE RELINQUISHED, WAIVED OR DISCLAIMED, IN WHOLE OR IN PART, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES ARE SPECIFICALLY EXCLUDED AND DISCLAIMED (INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM CLAIMS OF PROPERTY DAMAGE, LOSS OF USE, PERSONAL INJURY AND/OR EMOTIONAL DISTRESS). Without limitation, the Association shall accept all Streets, Drives, Roads, Roadways, bridges and sidewalks, gutters, curbs and paver bricks located within and adjacent to the Streets, Drives, Road, Roadways, bridges, and sidewalks, all as installed by Declarant; provided such Streets, Drives, Roads, Roadways, bridges, sidewalks, gutters, curbs and paver bricks perform their intended purposes. The Association and all Owners hereby further acknowledge and agree that cracks, lifting, settlement, expansion, erosion and differential displacement in the Streets, Drives, Roads, Roadways, bridges, driveways, sidewalks, gutters, curbs and paver bricks, as well as the ponding or collection of water following periods of rain thereon, are normal and shall not be considered to be defects or deficiencies of any kind whatsoever. Acceptance of same by the applicable Governmental Authorities having jurisdiction thereover shall be conclusive evidence that all such Streets, Drives, Roads, Roadways, bridges, driveways, sidewalks, gutters, curbs and paver bricks are performing their intended purposes and not defectively designed or constructed.

The Association and each Owner acknowledge and agree that Declarant has or will install trees, shrubs, plants and other landscaping in Valencia Sound consistent with a landscape plan that meets or exceeds the requirements of the County Unified Land Development Code ("**ULDC**") and that such trees, shrubs, plants and other landscaping will mature, expand, decay and/or die from time to time. In addition, the Association and each Owner further acknowledge and agree that the roots from such trees, shrubs, plants and other landscaping will grow and expand over time (collectively, "**Root Growth**"). Such Root Growth may expand, intrude under and potentially damage, among other things, sidewalks, driveways, drainage structures and pipes, walking paths, bike paths, tennis courts, pickleball courts, basketball courts, bocce courts, Streets, Drives, Roads, Roadways, bridges, gutters, curbs, paver bricks and other Improvements located on the Property. Such Root Growth, expansion, intrusion, decay and death are natural and expected conditions and occurrences, and shall be maintained and repaired in accordance with this Declaration. Declarant shall not have any liability or responsibility for losses (including, without limitation, personal injury and/or death) or damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), repair and/or replacement arising out of and/or resulting from the following (collectively, the "**Landscaping Inherent Conditions**"): (i) Root Growth, (ii) the maintenance and prevention of Root Growth or the lack of such maintenance and prevention, (iii) cracks, lifting, settlement, expansion, erosion and/or differential displacement in sidewalks, driveways, drainage structures and pipes, walking paths, bike paths, tennis courts, pickleball courts, basketball courts, bocce courts, Streets, Drives, Roads, Roadways, bridges, gutters, curbs, paver bricks and other Improvements located on the Property, and/or (iv) decay or death of trees, shrubs, plants and other landscaping regardless of the reasons therefor so long as all of the remaining trees, shrubs, plants and other landscaping, when looked at as a whole, meet or exceed the minimum requirements of the ULDC. Accordingly, neither the Association nor any

Owner shall have any claim whatsoever against Declarant as a result of the foregoing, and the Association and each Owner (past, present or future) hereby releases and agrees to hold harmless and indemnify Declarant and Declarant's partners, and each of their respective affiliates, shareholders, directors, officers, employees, successors and assigns, from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees) related to, arising out of and/or resulting from any of the Landscaping Inherent Conditions.

The Association and each Owner further acknowledge and agree that Palm Beach County: (i) shall not have any responsibility to control, maintain or repair any such Root Growth or any of the damage caused by the roots and/or any such Root Growth, and (ii) shall not have any liability for losses or damages arising out of and/or resulting from such Root Growth, expansion or intrusion. The exculpation of Palm Beach County in this paragraph may not be amended without the prior written consent of the Palm Beach County Engineer or the Board of County Commissioners of Palm Beach County.

Commencing on the Effective Date and notwithstanding that title thereto has not yet been conveyed to the Association, the Association shall be responsible for the maintenance, repair and replacement of the Association Property in a continuous and satisfactory manner in accordance with the Governing Documents. The Association shall indemnify, defend and hold Declarant and its partners, and each of their respective shareholders, directors, members, managers, officers, employees, affiliates, successors and assigns harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the Association's failure to so operate, maintain repair and/or replace the Association Property. The Association shall be responsible for the payment of real estate taxes, if any, against the Association Property including taxes on any Improvements and any personal property thereon, accruing from and after the date this Declaration is recorded.

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

ARTICLE IV
OWNERS' PROPERTY RIGHTS; EASEMENTS

Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner and Occupant shall, except as may otherwise be provided in this Declaration, have a permanent and perpetual, nonexclusive easement for ingress and egress over, enjoyment in, and use of Association Property within the Property in common with all other Owners and their Occupants, which easement shall be appurtenant to, and shall pass with a deed and/or title to, each Owner's Lot. This right shall be subject to the following conditions and limitations:

A. The right of the Association to establish, amend and/or abolish Rules and Regulations from time to time to, among other things, govern the use and enjoyment of the Association Property by the Owners and their Occupants including, without limitation, Rules and Regulations to: (i) reasonably limit the number of Occupants of an Owner using the Association Property, (ii) limit or prohibit certain types of Occupants from using the Association Property, and (iii) require issuance of guest passes for Occupants of Owners and charging fees for such guest passes.

B. The right of the Association to establish, amend and/or abolish the Rules and Regulations from time to time for the purposes of enhancing the aesthetic uniformity of the Property.

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

D. The right of the Association in accordance with its Articles, Bylaws, and this Declaration, with the affirmative vote or written consent of two-thirds (2/3) of the total voting interests of the Members, except as provided to the contrary in this Declaration, to borrow money for the purpose of improving the Association Property and Improvements thereon, and, in aid thereof, to mortgage, pledge, or hypothecate any or all of its real or tangible or intangible personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the use rights of the Owners in the Association Property. Notwithstanding the foregoing, such two-thirds (2/3) vote or written consent of total voting interests shall not be required for such Improvements made for the sole purpose of preservation of, or prevention of damage to the Association Property or compliance with Laws.

E. The right of the Association to dedicate, release, alienate, or transfer all or any part of the Association Property owned by the Association to any public agency, authority or utility; and to grant any covenant, restriction or reservation against the Association Property in favor of any such public agency, authority, or utility; provided, however, no such dedication, release, alienation, or transfer shall be effective unless Members entitled to cast

two-thirds (2/3) of the total voting interests agree to such dedication, release, alienation or transfer.

F. The right of the Association, without any vote of the Owners, to grant "blanket" (i.e., general) and specific easements and rights-of-way, where necessary or desirable, for utilities, water and sewer facilities, Community Systems, cable television, and other services over the Association Property to serve the Association Property and other portions of the Property.

G. The right of Declarant, Declarant's affiliates, and each of their respective officers, directors, partners, employees, agents, licensees, and invitees to the nonexclusive use of the Association Property and the Improvements thereon, without charge, for sales, marketing, display, access, ingress, egress, construction, and exhibit purposes, and to grant (without consent of the Association and/or vote of the Owners) easements and rights-of-way as provided in this Declaration.

H. The right of Declarant to grant to purchasers under contract with Declarant for the purchase of a Lot in Valencia Sound the right to use and enjoy the Association Property and/or participate in Association events or functions, all as determined by Declarant in Declarant's sole and absolute discretion and without the consent of the Association and/or the Owners.

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

J. The right of the Association to replace sod, destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the Association Property, except as may be prohibited under the Water Management District Permit.

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

L. The right, however not the duty, of the Association, following a tropical storm, hurricane or other Act of God, to upright and/or remove any fallen or dislodged trees on: (i) any Lot, and/or (ii) any grassed areas located between the front and/or sides of such Owner's Lot and the Street; all as more particularly set forth in Article IX below.

M. The easements provided elsewhere in this Declaration, and those designated on the Plats including, but not limited to, those set forth in this Article IV.

N. The right of the Association to provide for the maintenance, preservation and architectural control of Lots, Improvements and other properties as set forth in this Declaration.

O. The right of the Association and the Declarant, and their respective employees, agents, licensees, and invitees, to come upon the Property (including, without limitation, Association Property as well as a Lot, other than entry into a Home, even after the same has been conveyed to an Owner) as may be necessary or convenient for the Association and/or the Declarant to exercise their respective rights and remedies, and to carry on their respective duties and obligations under and pursuant to the Governing Documents (including, without limitation, Declarant's development and construction of Valencia Sound and Homes therein).

P. The right of the Water Management District to use the Streets, Drives, Roads and/or Roadways for access to and from drainage, easements, lake maintenance easements, boat ramps, lake access easements, and the Lakes, and the right of the County to use the Streets, Drives, Roads and/or Roadways for access purposes by emergency vehicles and for the maintenance of utilities.

Q. The right of the Association to suspend the rights of Owners and their Occupants to use the Association Property (including, without limitation, the Recreation Tract) except for legal access and parking (provided that requiring the use of guest or non-resident lanes through entry gates shall not be deemed a suspension of access rights) and the right to levy fines against Owners, all in accordance with the Governing Documents.

R. The right of the Association to suspend voting rights of Owners that are more than ninety (90) days delinquent in the payment of any monetary obligation due to the Association.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws, such Owner's right of enjoyment to the Association Property to the Occupants of such Owner who reside in such Owner's Home, subject to this Declaration, all of the Rules and Regulations presently in effect and any which may become effective in the future, and subject further to reasonable regulation by the Board and the suspension rights set forth in Section 1.Q above.

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

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

Section 5. ACCESS EASEMENT. Declarant hereby reserves perpetual, nonexclusive easements of ingress and egress over and across: (i) any and all streets within or upon the Property dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), (ii) any and all private Streets, Drives, Roads and/or Roadways and driveways within or upon the Property, and (iii) all other portions of the Property, any of the foregoing of which are necessary or convenient for enabling Declarant to carry on and complete the work and/or exercise its rights referred to in this Declaration, as well as the sales, marketing, construction and servicing of Homes and other properties of Declarant and/or its affiliates. All of the foregoing easements shall be for the use of Declarant and Declarant's employees, contractors, agents, invitees, licensees, successors and assigns.

Section 6. GRANT AND RESERVATION OF EASEMENTS. Declarant hereby reserves and grants the following perpetual, nonexclusive easements over and across the Property as covenants running with the Property for the benefit of the Owners, the Association, and Declarant as hereinafter specified for the following purposes:

A. Utility and Services Easements. All of the Property shall be subject to an easement or easements to provide for: (i) installation, service, meter reading, repair and maintenance of the equipment required to provide utility services other than Community Systems to the Association Property and the Lots, including, but not limited to, power, lights, telephone, gas, water, sewer, irrigation and drainage, and (ii) governmental services, including, but not limited to, police, fire, mail, health, sanitation, emergency services and other public service personnel, including reasonable rights of access for persons and equipment necessary for such purposes for the benefit of the appropriate utility companies, agencies, franchises or Governmental Authorities.

B. Easement for Encroachment. All of the Property shall be subject to an easement or easements for encroachment in favor of each Owner in the event any portion of such Owner's Home or appurtenant Improvements installed by Declarant such as stucco, fences, concrete bases for air conditioning compressors, or underground footers, now or hereafter, encroach upon any of the Lots and/or Association Property as a result of minor inaccuracies in survey or construction, by design and/or due to settlement or movement. Such encroaching Improvements installed by Declarant shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching Improvements in favor of the Owner thereof or such Owner's designees.

C. Zero Lot Line Maintenance Easements.

(1) Preamble: A portion of the Homes in Valencia Sound may be designed, site planned and constructed as "zero lot line" Homes, such that each zero lot line Home is constructed so that all or portions of one side of such Home (and such fences or masonry walls extending from such side or sides) are situated on the side boundary lines of the Lot. Because of this design, it is necessary to provide a means by which the Owner of a Lot ("**Dominant Lot**") containing such a Home may have access to the "zero lot line" side of the

Home (and other portions of such Owner's Lot and Home) in order to maintain portions of the Lot, the sides of the Home, the roof and other applicable portions of the Home and Lot, and so that rain water may run off the roof of a particular Home onto the easement area described below. Because such access must be, of necessity, over those portions of the neighboring Lot or Lots (each, a "Servient Lot") adjacent to the "zero lot line" side of such a Home, Declarant hereby makes provision for the "Maintenance Easements" and "Overhang/Encroachment Easements" declared and regulated pursuant to this Section 6 (as well as similar easements for the aforesaid purposes which may, but need not, appear on the Plats).

(2) Creation and Extent of Roof Overhang and Encroachment Easement. Declarant hereby reserves a permanent and perpetual non-exclusive easement or easements in favor of each Dominant Lot over the unimproved portion of the Servient Lots adjacent to the building lines of the "zero lot line" Home located on the Dominant lot, which building lines are co-extensive with the Lot lines dividing the aforesaid Lots (the "Overhang/Encroachment Easement") to provide for the roof overhang of a zero lot line Home in favor of the Owner thereof. Owners shall have the rights of access for persons or equipment necessary to maintain, repair and replace such roof overhang pursuant to the Maintenance Easement described in subparagraph (1) above. In addition to roof overhangs, the foregoing easement shall be deemed to include an easement to allow for the encroachment of all architectural features, covered entry landscape screening (per plan), and other decorative features which are appurtenant to and have been included as part of the initial construction by Declarant of the Owner's Home, which now or hereafter encroach upon any of the Lots. The Overhang/Encroachment Easement shall be only as extensive as reasonably necessary to permit for the encroachments of the roof and all architectural features, covered entry landscape screening (per plan), and other decorative features which are appurtenant to the Home, but in no event less than the greater of two (2) feet in width or as may be otherwise shown as a roof overhang, encroachment or similar easement on the Plats.

(3) Creation and Extent of Maintenance Easement: Declarant hereby reserves a permanent and perpetual non-exclusive maintenance easement in favor of each Dominant Lot over the unimproved portion of the Servient Lot adjacent to the building lines of the "zero lot line" Home located on the Dominant Lot, which building lines are co-extensive with the Lot lines dividing the aforesaid Lots ("Maintenance Easement"). Said Maintenance Easement shall be appurtenant to and pass with the deed or title of the Dominant Lot and the Servient Lot. The Maintenance Easement shall be only as extensive as reasonably necessary to permit the Owner of a Dominant Lot to make the uses described in the Preamble above, subparagraph (4) below and for rainwater run-off, but in no event less than the greater of seven (7) feet in width or as may be otherwise shown as a maintenance, access or similar easement on the Plats.

(4) Use and Conditions of Maintenance Easements: The Owner of a Dominant Lot and such Owner's Occupants, contractors, subcontractors, suppliers, laborers and other service personnel, shall be entitled to enter onto the appurtenant Maintenance Easement for purposes of maintaining, repairing and replacing portions of such Owner's Lot and Home including, without limitation, the Home's walls, roof, fence, landscaping, permitted

encroachments and other installations which cannot be conveniently or properly maintained, repaired or replaced solely from the Dominant Lot. The right of each Owner of the Dominant Lot to use the Maintenance Easement shall be limited to the aforesaid uses, and such Owner shall not do anything within the Servient Lot which: (i) shall cause damage to the Servient Lot or any Improvement or landscaping thereon which is not promptly and fully remedied by said Owner by returning such damaged Improvement or landscaping to the condition immediately preceding said damage, (ii) shall create an undue hazard to persons or pets located on or coming into the Servient Lots, or (iii) is in furtherance of any activity as to the Dominant Lot or the Home thereon which is, or would result in, a violation of the restrictions set forth in the Governing Documents. The Owner of the Dominant Lot shall, by virtue of making use of any Maintenance Easement, be deemed to indemnify the Owner of a Servient Lot for any and all losses, costs, expenses or damage to any person or property incurred by reason of the former's violations of the restrictions contained herein.

(5) Servient and Dominant Lot Owner Duties: Owners of Servient Lots shall not make any Improvement to the Servient Lot, including, without limitation, the placement of fences or landscaping, which would unreasonably interfere with the permissible uses of any maintenance or access easement or roof overhang easement appurtenant to the adjoining Dominant Lot reserved herein or with the drainage and flowage easements described in Section 6.F below. Notwithstanding the foregoing, except as provided in Article X, Section 18 below, the Owner of a Servient Lot may install a fence or landscaping within such Maintenance Easement or Overhang/Encroachment Easement provided such installation is approved by the Architectural Control Committee pursuant to Article VIII below and all Governmental Authorities. The Committee's approval may require that an operable gate be installed by the Owner of the Servient Lot to provide access to the maintenance, access, and roof overhang easement areas for the Dominant Lot Owner.

Each Owner of a Dominant Lot, by acceptance of a deed or title for such Lot is hereby deemed to consent and hereby acknowledges that the Owner of the Servient Lot may install fencing or landscaping within or upon the Servient Lot which encroaches into or crosses over the Maintenance Easement and/or Overhang/Encroachment Easement reserved herein provided such fencing or landscaping is permitted by the Committee and all Governmental Authorities. Each Owner of a Dominant Lot shall execute and deliver all documents required by the Association, the Committee, and or the County to evidence such Owner's consent to the fence installation described in this subparagraph.

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

D. Easement to Enter Upon Lots. An easement or easements for ingress and egress in favor of the Association, including the Board or the designee of the Board, to enter upon the Lots for the purposes of fulfilling its duties and responsibilities of ownership,

maintenance and/or repair in accordance with the Governing Documents, including, by way of example, the making of such repairs, maintenance or reconstruction as are necessary for the Association Property and to maintain any Lot in the event the Owner thereof fails to do so.

E. Easement Over Association Property. An easement of enjoyment in favor of all Owners and Occupants in and to the Association Property which shall be appurtenant to and shall pass with a deed or title to every Lot in the Property, subject to the following:

(1) the right of the Association to suspend the rights of any Owner and/or such Owner's Occupants to use the Association Property in accordance with the Governing Documents and Laws;

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

(3) all easements, rights-of-way, dedications and restrictions set forth on the Plats; and

(4) all provisions set forth in the Governing Documents.

F. Drainage and Drainage System Easement. An easement for drainage and flowage over, under and upon the Property, including each of the Lots, in favor of the Association and the Water Management District including, but not limited to, reasonable rights of access for persons and equipment to construct, install, operate, maintain, alter, inspect, remove, relocate, repair and/or replace the Drainage System and/or flowage system including, without limitation, the swales, drainage pipes, and related equipment. By this easement, the Association and the Water Management District shall have the right to enter upon any portion of any Lot or any portions thereof, at a reasonable time and in a reasonable manner, to operate, maintain, repair or replace the Drainage System as required by the Water Management District and the Water Management District Permit. In addition, Declarant reserves and grants to the Water Management District a perpetual, non-exclusive, ingress, egress and access easement over and across all private streets and roads, on all dedicated access easements created by the Plats as may be necessary or convenient for the Water Management District to obtain access to and from the Drainage System, and for enabling the Water Management District to carry out any work permitted to be performed by the Water Management District under the Water Management District Permit and/or this Declaration. Notwithstanding the foregoing, in the event of any damage caused by Owner to the Drainage System or any portions thereof (including, without limitation, any portions of the Drainage System located upon such Owner's Lot), the cost of the repairs and/or replacements resulting from such damage shall be paid by such Owner. No Owner shall install any plantings, landscaping, levees and/or other Improvements whatsoever in, on, over or across any drainage easement. By this easement, the Association shall have the right to enter upon any portion of any Lot to operate, maintain, and repair the Drainage System as required by the Water Management District.

G. Irrigation and Irrigation System Easement. An easement for irrigation over, under and upon the Property, including each of the Lots, in favor of the Association including, but not limited to, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate, repair and/or replace the Irrigation System including, without limitation, all irrigation pipes, pumps, sprinklers and related equipment. Notwithstanding the foregoing, in the event of any damage caused by Owner to the Irrigation System or any portions thereof (including, without limitation, any portions of the Irrigation System located upon such Owner's Lot), the cost of the repairs and/or replacements resulting from such damage shall be the responsibility of and paid for by such Owner.

H. Drainage System and Irrigation System Encroachment Easement. An easement for encroachment over, under and upon the drainage easements and irrigation easements located within the Lots, if any, in favor of: (i) the Owner of the Lot upon which the drainage easement and/or irrigation easement, as applicable, are located for the existence of any driveway and/or sidewalk or irrigation system, or part thereof, encroaching over, under and upon such drainage easement and/or irrigation easement, as applicable, (ii) the Association for reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair any driveway and/or sidewalk or irrigation system, or part thereof installed or located over, under and upon such drainage easement and/or irrigation easement, as applicable, and (iii) the Water Management District for access for persons and equipment for proper purposes. In the event the Association requires access to any Drainage System and/or Irrigation System improvements within a drainage easement or irrigation easement located within a Lot upon which any such driveway and/or sidewalk or irrigation system encroaches, the Association has the obligation, at its own cost and expense, to remove and replace any such encroachment, and to return it to its condition immediately preceding such removal and replacement once access to the drainage easement or irrigation easement, as applicable, is no longer required. The flowage easements providing for drainage run between each of the Lots parallel to and over the side lot line thereof, draining either from the rear to the front, or from the front to the rear of the Lots. In addition, Declarant may, but is not obligated to, convey easements to the owners of adjacent properties (or portions thereof) to provide legal positive outfall for runoff from such adjacent properties.

I. Lake Maintenance Easements and Lake Maintenance Access Easements. Easements over Lake Lots as shown on the Plats granted in favor of the Association, for the purpose of maintaining and accessing the Lakes and storm water management and drainage facilities within the Lakes.

J. Lift Station Easements. Easements in favor of the County for ingress, egress and access to and from the Lift Station Tracts as shown on the Plats, and for the installation, repair, maintenance and service of equipment, lines and other structures necessary to supply sanitary sewer and drinking water services to and from Valencia Sound.

K. Rear Yard Drainage Swale Easement. Declarant hereby reserves and grants a perpetual, nonexclusive drainage easement ("**Drainage Swale Easement**") over and

across the rear five feet (5') of all "Non-Lake Lots." As used in this Declaration, a "Non-Lake Lot" means a Lot in which no portion of such Lot is abutting any portion of a Lake. The Drainage Swale Easement shall be for drainage and flowage of storm water runoff, and the pipes and other ancillary equipment installed to provide for such drainage and flowage. Except as expressly provided in the following sentence, and except for any Improvements, landscaping and other additions made or installed by Declarant, no planting, landscaping and/or Improvements whatsoever, including, without limitation, pool decks, patios, screen enclosures, hedges, trees, etc. shall be permitted within the Drainage Swale Easement. Notwithstanding the foregoing, subject to approval from the Association, an Owner of a Non-Lake Lot that is subject to the Drainage Swale Easement may install a pool/spa deck, patio and/or screen enclosure within the Drainage Swale Easement on such Owner's Non-Lake Lot provided that such improvement is constructed in a manner that will not discharge storm water runoff from such improvement onto any adjacent property (including, without limitation, any adjacent Owner's Lot or Association Property). In that regard, all such improvements approved to be constructed within the Drainage Swale Easement shall be designed and constructed in a manner that will retain all such storm water runoff on such Owner's Non-Lake Lot including, without limitation, installation of a commercial grade deck drain that will collect such runoff and discharge it to the side yard of the Non-Lake Lot. In addition, each Owner of a Non-Lake Lot shall have the right to seek approval from the Association for the installation of a fence across the Drainage Swale Easement to the rear property line of the Non-Lake Lot, subject to the terms and conditions of the Governing Documents and the prior approval of the Association, the Architectural Control Committee, and otherwise in accordance with the Governing Documents.

L. Buffer Easements. An easement or easements as shown on the Plats, if any, in favor of the Association for landscape, buffer, drainage and utility purposes.

M. Rural Parkway Easement. Easement granted or to be granted in favor of the County providing for, among other things, use of the Rural Parkway by the general public.

N. Bus Stop Boarding and Alighting Area Easement. Easement granted or to be granted in favor of the County to construct and operate a bus stop, boarding and alighting area adjacent to Lyons Road within the Rural Parkway Easement.

O. Platted Easements. All other easements as shown on the Plats for the purposes stated therein.

P. Air Space Easement. An easement over and across the Property (including all Lots, Homes, and Association Property) in favor of Declarant and the Association to operate and fly unmanned aerial vehicles including, without limitation, drones (collectively, "UAVs") subject only to limitations imposed by applicable Laws and the Association's Rules and Regulations. Such rights include, without limitation, the use of imaging and other devices to record photographs, video and sound. Use of UAVs by Declarant and the Association shall not be deemed a nuisance and shall not be interfered with by any Owner or any of Owner's Occupants. Each Owner and his/her Occupant is hereby put on notice of, and expressly

consents to, such recordings and therefore waives any right to privacy resulting from Declarant's and/or the Association's use of UAVs and the easement created hereby. This easement is not, however, for the benefit of any Owners (other than Declarant) and therefore use of UAVs by Owners and their Occupants over any portion of the Property (including, without limitation, the Association Property and/or any of the Lots, even the Lot owned by Owner) is prohibited except and to the extent expressly permitted by the Rules and Regulations, if any, regarding use and operation of UAVs by Owners and their Occupants.

Section 7. EASEMENT FOR COMMUNITY SYSTEMS. Notwithstanding anything to the contrary in this Declaration, Declarant and its affiliates and their respective designees shall have a perpetual exclusive easement over, across, upon and under the Association Property and the Lots for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems.

Section 8. ASSIGNMENTS; ADDITIONAL EASEMENTS. The easements reserved hereunder may be assigned by Declarant or the Association in whole or in part to any city, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant. Declarant, and after the Turnover Date, the Association, shall have and hereby reserves the right to grant and/or reserve additional easements over, under and upon the Property or portions thereof (including the portion of Lots where no physical structure of the Home is located) which may be necessary or desirable by Declarant, and after the Turnover Date, the Association. The Owners hereby authorize Declarant and/or the Association to execute, on their behalf and without any further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Property or portions thereof in accordance with the provisions of this Declaration.

Notwithstanding anything in this Declaration to the contrary, the easement rights granted to or reserved by Declarant hereunder are not to be construed as creating an affirmative obligation to act on the part of Declarant.

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

Section 1. MEMBERSHIP AND VOTING RIGHTS. The Association is the entity responsible for management, maintenance, operation and control of the Association Property. Membership in the Association shall be established, governed, modified and terminated as set forth in the Articles and Bylaws. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Governing Documents. The voting rights of the Members shall be as set forth in the Articles and Bylaws.

Section 2. BOARD. The Association shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles and Bylaws.

Section 3. DURATION OF ASSOCIATION. The duration of the Association shall be perpetual, as set forth in the Articles. In the event of termination, dissolution or final liquidation of the Association, the responsibilities for the operation and maintenance of the Drainage System must be transferred to and accepted by an entity approved by the Water Management District prior to such termination, dissolution or liquidation.

ARTICLE VI

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

Section 1. AFFIRMATIVE COVENANT TO PAY ASSESSMENTS. In order to: (a) fulfill the terms, provisions, covenants, conditions, restrictions, easements, reservations, regulations, charges, burdens and liens contained in the Governing Documents; and (b) own, manage, operate, maintain, repair, replace and preserve the Association Property for the use, safety, welfare and benefit of the Owners and their Occupants, there is hereby imposed upon each Completed Lot, and Incomplete Lot, and each Completed Lot Owner and Incomplete Lot Owner, the affirmative covenant and obligation to pay to the Association commencing from and after the first conveyance of a Completed Lot from Declarant as evidenced by the recordation of a deed in the Public Records (in the manner herein set forth) all Assessments as set forth herein, which Assessments may include, but are not limited to, the Individual Lot Assessments, Special Service Assessments and Special Assessments, as applicable. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot within the Property, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments in accordance with the provisions of the Governing Documents.

The following expenses of the Association are hereby declared to be Operating Expenses which the Association is obligated to assess and collect, and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the Governing Documents: (1) all taxes (including, without limitation, real property taxes) and tax liens which may be assessed or levied at any and all times against the Association Property, the Community Systems or against any and all personal property or Improvements thereon; (2) all charges levied for Community Systems or other utilities providing services for the Association Property or to Owners on a bulk basis, such as water, gas, electricity, telephone, cable television, internet access, sanitation, sewer and any type of utility or any other type of service charge which is not separately billed to an Owner; (3) the premiums on policies of insurance including, but not limited to, liability and casualty insurance for the Association Property and directors and officers liability insurance for the officers and directors of the Association; (4) all fees, costs, expenses, and other sums necessary for the ownership, maintenance, repair and replacement of the Association Property and all Improvements located thereon; (5) all administrative and operational fees, costs and expenses incurred by the Association, including, without limitation, compensation paid by Association to managers, accountants, attorneys and other agents, employees and independent contractors providing labor and services to the Association; (6) all fees, costs and expenses of maintaining, repairing and replacing the Rural Parkway; (7) all fees, costs and other sums of owning, operating, maintaining, repairing and replacing the Irrigation

System including, without limitation, all water usage related thereto and all fees, costs and charges incurred for reclaimed water as provided in Article II, Section 2(10) above and Article XIV, Section 18 below; (8) all fees, costs and other sums of owning, operating, maintaining, repairing and replacing the Drainage System, including, without limitation, work within retention areas, drainage structures and drainage easements; and (9) any and all other expenses deemed to be Operating Expenses by the Board and/or under this Declaration. The Board may, if it so determines, include a contingency or other general fund in the Association's annual budget.

The Board may, if it so determines, include reserves for replacements, capital expenditures, deferred maintenance and other items in the Association's annual budget; however, reserves are not part of, and are specifically excluded from, Operating Expenses, and are therefore payable only by Completed Lot Owners. Notwithstanding anything to the contrary in the Governing Documents, and unless otherwise prohibited or limited by the HOA Act, Declarant shall be exempt from the payment or funding of any reserves, if any, established by the Board. In addition, any expense which is required by the Declaration to be the matter of Special Assessment shall not be deemed to be an Operating Expense. Expenses which are required to be the matter of Special Assessment include, by way of example but not by way of limitation, the following: the cost of reconstructing, replacing or improving the Association Property or any portion thereof or Improvements thereon; any casualty loss affecting the Association or the Association Property to the extent such loss exceeds the insurance proceeds, if any, received by the Association as a result of such loss; any judgment against the Association (or against a Director or Directors if and to the extent such Director is, or such Directors are, entitled to be indemnified by the Association therefor pursuant to the Articles) to the extent such judgment exceeds the insurance proceeds, if any, received by the Association as a result of such judgment, or an agreement by the Association (or such Director or Directors to whom indemnification is owed) to pay an amount in settlement of a lawsuit against it (or such Director or Directors) to the extent such settlement exceeds the insurance proceeds, if any, received by the Association as a result of such settlement agreement; and Legal Fees incurred by the Association in connection with litigation (whether incurred for the preparation, filing, prosecution or settlement thereof or otherwise), except Legal Fees incurred by the Association in connection with the collection of Assessments or other charges which Owners are obligated to pay pursuant to the Governing Documents or the enforcement of the use and occupancy restrictions contained in the Governing Documents, and except Legal Fees incurred for lawsuits not approved pursuant to Article XIV, Section 12 below.

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

Section 2. ESTABLISHMENT OF LIENS. Each Assessment against a Lot, together with Interest thereon, late charges imposed and costs of collection, including, but not limited to, Legal Fees, shall be the personal obligation of the Owner of such Lot. Any and all Assessments made by the Association in accordance with the provisions of the Governing Documents with Interest thereon, late charges imposed and costs of collection, including, but not limited to, Legal Fees,

are hereby declared to be a charge and continuing lien (the "Assessment Lien") upon each Lot against which each such Assessment is made. Said Assessment Lien shall relate back to and be effective from the date of recordation of this Declaration. However, as to first mortgages of records, the Assessment Lien is effective only from and after recording of a claim of lien (a "Claim of Lien") in the Public Records setting forth the amounts due and owing to the Association and such other information as required by the HOA Act. Notwithstanding anything to the contrary herein contained, in the event an Institutional Mortgagee of record obtains a deed or title to a Lot as a result of foreclosure of its first mortgage or deed in lieu of foreclosure, such acquirer of a deed or title, its successors or assigns, shall be liable for Assessments pertaining to such Lot and/or chargeable to the former Owner except and to the extent limited by applicable Florida Law.

Section 3. COLLECTION OF ASSESSMENTS. In the event any Owner shall fail to pay any Assessment, or installment thereof, charged to such Owner within fifteen (15) days after the same becomes due, then the Association, through its Board, shall have any and all of the following remedies to the extent permitted by Law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Association:

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

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

C. To file an action in equity to foreclose its lien at any time after the effective date thereof as provided in Section 2 above. The lien may be foreclosed by an action in the name of the Association in like manner as a foreclosure of a mortgage on real property. The Association, through a duly authorized officer or agent, shall have the power to bid on the Lot at the foreclosure sale, with credit given for the amount of the judgment and to acquire and hold, lease, mortgage and/or convey such Lot.

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

E. To charge Interest on such Assessment from the date it becomes due, as well as a late charge in the highest amount permitted by Law, and if no such late charge is designated by Law, then Twenty-Five and No/100 (\$25.00) Dollars, to defray additional collection costs.

F. To suspend the rights of an Owner (and their Occupants) in default to use the Association Property, if such Owner is delinquent in payment of Assessments for more than ninety (90) days, subject to the Notice and Hearing provisions of Article X below.

G. To suspend the rights of Owners in default to vote on any matter on which Owners have the right to vote if such Owner is delinquent in payment of Assessments for more than ninety (90) days, but subject to any restrictions or prohibitions in the HOA Act.

H. To collect any monetary obligation, including delinquent Assessments due for the Home from the rents paid by any tenant occupying the Home if the Owner has leased the Home. In such case, the tenant shall remit such delinquent Assessments and other amounts due the Association directly to the Association upon written notice from the Association that the Owner is delinquent in the payment of its monetary obligations and the tenant may deduct such amounts paid to the Association from the rent due to the Owner. The Association has the right to require Owners to use a lease addendum, the form of which may be prescribed by the Association, which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association.

Section 4. CURING OF DEFAULT. Upon full payment of all sums secured by the Assessment Lien (including, without limitation, payment of all delinquent principal, interest, late charges, costs of collection and Legal Fees), a duly authorized officer or agent of the Association shall record in the Public Records an appropriate release for the sums paid (and release of the Claim of Lien, if applicable) upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed Two Hundred Fifty Dollars (\$250.00), to cover the cost of preparing and recording the applicable releases.

Section 5. CUMULATIVE REMEDIES. The Assessment Lien and the rights to foreclosure and sale thereunder, shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and under law or in equity, including a suit to recover a money judgment for unpaid Assessments, as above provided. Notwithstanding anything to the contrary herein contained, in the event an Institutional Mortgagee of record obtains a deed or title to a Lot as a result of foreclosure of its first mortgage or deed in lieu of foreclosure, such acquirer of a deed or title, its successors or assigns, shall be liable for Assessments pertaining to such Lot and/or chargeable to the former Owner except and to the extent limited by the HOA Act. However, any third party who acquires title to a Lot as a result of a first mortgagee's foreclosure of its first mortgage upon such Lot, or by deed in lieu of foreclosure, shall be jointly and severally liable with the previous Owner for all Assessments, fees (including, without limitation Legal Fees), costs, expenses, and other monetary obligations due and owing to the Association that have accrued against the subject Lot prior to such third party acquiring title to such Lot. For purposes of additional clarification, the term "successors or assigns" as used in this Section strictly refers to any person or entity who lawfully acquires the first mortgage from the Owner's first mortgagee; therefore, a third party who acquires title as a result of the first mortgagee's foreclosure, or by deed in lieu of foreclosure, shall not be considered a successor or assignee of the first mortgagee.

Section 6. COLLECTION BY DECLARANT. In the event for any reason the Association shall fail to collect the Assessments (or any portions thereof), Declarant shall at all times have the right (but not the obligation): (i) to advance such sums as the Association could have advanced as set forth above; and (ii) to collect such Assessments and, if applicable, any such sums advanced by Declarant, together with Interest and costs of collection, including, but not limited to, Legal Fees.

Section 7. RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES TO PAY ASSESSMENTS AND RECEIVE REIMBURSEMENT. Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or individually, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lots. Further, Declarant and any Institutional Mortgagee shall have the right, but not the obligation, jointly or individually, and, at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Association in the event the same are overdue and when lapses in policies or services may occur. Declarant and any Institutional Mortgagee paying overdue Operating Expenses on behalf of the Association will be entitled to immediate reimbursement from the Association plus Interest and any costs of collection including, but not limited to, Legal Fees, and the Association shall execute an instrument in recordable form acknowledging such reimbursement obligations and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

Section 8. COMMUNITY SYSTEMS SERVICES. The Association shall have the right to enter into one or more agreements ("**Bundled Service Agreements**") for receipt of television (via cable, satellite or otherwise), entertainment, telecommunication, internet, monitored alarm and/or other services (collectively, "**Bundled Services**") for Homes in Valencia Sound. Any and all costs and expenses incurred by the Association under or pursuant to any Bundled Service Agreements entered into by the Association for Bundled Services will be assessed against all Completed Lot Owners. It is contemplated that there may be features and services that are or will be available in addition to and not part of the Bundled Services (each, an "**Optional Service**"). Notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Bundled Service Agreements shall be apportioned equally, but only amongst those Homes with respect to which the Association is being charged under or pursuant to the Bundled Service Agreement except to the extent, if any, that any Owner elects to receive an Optional Service (being a service not automatically received by all Owners entitled to receive Bundled Services pursuant to the Bundled Service Agreements). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs of such Optional Services and for any hook-up costs, any converter boxes, remote control units, and the charge therefor shall be billed directly to Owner. The foregoing shall in no way obligate Declarant or the Association to enter into any Bundled Service Agreement.

ARTICLE VII
METHOD OF DETERMINING ASSESSMENTS
AND ALLOCATION OF ASSESSMENTS

Section 1. DETERMINING AMOUNT OF ASSESSMENTS. The total anticipated Operating Expenses for each calendar year shall be set forth in an estimated annual operating budget (“Budget”) prepared by the Board as required under the Governing Documents.

A. For each Budget to be adopted prior to the Turnover Date, upon completion of a proposed Budget by the Board (but prior to its adoption), the Board shall deliver same to Declarant following which Declarant shall provide the Board: (i) the estimated number of Completed Lots that Declarant anticipates will come into existence by the end of the calendar year covered by the proposed Budget or an average number of Completed Lots anticipated for such year, and (ii) the amount of Voluntary Contributions, if any, that Declarant is willing to make pursuant to Section 5.D below and Section 7 below during the calendar year covered by the proposed Budget, but which Declarant shall have absolutely no obligation whatsoever to make.

B. Each Completed Lot and Incomplete Lot shall be assessed its *pro rata* portion of the total anticipated Operating Expenses, which shall be the “Individual Lot Assessment” as to each Lot. The Individual Lot Assessment shall be based upon the level of service to each Lot and the state of the Lot’s development and completion, with the Owners of Completed Lots paying the Operating Expenses on a twenty to one ratio (20:1) compared to the Owners of Incomplete Lots, calculated as set forth below. In that regard, the Individual Lot Assessment for an Incomplete Lot shall be determined by dividing the total anticipated Operating Expenses by an amount equal to the sum of: (a) the product obtained by multiplying the total number of Completed Lots by twenty (20), and (b) the sum of such product and the total number of Incomplete Lots. The Individual Lot Assessment for a Completed Lot shall be an amount equal to the product obtained by multiplying the Individual Lot Assessment for an Incomplete Lot (as calculated above) by twenty (20). The number of Completed Lots and Incomplete Lots shall be adjusted quarterly, as needed, as hereinafter set forth. At such time as Declarant has conveyed title to all of the Homes on all of the Lots, each Lot shall be a Completed Lot and the Individual Lot Assessment shall be equal for each Lot.

C. In addition to the Individual Lot Assessment, each Lot shall be assessed for the fees, costs and expenses for any special services provided to or for the benefit of such Lot, or to reimburse the Association for the fees, costs and expenses incurred in connection with or for such special services, which shall be the “Special Service Assessment” as to such Lot. The Special Service Assessment shall be based upon: (i) bids received and approved by the Board for any special services to be provided to one or more of the Lots in the Neighborhood, and/or (ii) contracts entered into by the Association for the providing of specific services to a particular Lot or Lots, which Special Service Assessments may be in different amounts for different Lots based on, among other things, such bids and/or contracts. The Board shall have the right to accept or reject any such bids and/or contracts as determined solely by the Board. By way of example, and for illustration purposes only, the Home Landscaping Services (as

hereafter defined in Article IX, Section 1.G below) shall be a Special Service Assessment for all Completed Lots. The Declarant reserves the right to change any such Home designations and to create new Home designations for Special Service Assessments as the Declarant shall determine in the Declarant's sole and absolute discretion. The Board shall have the sole and absolute discretion to determine whether fees, costs and/or expenses are Special Service Assessments, as will be reflected in each annual Budget of the Association. Notwithstanding anything to the contrary, except as may be limited by applicable Law, Declarant will not be obligated to pay Special Service Assessments: (i) for Incomplete Lots owned by Declarant and/or (ii) for any special services not provided to the Lots owned by Declarant.

D. Using the information provided by Declarant, the Board shall then adopt the Budget in accordance with the Governing Documents which shall include "Individual Lot Assessments" and "Special Service Assessments" as described and calculated in accordance with this Article VII, as well as any reserves determined by the Board, but excluding any expected or possible Special Assessments.

E. Notwithstanding anything in the Governing Documents to the contrary, any Assessment for Legal Fees incurred by the Association for lawsuits shall be the subject of Special Assessment and not the subject of an Individual Lot Assessment so long as approved pursuant to Article XIV, Section 12 below, except the Legal Fees incurred by the Association in connection with the collection of assessments or other charges which Owners are obligated to pay pursuant to the Governing Documents or the enforcement of the use and occupancy restrictions contained in the Governing Documents.

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

Section 3. SPECIAL ASSESSMENTS. "Special Assessments" include, in addition to other Assessments designated as Special Assessments in the Governing Documents and whether or not for a fee, cost or expense which is included within the definition of Operating Expenses, those Assessments which are levied for capital improvements which include the fees, costs and expenses (whether in whole or in part): (a) constructing or of acquiring Improvements for, or on, the Association Property, (b) of reconstructing or replacing such Improvements, and/or other Association Property, and/or (c) needed to supplement reconstruction, repair or replacement expenses not covered by insurance. In addition, Special Assessments may be levied against particular Lots and/or Owners to the exclusion of others based on the purpose of the Special Assessment and the benefits bestowed in fulfilling such purpose. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Individual Lot Assessment and/or Special Service Assessment. Any Special Assessments assessed against Lots and the Owners thereof shall be paid by such Owners in addition to any other Assessments and shall be assessed in the same manner and using the same 20:1 ratio as the Individual Lot Assessment, subject to the Board's right to levy Special Assessments against only certain Lots or Owners as provided above. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Special Assessment after the Turnover Date shall require the affirmative consent of at least two-thirds (2/3) of all Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws for all Special Assessments, except only any Special Assessment for: (a) repair, reconstruction or replacement of damaged or destroyed Improvements previously existing on Association Property (including, without limitation, landscaping) which shall be assessed in accordance with Article XII below, (b) capital improvements necessary or desirable for the sole purpose of preservation of, or prevention of damage to Association Property, or (c) uprighting or removing any fallen or dislodged trees as set forth in Article IX, Section 1.G below; which shall not require such affirmative consent of at least two-thirds (2/3) of all Members. Prior to the Turnover Date, but subject to any affirming vote of the Members if and to the extent required by the HOA Act, a Declarant-controlled Board may levy a Special Assessment. Special Assessments are not included in the guarantee set forth in Section 5.B below.

Section 4. LIABILITY OF OWNERS FOR ASSESSMENTS. By the acceptance of a deed or other instrument of conveyance of a Lot in the Property, each Owner thereof acknowledges and agrees that each Lot and the Owners thereof are jointly and severally liable for their own Individual Lot Assessments, their applicable Special Service Assessments and their applicable portion of any Special Assessments, as well as for any and all other Assessments for which they are liable, as provided for in the Governing Documents. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Lots for the Operating Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessment and the limitations on the liability of Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Owner, for such Owner and such Owner's heirs, executors, successors and assigns, that in the event any Owner fails or refuses to pay such Owner's Individual Lot Assessment, Special Service Assessment or any portions thereof, or such

Owner's respective portion of any Special Assessment or any other Assessment, then the other Owners may be responsible for any shortfall in receipt of Individual Lot Assessments, Special Service Assessments or Special Assessments or other Assessments due to the nonpayment or underpayment by such other Owner, and such additional Individual Lot Assessment, Special Service Assessment or Special Assessment, or any other Assessment can and may be enforced by the Association and Declarant in the same manner as all other Assessments hereunder as provided in the Governing Documents. Each Owner further acknowledges and agrees that it is possible that the Association may collect or spend more or less than the amounts budgeted for as Operating Expenses in each adopted Budget of the Association.

Section 5. ASSESSMENTS PAYABLE BY DECLARANT. Except as may be limited by applicable Law, Declarant has the right (at its sole election) to select one or more of the following, as may be applicable:

A. **Deficit Funding:** Pay the Deficit during the Deficit Funding Period (as defined and described in Section 6 below), in which event Declarant shall be excused from payment of its share of Assessments related to its Lots owned by Declarant during the Deficit Funding Period;

B. **Stated Guarantee:** Elect to guarantee the amount of Individual Lot Assessments and pay the Deficit during the Deficit Funding Period as provided in the HOA Act and, in the event of such election by Declarant, Declarant shall be excused from payment of its share of Assessments related to Lots owned by Declarant;

C. **Assessments Based on Services Provided:** Pay Individual Lot Assessments for the Lots owned by Declarant in the same manner as other Owners, but at the 20:1 ratio as described in Section 1 above;

D. **Special Service Assessments:** Not pay Special Service Assessments for Lots owned by Declarant if the special services giving rise to such Special Service Assessments are not provided to the Lots owned by Declarant; and/or

E. **Voluntary Contributions:** Subsidize the Budget of the Association as described in Section 7 below by making Voluntary Contributions (as hereinafter defined) in amounts determined by Declarant in Declarant's sole and absolute discretion.

Section 6. DEFICIT FUNDING. If Declarant elects to pay the Deficit and be excused from payment of its share of Assessments as provided in Section 5.A or Section 5.B above, then during the Deficit Funding Period, Declarant shall be obligated to pay the difference ("Deficit"), if any, between: (a) the Operating Expenses (other than those Operating Expenses which are properly the subject of a Special Assessment) incurred by the Association during the Deficit Funding Period, and (b) the sum of (i) the amounts assessed as Assessments against Owners during the Deficit Funding Period, and (ii) all other income and/or revenue received by or on behalf of the Association including, but not limited to, Voluntary Contributions. The Deficit, if any, to be paid by Declarant pursuant to this Section 6 shall be determined by examining the

entire Deficit Funding Period, without regard to quarterly, annual or any other accounting or fiscal periods and without regard to intraperiod allocations. In that regard, in the event it is determined at the end of the Deficit Funding Period that Declarant has previously advanced funds to the Association in excess of the Deficit incurred during the Deficit Funding Period, Declarant shall be entitled to the immediate repayment from the Association of the amount of funds advanced by Declarant in excess of the Deficit. The Declarant's Deficit payment obligation, if any, expressly does not include payments of reserves, Special Service Assessments, Special Assessments and/or any unpaid Assessments of any kind by Owners. All Voluntary Contributions made by Declarant to the Association shall be applied to (and shall reduce) any Deficit owed to the Association by the Declarant.

"Deficit Funding Period" as used herein, and if applicable, shall mean and be defined as the period commencing with the Effective Date of this Declaration and ending upon the sooner to occur of: (i) the Turnover Date; or (ii) the date of delivery of written notice from Declarant to Association of Declarant's termination of the Deficit Funding Period, but in no event shall such termination be effective later than the Turnover Date.

Following expiration or termination of the Deficit Funding Period, each Owner shall be obligated to pay Assessments as set forth in Section 1 above and commencing at such time, Declarant shall be required to pay Individual Lot Assessments and Special Assessments on any Lots it owns but at the 20:1 ratio as provided in said Section 1.

Section 7. VOLUNTARY CONTRIBUTION. During the period of time that Declarant is offering Homes for sale in Valencia Sound and/or based on the number of Homes owned by Owners other than Declarant, Declarant may seek to keep Assessments lower than they otherwise may be by subsidizing the Budget of the Association by making one or more voluntary contributions in amounts determined by Declarant ("**Voluntary Contributions**"). The amount of any such Voluntary Contributions may vary from time to time or may be discontinued and recommenced by Declarant from time to time. The determination to subsidize the Budget of the Association, the amount of any such Voluntary Contributions, the discontinuance and/or commencement of any such Voluntary Contributions shall all be made by Declarant in Declarant's sole and absolute discretion and in no event shall Declarant have any obligation whatsoever to make any such Voluntary Contributions. Each Owner shall be solely responsible to review the Budget of the Association then in effect to determine if and to what extent Declarant is making any Voluntary Contributions to subsidize the Budget and thus lower the Assessments payable by the Owners that would otherwise be higher based on the Operating Expenses of the Association.

Section 8. DECLARANT'S GUARANTEED ASSESSMENT NOT THE OBLIGATION OF INSTITUTIONAL MORTGAGEES. Notwithstanding anything to the contrary herein contained, it is specifically understood and declared that each Owner, by the acceptance of a deed or other instrument of conveyance of a Lot within the Property, shall be deemed to have acknowledged and agreed that no Institutional Mortgagee (other than Declarant) or any successor or assign of such Institutional Mortgagee, or any person acquiring a deed or title to any part of the Property by reason of the foreclosure or otherwise of an Institutional Mortgagee shall be deemed to

have made, assumed or otherwise undertaken any covenants or obligations of Declarant: (i) to guarantee the level and/or duration of any guaranteed Assessments provided for under any of the Governing Documents; or (ii) to pay the difference between the actual Operating Expenses and the guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Deficit Funding Period (as same may have been previously extended) as may be provided for in any of the Governing Documents; provided, however, that an Institutional Mortgagee may, at its option, determine to continue the obligation of Declarant to guarantee the amount of the Assessments as herein provided. Additionally, a successor declarant shall not be deemed to guarantee the level and/or duration of any guaranteed Assessments provided for under any of the Governing Documents or be obligated to pay the difference between the actual Operating Expenses and the guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Deficit Funding Period (as same may have been previously extended) unless such obligation is assumed in writing by such successor declarant.

Section 9. WAIVER OF USE. No Owner, other than Declarant, will be exempt from personal liability for Assessments duly levied by the Association for any reason whatsoever including, without limitation, the non-use of any Association Property or the Owner's Home or because of any dispute with or complaint against the Association an Owner may have. Likewise, no Owner may release the Lot owned by such Owner from the liens and charges hereof for any reason, including those stated above.

ARTICLE VIII **ARCHITECTURAL CONTROL COMMITTEE**

Section 1. MEMBERS OF THE COMMITTEE. Prior to the Turnover Date, the Architectural Control Committee, sometimes referred to in this Declaration as the "Committee," shall be comprised solely of the President of the Association or the President's designee. After the Turnover Date, the Committee shall be comprised of three (3) members appointed by the Board and shall hold office until such time as such member has resigned or been removed, all as provided in the Governing Documents. Members of the Committee may be removed at any time without cause. The Board shall have the sole right to appoint and remove all members of the Committee.

Section 2. REVIEW OF PROPOSED CONSTRUCTION.

A. Subject to Section 13 below, no Improvements, including, by way of example and not of limitation, accessory structures, exterior lighting fixtures, brick pavers, stamped concrete, concrete flatwork, basketball goals, gym sets and play structures, other recreational equipment, hot tubs, patios, summer kitchens and the like, awnings, buildings, fences, walls, pools, roofs, gutters or rain spouts, antennae, aerials, microwaves, reception devices, mailboxes, external enclosures or attachments (including entry screen and patio screen enclosures), or landscaping (including hedges, massed plantings and trees) shall be commenced, erected, installed, altered, modified, painted, planted, removed or maintained on the Property, including the Lots, nor shall any canopies, shutters, or window coverings be attached to or placed upon outside walls or roofs of any Home or building by any Owner other

than Declarant, or its designees, unless such Improvements have been reviewed by and received the written approval of the Committee in accordance with Paragraph B below. Any Owner desiring to make Improvements shall submit two (2) complete sets of plans and specifications prepared by an architect, landscape architect, engineer or other person determined by the Committee to be qualified, showing the nature, dimensions, materials and location of the same, together with the Security Deposit (as defined in Section 4 below) if required by the Committee, to be held and disbursed by the Association in accordance with Section 4 below.

B. The Committee shall approve proposed plans and specifications submitted for its approval only if: (i) it deems that the construction, alterations or additions contemplated will not be detrimental to the appearance of the surrounding area of the Property as a whole; (ii) that the appearance of any structure affected thereby will be in harmony with the surrounding structures and is otherwise desirable; and (iii) such Improvements are consistent with the Community Standard (as defined in Section 3 below). The Committee shall also adhere to the Rules and Regulations and other guidelines as may be promulgated by the Board with respect to any and all additions and alterations within the Property. The Committee may also: (i) issue and amend from time to time rules or guidelines setting forth procedures for the submission of plans and specifications, and (ii) set, establish, and charge reasonable fees ("**Review and Inspection Fees**") for, among other things, processing Owner's request for proposed Improvements, review of the plans and specifications for proposed Improvements by Owner and inspections of the Improvements constructed by Owner, which review and/or inspection may be performed by third parties. The Committee may require Review and Inspection Fees to be paid in advance (i.e., at the time of submission of the Owner's application). In the event any Review and Inspection Fees remain unpaid by an Owner, in addition to the other rights of the Association, the Committee shall have the right, at its option, to: (i) not release the Security Deposit until all Review and Inspection Fees have been paid, or (ii) deduct all unpaid Review and Inspection Fees from any such Security Deposit paid by Owner. In addition (and in addition to any other remedies under and pursuant to the Governing Documents for a failure of an Owner to perform Owner's obligations), if any Review and Inspection Fees are not paid by Owner, the Board may levy an Assessment against such Owner for such unpaid Review and Inspection Fees, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.

If the proposed construction, alterations or additions are to a portion of the Improvements which the Association is obligated to maintain, said approval shall also be subject to approval by the Board. The Committee may condition its approval of proposed plans and specifications in such a manner as it deems appropriate and may require the submission of additional information prior to approving or disapproving such plans. In that regard, the Committee may also require such detail in plans and specifications submitted for its review as it deems necessary or proper, including, without limitation, floor plans, site plans, surveys, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. Notwithstanding anything to the contrary in the Governing Documents, diversity of architectural elevation and exterior color scheme for Homes in Valencia Sound shall comply

with the following: (i) no more than three (3) Homes with the same exterior elevation shall be placed next to each other; and (ii) no Home shall have the same exterior color scheme as either of the homes placed next to it whose front elevation is on the same street frontage. The Committee shall have no obligation to and shall not approve (nor grant any variances for) any bids, proposals or plans and specifications submitted if approval of same would result in failure to comply with the foregoing requirements.

If the proposed construction, alterations or additions to a Home or Lot includes any landscaping or other improvements which would cause the performance of the Home Landscaping Services (as defined in Article IX, Section 1.G below) to be more difficult or more expensive to the Association, the Committee may condition its approval on Owner's agreement to pay such additional fees and costs for the Home Landscaping Services or to waive receipt of the Home Landscaping Services (without reduction of the Assessments paid by Owner), as the Committee shall determine.

C. The Committee shall have forty-five (45) days after delivery of all required materials to give written approval or rejection of any such plans and, if written approval is not given within such forty-five (45) day period, such plans shall be deemed rejected, provided however, that, in any event, no such addition, construction or alteration shall be made by any Owner which is detrimental to or inconsistent with the harmony, appearance or general scheme of the Property as a whole.

D. No landscaping or other Improvements on the Lake Lots which materially interfere with the view of the Lakes by adjacent neighbors who are also Lake Lot Owners, as applicable, shall be permitted. In its review of proposed plans and specifications of landscape design and materials for Lake Lots, including, but not limited to, any massed plantings, the Committee will take into consideration the effect on Lake views of such landscaping, both at the proposed time of installation and at the time when maximum growth shall have occurred. The only fence type allowed on the back and sides of a Lake Lot shall be an aluminum rail picket fence, with the rails no wider than one inch (1") and no closer together than three inches (3") on center and having a height of sixty inches (60"), unless otherwise required by applicable Laws. Notwithstanding anything to the contrary in this Declaration, such aluminum rail picket fence is the only type of fence which the Committee may approve for installation on the back or sides of a Lake Lot. The permitted colors of such fence shall be as set forth in the Rules and Regulations. No Owner shall be permitted to install any fence (or landscaping) within any Lake Maintenance Easement or Lake Maintenance Access Easement whatsoever (refer to Article X, Section 18 below for additional restrictions regarding fences).

E. There shall be a minimum two foot (2') setback requirement from the side yard lot line on the "zero lot line" side of a Home for that portion of any open patio, screen enclosed patio and/or pool deck that extends beyond the ten (10') foot masonry wall extending from such "zero lot line" side of the Home (the "Privacy Wall"). In addition, if an Owner installs or constructs such open patio, screen enclosed patio and/or pool deck between two feet (2') and five feet (5') from the side yard lot line on the "zero lot line" side of a Home, then a Hedge must also be installed by said Owner within the two foot (2') setback area along that portion of

the open patio, screen enclosed patio and/or pool deck that extends beyond the Privacy Wall in order to provide a vegetative privacy barrier.

F. No plantings, landscaping and/or Improvements whatsoever, including, without limitation, pool decks, patios, screen enclosures, fences, hedges, trees, etc. shall be installed in any Drainage Swale Easement except only as expressly provided in Article IV, Section 6.K above.

G. No plantings, landscaping and/or Improvements whatsoever, including, without limitation, pool decks, patios, screen enclosures, fences, hedges, trees, etc. shall be installed in any Drainage Easement.

H. An Owner shall not plant any shrubs, trees and/or landscaping on his or her Lot and/or in any manner alter the landscaping in Valencia Sound as initially installed by Declarant without the prior written consent of the Committee. If an Owner receives such approval and plants any shrubs, trees and/or landscaping on his or her Lot, such Owner shall be responsible for the payment of any increase for the Home Landscaping Services to maintain such shrubs, trees and/or landscaping.

I. Notwithstanding any provision in this Article to the contrary, the approval of the Committee shall not be required for any additions, changes or alterations within any Home if such additions, changes or alterations are not visible from the outside of such Home. All changes and alterations shall be subject, independently, to all applicable Laws.

J. Notwithstanding anything to the contrary herein contained, no construction, reconstruction, addition or alteration by Declarant shall require the prior approval or any certificate of consent of the Committee or any Security Deposit.

K. Notwithstanding anything to the contrary, approval of the Committee shall not be deemed to be an exemption from compliance with all Laws.

Section 3. COMMUNITY STANDARD. As used in the Governing Documents, the “**Community Standard**” shall mean the conduct, maintenance or other activity generally prevailing throughout the Property, but may be more specifically determined by the Board or the Committee, which shall not be inconsistent with any standard created by the Declarant, and shall at all times be in compliance with all environmental restrictions set forth herein or pursuant to any other recorded documents. In reviewing proposals and plans and specifications for conformity with the Community Standard, the Committee shall determine whether the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Property and that the appearance of any Improvement or other structure affected thereby will be in harmony with surrounding structures and Improvements and is otherwise desirable.

Section 4. SECURITY DEPOSIT FOR IMPROVEMENTS; INDEMNIFICATION. Any Owner desiring to make Improvements may be required by the Committee, depending upon the

Improvements being requested and the manner of installation of such Improvements, to provide to the Committee, at the time of the Owner's submission of plans and specifications for review and approval by the Committee, a security deposit ("**Security Deposit**") paid to the Association to cover: (a) costs of incidental damage caused to Association Property, an adjacent Home or Lot, or any other property (whether real or personal) by virtue of such Owner's construction of Improvements, and (b) the Review and Inspection Fees if and to the extent not paid by Owner. The Security Deposit shall initially be Five Thousand Dollars (\$5,000.00) and may be increased or decreased by the Board from time to time. The Committee shall have the sole and absolute discretion to determine whether a Security Deposit is required for the Improvements being requested. The Association shall not be obligated to place the Security Deposit in an interest-bearing account. The Owner shall be entitled to the return of the Security Deposit upon: (i) such Owner's written notice to the Committee that the Improvements covered by the Security Deposit have been completed in accordance with the plans and specifications approved by the Committee, (ii) the Committee's (or its duly authorized representative's) inspection of such Improvements confirming completion; provided, however, should any incidental damage be caused to Association Property by virtue of such Owner's construction of Improvements, the Security Deposit shall not be returned to Owner until such damages have been repaired, and (iii) Owner's payment of all Review and Inspection Fees. Alternatively, the Association may, at Association's option, deduct all unpaid Review and Inspection Fees from the Security Deposit. In the event that Owner has not repaired such damages to the Association Property to the satisfaction of the Committee, Association shall have the right (but not the obligation), after five (5) days' notice to the offending Owner, to repair such incidental damage and to use so much of the Security Deposit held by the Association to reimburse itself for the costs of such work. Further, the offending Owner hereby agrees to indemnify and reimburse the Association for all reasonable costs expended by the Association that exceed the Security Deposit, including Legal Fees, if any, incurred in connection therewith. All amounts incurred or paid by the Association to repair such damages caused by and not repaired by an Owner as set forth in this Section 4 shall, in addition to the other rights of the Association, be subject to a Special Assessment levied by the Association against such Owner, which Special Assessment shall be collectible in the same manner as other Assessments as set forth in this Declaration. Should any incidental damage be caused to an adjacent Lot or Home by virtue of such Owner's construction of Improvements, the Owner of the adjacent Lot (the "**Adjacent Lot Owner**") may, at such Adjacent Lot Owner's sole option: (a) remedy such damage and submit to the Association a receipt, invoice or statement therefor for reimbursement from the offending Owner's Security Deposit; or (b) allow the offending Owner to repair such incidental damage to the Adjacent Lot Owner's Lot or Home, at the offending Owner's sole cost and expense, and upon receipt by the Association of written notice from the Adjacent Lot Owner that such incidental damage has been repaired, the offending Owner shall be entitled to a return of the balance of the Security Deposit being held by the Association, if any.

Notwithstanding anything contained in this Section to the contrary, the Association's return of the Security Deposit being held by it for any such Improvements shall be based solely on considerations set forth above. The Association's return of the Security Deposit does not and shall not be construed to constitute a determination by members and

representatives of the Committee, Declarant, and/or the Association of the structural safety, approval or integrity of any Improvement, conformance with building or other codes or standards, or sufficiency of the issuance of governmental permits and approvals for any Improvement. By submitting a request for review and approval of bids, proposals and/or plans and specifications, along with the Security Deposit required hereunder, an Owner shall be deemed to have automatically agreed to hold harmless and indemnify the members and representatives of the Committee, the Declarant, and the Association generally, from any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the Improvements or alterations, and/or the Security Deposit (including, without limitation, the disbursement thereof).

Association shall not be liable or responsible to anyone for any damages, losses or expenses resulting from Association's holding of the Security Deposit or disbursement thereof unless same shall be caused by the fraud, gross negligence, willful malfeasance or criminal misconduct of the Association. In the event of any disagreement relating to the Security Deposit held by the Association or the disbursement thereof, Association shall be entitled (but not obligated) to refuse to disburse the Security Deposit (or any portion thereof) as long as such disagreement may continue, and Association shall not become liable in any way for such refusal. Association shall have the right, at any time, after a dispute has arisen, to pay the Security Deposit (or any portion thereof) held by it into any court of competent jurisdiction for payment to the appropriate party, whereupon Association's obligations hereunder shall terminate and Association shall be automatically released of any and all obligations.

Section 5. MEETINGS OF THE COMMITTEE. Following the Turnover Date, the Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 10 below. In the absence of such designation, the vote of any two (2) members of the Committee shall constitute an act of the Committee.

Section 6. NO WAIVER OF FUTURE APPROVALS. The approval of the Committee of any bids, proposals, plans and specifications and/or drawings for any work performed or proposed, or in connection with any other matter requiring the approval or consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent to any identical or similar bids, proposals, plans and specifications and/or drawings subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant. Similarly, the denial of approval by the Committee of any bids, proposals, plans and specifications and/or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to approve or consent to any identical or similar bids, proposals,

plans and specifications and/or drawings subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant.

Section 7. COMPENSATION OF MEMBERS. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for actual out-of-pocket costs and expenses incurred by them in the performance of their duties hereunder.

Section 8. INSPECTION OF WORK. Inspection of work and correction of defects therein shall proceed as follows:

A. Upon the completion of any work for which approved plans are required under this Article, the submitting party shall give written notice of completion to the Committee.

B. Within thirty (30) days after written notice of completion, the Committee or its duly authorized representatives may inspect such Improvement. If the Committee finds such work was not done in substantial compliance with the approved plans, it shall notify the submitting party in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance, and shall require the submitting party to timely remedy such noncompliance.

C. If upon the expiration of fifteen (15) days from the date of such notification the submitting party shall have failed to remedy such noncompliance, written notification shall be given by the Committee to the Board describing the nature of such failure. Upon such notice, the Board shall determine whether there is a noncompliance and, if so, the nature thereof, the estimated time for completion, and the cost of correcting or removing the same. If noncompliance exists, the submitting party shall remedy or remove the same within a period of not more than thirty (30) days from the date of announcement of the Board's ruling. If the submitting party does not comply with the Board's ruling within such period, the Board, at its option, may remove the Improvement, remedy the noncompliance, or proceed in court to compel compliance and the submitting party shall reimburse the Association, upon demand, for all expenses incurred in connection therewith, including Interest and Legal Fees. If such expenses are not promptly repaid by the submitting party to the Association, the Board shall levy an Assessment against such submitting party for reimbursement, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.

D. If, for any reason, notification is not given to the submitting party of acceptance within thirty (30) days after receipt of said written notice of completion from the submitting party, the Improvement and/or alteration shall be deemed to be in compliance with said approved plans.

Section 9. NON-LIABILITY OF COMMITTEE MEMBERS. The Committee, its members, the Board and the Declarant shall not be liable in any manner whatsoever to the Association or to any Owner or any other person or entity for any and all losses, claims, demands, suits, actions,

causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of a member and only that member shall have any liability. The Committee's review and approval or disapproval of plans submitted to it for any proposed Improvement shall be based solely on considerations of the overall benefit or detriment to the community as a whole. The Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes or standards, and no member or representative of the Committee or the Association, nor Declarant, shall be liable for the safety, soundness, workmanship, materials or usefulness for any purpose of any such Improvement or alteration proposed by the plans. By submitting a request for review and approval by the Committee, an Owner shall be deemed to have and does automatically agree to indemnify, defend and hold harmless the Committee, the Association and Declarant (and each of their respective members, managers, partners, officers, directors, partners, shareholders, affiliates, representatives, successors and assigns) from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the Improvement or alterations for which such request was submitted and/or the Security Deposit (including, without limitation, the disbursement thereof). Furthermore, approval by the Committee of any request does not excuse an Owner from also being required to obtain approvals from all applicable Governmental Authorities.

Section 10. VARIANCES. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require; provided, however, the Committee shall not give or authorize (and the Committee is hereby prohibited from giving or authorizing) any variance with respect to: (i) the diversity of architectural elevation and exterior color scheme requirements of Section 2.B above; (ii) the types of fencing permitted by Section 2.D above; and/or (iii) the displaying of any signs for the sale or renting of the Home as prohibited in Article X, Section 12 below. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the Improvements for which the variance was granted.

Section 11. QUORUM. A majority of the Committee Members shall constitute a quorum to transact business at any meeting of the Committee. The action of a majority present at a meeting at which a quorum is present shall constitute the action of the Committee. In lieu of a meeting, the Committee may act in writing.

Section 12. PERMITS AND GOVERNMENTAL APPROVALS. The Owner is solely responsible to obtain all required building and other permits from all Governmental Authorities. Approval by the County and/or other applicable Governmental Authorities does not waive the requirement for Committee approval. Likewise, Committee approval does not relieve Owner of the responsibility of obtaining any and all necessary governmental permits and approvals.

Section 13. DECLARANT EXEMPTION. Declarant and its designees are hereby exempt from having to comply with the requirements of this Article VIII in their entirety. Declarant shall not be obligated to obtain Committee approval for any Improvement or other construction, alteration, maintenance, repair and/or replacement undertaken by Declarant.

ARTICLE IX
MAINTENANCE AND REPAIR OBLIGATIONS

Section 1. BY THE ASSOCIATION.

A. The Association, at its expense, shall be responsible for the operation, maintenance, repair and replacement of all of the Improvements and facilities located over, through and upon the Association Property, including, without limitation, the Rural Parkway, Recreation Tract and Passive Rec Areas (except public utilities and Community Systems, to the extent same have not been made Association Property). Should any incidental damage be caused to any Home by virtue of the Association's failure to maintain the Association Property as herein required or by virtue of any work which may be performed or caused to be performed by the Association in the maintenance, repair or replacement of any Association Property, the Association shall, at its expense, repair such incidental damage. The Association shall not, however, be responsible for any loss of use, any hardship, an Owner's time or any secondary, incidental, consequential, special and/or punitive damages.

B. The Association shall operate, maintain, repair and replace the Irrigation Systems, if any, constructed over, through and upon the Property as it shall deem appropriate. There is hereby reserved in favor of the Association the right to enter upon the Association Property and the Lots for the purpose of operating, maintaining, repairing, and replacing the Irrigation Systems over, through and upon the Property. The Association shall be responsible for the costs associated with the Association's obligations relating to the operation, maintenance, repair and replacement of such Irrigation Systems, including any monthly fees and other costs of water and/or electric usage, if any. Subject to the approval of the Drainage District (which may be granted, limited or revoked at any time), the Association shall also be responsible for the operation, maintenance, repair and replacement of the portions of the Association's Irrigation System installed in and/or serving the Canal banks, if any. There is hereby reserved in favor of the Association, the right to enter upon the Association Property and any and all Lots for the purpose of operating, maintaining, repairing and replacing the Irrigation Systems over, through and upon the Association Property and all of the Lots within the Property. Each Owner shall be responsible for any damage caused to the Irrigation Systems by Owner and/or Owner's Occupants, and Owner shall indemnify, defend and hold Association harmless from and against any and all losses, claims, demands, suits, actions, causes of action,

liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from any such damage.

C. The Association shall operate, maintain, repair and replace the Drainage System constructed over, through and upon the Property as it shall deem appropriate, but at all times in accordance with the applicable governmental permits (including, without limitation, the Water Management District Permit), approvals, rules and regulations governing the operation, maintenance, repair and replacement of the Drainage System. Such maintenance of the Drainage System shall mean the exercise of practices which allow the Drainage System to provide drainage, water storage, conveyance, or other surface water or stormwater management capabilities as permitted by the Water Management District Permit and any permits issued by the Drainage District. Any repair or construction of the Drainage System shall be as permitted or, if modified, as approved by the Water Management District. There is hereby reserved in favor of the Association the right to enter upon the Association Property and the Lots for the purpose of owning, operating, maintaining, repairing, and replacing the Drainage System over, through and upon the Property. The Association shall be responsible for all fees, costs, expenses and other sums associated with its obligations relating to the operating, cleaning, maintaining, repairing and replacing of any portion of the Drainage System as may be necessary to maintain the system in its original condition and use. In the event the Association fails to maintain the Drainage System in accordance with this Declaration, the Water Management District Permit and/or the permits issued by the Drainage District, as the same may be amended from time to time, then the Water Management District shall have the right to (i) enter upon the Property and perform any required maintenance at the expense of the Association, or (ii) commence an enforcement action against the Association, including, without limitation, monetary penalties and injunctive relief, to compel the Association to maintain the Drainage System in accordance with this Declaration, the Water Management District Permit and the permits issued by the Drainage District. A copy of the Water Management District Permit, together with any actions taken by the Water Management District with respect to the Water Management District Permit shall be maintained by the registered agent for the Association, for the Association's benefit. Each Owner shall be responsible for any damage caused to the Drainage System by Owner and/or Owner's Occupants, and Owner shall indemnify, defend and hold Association harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from any such damage.

D. The Association shall be responsible for the maintenance, repair and replacement of all private Streets, Drives, Roads and Roadways located upon the Association Property and there is hereby reserved in favor of the Association the right to enter upon any

and all parts of the Association Property and Lots for such purpose. The Association shall also be responsible for the sod, landscaping and irrigation system located within any Street, Drive, Road and/or Roadway cul-de-sac, as applicable.

E. To the extent not the responsibility of a public utility, the Association shall be responsible for the maintenance, repair and replacement of any Street Lights, Decorative Street Lights and any associated facilities located in Valencia Sound, or placed in public rights-of-way by agreement between the Association and the public utility or Governmental Authority responsible therefor. When a public utility is responsible for maintenance, repair and replacement, the Association shall be responsible to pay all fees associated with maintenance, repair and replacement of any Street Lights, Decorative Street Lights and any associated facilities placed within the Property and any Street Lights, Decorative Street Lights and associated facilities placed in public rights-of-way by agreement between the Association and the public utility responsible therefor.

F. To the extent permitted by the appropriate Governmental Authority, the Association may, but shall not be obligated to, also provide maintenance of such Governmental Authority's properties which are located within or in a reasonable proximity of the Property to the extent that their deterioration or unkempt appearance would adversely affect the appearance of the Property, including the right to enhance the landscaping in any public right of way. All fees, costs and expenses incurred by the Association in connection with the maintenance of any such Governmental Authority's properties shall be Operating Expenses of the Association.

G. The Association shall initially be responsible for the following landscaping services on each Lot (collectively, the "Home Landscaping Services") with such levels of service and schedule of services as may be determined by the Board from time to time: mowing sod, landscape trimming, tree trimming (up to heights determined by the Board from time to time), weeding, fertilization, exterior pest control spraying, and mulching. Each year, the Board shall review the Home Landscaping Services in connection with the preparation of each annual Budget of the Association and the Board shall have the right to add to, remove and/or discontinue the Home Landscaping Services or any portions thereof, all in the Board's sole and absolute discretion. Notwithstanding the obligation of the Association to perform the Home Landscaping Services, any replacement of dead, dying or decaying sod, trees, shrubs, landscaping and other plant materials within the Lots, for any reason whatsoever, shall be the obligation of the Owners of the Lots upon which such replacement is required. The Association may, at its option, discontinue replacing sod on the Lots, in which event the replacement of any sod on the Lots would become the responsibility of the Owners. The fees, costs and expenses of the Home Landscaping Services shall be Special Service Assessments of the Completed Lots receiving Home Landscaping Services.

Notwithstanding the foregoing, such Home Landscaping Services do not and shall not include the uprighting and/or removing of any fallen or dislodged trees from any Lot following a tropical storm, hurricane, or other Act of God. However, the Association shall have the right, but not the obligation, following a tropical storm, hurricane or other Act of God,

to upright and/or remove any fallen or dislodged trees, at the respective Owner's cost and expense on (i) any Lot, and/or (ii) any grassed areas located between the front and/or sides of such Owner's Lot and the street; on behalf of the Owner of such Lot. The Owner of said Lot shall be required to reimburse the Association for the fees, costs and expenses incurred by the Association in connection with the uprighting and/or removal of any fallen or dislodged trees. In that regard, the Association may levy a Special Assessment against such Lot in connection with such fees, costs and expenses, to the exclusion of all other Owners, without the need for obtaining the affirmative consent of at least two-thirds (2/3) of all Members as set forth in Article VII, Section 3 above.

H. The Association shall be responsible for the maintenance, repair and replacement of the Rural Parkway and all Improvements located therein and thereon (including, without limitation, the sod, landscaping, irrigation system, seating areas, pedestrian pathway, and other improvements). The fees, costs and expenses of such maintenance, repair and replacement shall be Operating Expenses of the Association.

I. The Association shall be responsible for the maintenance, repair and replacement of any Privacy Fences and Hedges encompassed within the Lots, except as otherwise provided in Article X, Section 18 below.

J. Neither the Association nor any Owner shall alter the slopes, contours, or cross-sections of the Lakes, Lake Banks, Canals, Canal banks and littoral zones or chemically, mechanically, or manually remove, damage or destroy any plants in any of the littoral zones, Lake Maintenance Easements or Lake Maintenance Access Easements except upon the written approval from the applicable Governmental Authority. Littoral plantings will be installed in accordance with the permitting requirements of the applicable Governmental Authorities and may not be altered, relocated or removed by any Owner. The Association shall be responsible for maintaining the required survivorship and coverage of the planted littoral areas, to ensure the ongoing removal of prohibited and invasive non-native plant species from these areas, and to comply with all governmental regulations, including, without limitation, all permits issued by Governmental Authorities, applicable to the Lakes, Lake Banks, Canals, Canal banks and littoral zones.

K. The Association, by action of its Board, may make minor and insubstantial alterations and Improvements to the Association Property having a cost (individually or in the aggregate with others) not in excess of Five Thousand Dollars (\$5,000). All other alterations and Improvements must first be approved by at least two-thirds (2/3) of all Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws. No alteration or Improvement may be made to the Association Property which materially and adversely affects the rights of the Owner of any Lot to the enjoyment of such Owner's Lot or the Association Property unless the Owner and all mortgagees holding recorded mortgages on such Lot consent thereto in writing.

L. All fees, costs and expenses incurred by the Association in connection with the services, operation, maintenance, repair, replacement and other obligations of the

Association described in Paragraphs A through K of this Section 1, inclusive (other than the Home Landscaping Services, which shall be Special Service Assessments), are Operating Expenses, payable by each Owner under the provisions of this Declaration concerning Assessments. Should the maintenance, repair or replacement provided for in said Paragraphs A through K be caused by the negligence of or misuse by an Owner or such Owner's Occupants, such Owner shall be responsible therefor, and the Association shall have the right to levy an Assessment against such Owner's Lot and said Assessment shall constitute a lien upon the appropriate Lot and Home with the same force and effect as liens for Operating Expenses.

M. The Association has a reasonable right of entry upon any Lot, other than into the Home thereon, to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of Valencia Sound.

N. The Association, being the entity responsible for the ownership, operation, maintenance, repair and replacement of the Association Property as provided in the Governing Documents, hereby agrees to indemnify, defend and hold Declarant and its partners, and each of their respective affiliates, shareholders, partners, managers, members, directors, officers, employees, successors and assigns, harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from: (i) the Association Property, (ii) any acts or omissions of the Association, its members, directors, officers, managers, employees and/or agents and their respective heirs, successors and assigns, (iii) personal injury, loss of life, or damage to property sustained on or about the Association Property or other property serving the Association, and Improvements thereon, and/or (iv) activities or operations of Association or Owners. Association's obligation to defend the parties described in this Paragraph N shall be triggered upon any allegation or claim being asserted that, in whole or in part, is to be indemnified or defended pursuant to this Paragraph N. If any indemnified party is compelled to enforce Association's obligations in this Paragraph N, such indemnified party shall recover any and all attorneys' fees and costs incurred in prosecuting such enforcement action in addition to attorneys' fees and costs incurred in defending the underlying allegations or claims. The costs of fulfilling the Association's indemnification, defense and hold harmless obligations in this Paragraph N shall be Operating Expenses to the extent such matters are not covered by insurance maintained by the Association. Notwithstanding the foregoing, the indemnification and defense obligations in this subparagraph shall not apply to: (1) any damage claim directly asserted by the Association against the Declarant for defects in construction of improvements constructed by the Declarant on the Association Property provided such claim does not arise out of or result from any third party claim, and/or (2) any gross negligence, willful or criminal misconduct by the indemnified parties.

Section 2. BY THE OWNERS.

A. Except only for the Home Landscaping Services to be performed by the Association as provided in Article IX, Section 1.G above, the Owner of each Lot must keep and maintain the Lot and the Improvements thereon, including equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair work within, upon and outside of such Owner's Home which, if omitted, could adversely affect Valencia Sound, the other Owners or the Association and its Members. The Owner of each Lot shall be responsible for any damages caused by a failure to so maintain such Lot, Improvements and Home. The Owners' responsibility for maintenance, repair and replacement shall include, but not be limited to, all of the physical structures constructed in, upon, above or below the Lot, and all physical items attached or connected to such structures that run beyond the boundary line of the Lot which exclusively service or benefit the Lot and Home. Without limiting the generality of the foregoing, the Owner of each Lot shall keep all drainage structures (such as catch basins), if any, located on the Owner's Lot clear of dirt, grass, leaves and other debris. Additionally, the painting, caulking and maintenance of the exterior surface of all walls (including, without limitation, any masonry walls extended from the rear of the Home), doors, windows and roof of the physical structure of the Home shall be performed by the Owner, and the exterior surface of such walls, doors, windows and roof shall at all times be maintained in a good and serviceable condition with no damage or other defect therein by the Owner. The Owner of a Lot shall also maintain the stain tank located on the Lot, if any, in good order, condition and repair, and keep the stain tank adequately filled with the appropriate type, amount and mixture of chemicals and properly operate the stain tank so as to minimize any rusting or oxidation to walls, fences, sidewalks or other structures caused by irrigation water. The Owner of a Lot further agrees to timely pay for all utilities (including, without limitation, those provided by the Community Systems), such as telephone, cable or satellite television, water (including water associated with irrigation), sewer, sanitation, electric, etc., that may be separately billed or charged to each Home. The Owner of each Lot shall be responsible for insect and pest control within the Home and the Lot. Whenever the maintenance, repair and replacement of any items which an Owner is obligated to maintain, repair or replace at such Owner's own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, reduce the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

B. In addition to the foregoing, the Owner of each Home shall be required to maintain appropriate climate control, keep his or her Home clean, promptly repair any leaks and take necessary measures to retard and prevent mold, fungi, mildew and mycotoxins from accumulating in the Home. Each Owner shall be required to clean and dust such Owner's Home on a regular basis and to remove visible moisture accumulation on windows, window sills, walls, floors, ceilings and other surfaces as soon as reasonably possible and must not block or cover any heating, ventilation or air-conditioning ducts, and to properly maintain and have

serviced on a regular basis, the Home's HVAC system. Each Owner of a Home shall be responsible for damage to such Owner's Home and personal property as well as any injury to the Owner of a Home and/or occupants of the Home resulting from the Owner's failure to comply with these terms. Each Owner of a Home shall be responsible for the repair and remediation of all damages to the Home caused by mold, fungi, mildew and mycotoxins. While the foregoing are intended to minimize the potential developments of molds, fungi, mildew and other mycotoxins, each Owner understands and agrees that there is no method for completely eliminating the development of same. Declarant does not make any representations or warranties regarding the existence or development of molds, fungi, mildew or mycotoxins, and each Owner on behalf of themselves and their Occupants (and each of their respective heirs, successors and assigns) shall be deemed to and by acceptance of a deed or title to the Home or by use of the Home, waives and expressly releases any such warranty and any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the existence and/or development of molds, fungi, mildew or mycotoxins of any kind.

C. Owners of all Homes shall also be responsible to: fix leaks in and otherwise maintain and repair the roofs of their Homes; repair or replace, as necessary, any broken or damaged windows in the Home; replace any dead or obviously dying trees on their Lots; and maintain, repair and replace any fences on their Lots (except as otherwise provided in Article X, Section 18 below). Owners of Homes shall also clean, maintain, repair and replace the driveways located on their Lots and keep the sidewalks, if any, located on or contiguous to their Lots clean and free from any stains, trash, debris and/or impediments to pedestrian traffic.

D. Each Owner shall keep such Owner's Home insured as required by Article XIII, Section 9 below. Evidence of such coverage shall be furnished to the Association promptly upon the Board's request. If a Home is damaged or destroyed by fire or other casualty, its Owner shall repair or rebuild the Home as required by Section XIII, Section 9 below.

E. If an Owner fails to comply with the foregoing provisions of this Section 2, the Association may proceed in court to compel compliance. Further, if the failure to comply relates to the Owner's obligations to maintain insurance, the Association shall be entitled, although not obligated, to obtain the required coverage itself and to levy on the offending Owner a Special Assessment equal to the cost of premiums, and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

F. If a failure to comply with the provisions of this Section 2 relates to the Owner's obligation to maintain and care for the Home, landscaping or any other area required to be maintained and cared for by the Owner, then, in addition to the exercise of all other remedies, the Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the Lot of the Owner for the purpose of performing the

maintenance and care referred to, set forth and described in the notice, and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and care. Any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses. The determination of whether an Owner is failing to properly maintain and care for the property for which he has the maintenance responsibility under this Declaration or any of the other Governing Documents shall be determined in the sole and absolute discretion of the Association or Declarant.

Section 3. DAMAGE TO BUILDINGS. If a Home is damaged or destroyed by fire or other casualty, its Owner shall properly and promptly restore or reconstruct it to at least as good a condition as it was before the casualty occurred. Any such work shall be in accordance with the original plans and specifications of the Home or such other plans and specifications as are approved by the Committee in accordance with this Declaration (including, without limitation, Article VIII above). In that regard, the Owner of any Home which has suffered damage or been destroyed shall apply to the Architectural Control Committee for approval for reconstruction, rebuilding, or repair of the Improvements therein. The Committee shall grant such approval only if, upon completion of the work, the exterior appearance of the Improvements will be substantially similar to that which existed prior to the date of the casualty, except as otherwise may be approved by the Committee.

The owner or owners of any damaged building (including, without limitation, the Owner of a Lot and/or Home), the Association, and the Architectural Control Committee shall be obligated to proceed with all due diligence hereunder and the responsible parties shall commence reconstruction within three (3) months after the damage occurs and complete reconstruction within one (1) year after the damage occurs, unless prevented by causes beyond such parties' reasonable control.

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

ARTICLE X **USE RESTRICTIONS**

All of the Property shall be held, used, and enjoyed subject to the following limitations and restrictions, the Rules and Regulations and any and all additional rules and regulations which may, from time to time, be adopted by the Association, except as provided in Section 22 below (collectively, the "Use Restrictions"):

Section 1. ENFORCEMENT. Failure of an Owner or Occupant to comply with any limitations or restrictions in this Declaration or any of the other Governing Documents or with any other rules and regulations promulgated by the Association shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. Without limiting the generality of the foregoing, an Owner shall also be

responsible for the payment of any and all Legal Fees incurred by the Association in connection with the enforcement of this Declaration or any of the other Governing Documents whether or not an action is actually begun. Any such Legal Fees shall be paid not later than thirty (30) days after written notice thereof and if not paid within such thirty (30) day period, shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses. Notwithstanding anything to the contrary, an Owner shall be jointly and severally liable for the acts and omissions of such Owner's Occupants. Accordingly, any breach or failure by an Owner's Occupant shall be deemed a breach or failure by such Owner and the Association's rights and remedies hereunder may be enforced against Owner without the necessity of exercising same against Occupant.

Notwithstanding the rights of the Association hereunder to enforce to the terms and provisions of the Governing Documents, the Water Management District and/or Drainage District, as applicable, shall also have the right to take enforcement action, including a civil action for an injunction and penalties, against the Association to compel the Association to correct any failure by the Association to operate, maintain and repair the Drainage System in accordance with this Declaration, the Water Management District Permit and/or the permits issued by the Drainage District.

In the event of a violation of the Governing Documents by an Owner and/or such Owner's Occupants, in addition to all other remedies that may be available, the Association may: (i) suspend, for a reasonable period of time, the voting rights of such Owner, (ii) suspend, for a reasonable period of time, the rights of Owner and/or an Owner's Occupants to use the Association Property and facilities (including, without limitation, cable television and other services provided by Community Systems other than telephone and any alarm lines), and/or (iii) levy reasonable fines against Owner; provided, that in the event of any of (i), (ii) or (iii) above, the following procedures are adhered to:

A. Notice and Hearing. The Association shall notify the Owner in writing of the noncompliance and set forth the corrective action to be taken. The rights of an Owner and the Owner's Occupants to use the Association Property and facilities (including, without limitation, cable television and other services provided by Community Systems other than telephone and any alarm lines) may be suspended and/or a fine may be levied against such Owner or Occupant by the Board at a properly noticed meeting of the Board. However, a fine or suspension of use rights for a violation of the Governing Documents may not be imposed without notice of at least fourteen (14) days to the Owner sought to be fined or suspended and an opportunity for a hearing before the Board.

If the Board imposes a fine or suspension, the Owner or Owner's Occupant subject to the sanction may request a hearing before a committee (the "**Sanction Review Committee**") consisting of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director, or employee of the Association. If the Sanction Review Committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. However, the Sanction Review Committee may not modify the fine or suspension, but rather,

may only affirm or reject it. A fine may be levied by the Board on a daily basis in the event of a continuing violation without the necessity of a new notice or hearing. A fine may exceed One Hundred Dollars (\$100.00) per violation and may exceed One Thousand Dollars (\$1,000.00) in the aggregate.

If the Association desires to impose a fine or suspend the use rights of an Owner or Owner's Occupants, the Association shall comply with the procedural requirements of Section 720.305 of the HOA Act, to the extent the procedural requirements in such statute are inconsistent with this Section 1.A. In such event, the procedural requirements set forth in said Section 720.305 shall take priority over the fining and use right suspension procedures set forth herein to the extent of any inconsistency therewith.

B. Payment of Fine and Imposition of Suspension. A fine shall be paid not later than fifteen (15) days after notice by mail or hand delivery of the imposition of the fine from the Board or, if applicable, five (5) days from the affirmation of the fine by the Sanction Review Committee.

C. Fines. A fine shall be treated as an Assessment subject to the provisions of the collection of Assessments as otherwise set forth herein; provided that no fine less than One Thousand Dollars (\$1,000) shall be a lien on a Lot. All monies received from fines shall be allocated as directed by the Board, subject always to the provisions of this Declaration. A suspension shall be effective upon the Board giving written notice thereof by mail or hand delivery or, if applicable, the Sanction Review Committee giving written notice of its affirmation of the suspension.

D. Failure to Pay Assessments. Notwithstanding anything to the contrary contained in the Governing Documents, unless contrary to applicable Law, the Notice and Hearing as provided in Subparagraph A above or elsewhere in the Governing Documents, shall not be required and shall not apply with respect to the imposition of suspension of use or voting rights upon any Owner because of such Owner's failure to pay Assessments or other charges, or any other monetary obligation due to the Association when due, if such non-payment exceeds more than ninety (90) days.

E. Access. Suspension of use rights to Association Property shall not prohibit the right of an Owner or Owner's Occupant to have vehicular and pedestrian ingress to and egress from such Lot and/or Home, including, but not limited to, the right to park. Restricting access to use of visitor or guest lanes of Valencia Sound shall not be deemed an impairment of legal access hereunder.

F. No Waiver; Rights Cumulative. No failure to insist upon strict performance by, to object to, any Owner or Occupant's failure to comply with the Governing Documents, shall in any way constitute or be deemed a waiver by the Declarant or Association of: (a) such Owner's or Occupant's requirement and obligation to abide by the Governing Documents, or (b) the right to exercise its rights and remedies to enforce any such failure or subsequent failure to comply with the Governing Documents. All rights and remedies granted

to Declarant and/or the Association pursuant to the Governing Documents and/or under the HOA Act shall be deemed to be cumulative and the exercise of one right or remedy shall not be deemed to constitute an election of rights or remedies, nor shall it preclude Declarant or the Association from exercising the same or any other rights or remedies as may be granted to them or as may be available to them at law or in equity.

Section 2. OCCUPANCY OF HOME. The Fair Housing Act, as amended from time to time (collectively, the "Fair Housing Act"), provides that communities cannot reject families with children. However, the Fair Housing Act provides that a community is exempt from this prohibition if: (a) at least eighty percent (80%) of the units are occupied by at least one (1) person fifty-five (55) years of age or older per unit; and (b) the community has published and adheres to policies and procedures which demonstrate an intent by the owner or manager to provide housing for persons fifty-five (55) years of age or older (hereinafter collectively referred to as the "Requirements for Exemption"). For so long as such provisions of the Fair Housing Act are in effect, Declarant intends that Valencia Sound will be a community which falls within this exemption to the Fair Housing Act (the "Exemption") and may therefor prohibit families with children nineteen (19) years of age or younger from residing in Valencia Sound. Therefore, for so long as such provisions of the Fair Housing Act are in effect, except as hereinafter provided, (i) at least one occupant in each Home in Valencia Sound must be at least fifty-five (55) years of age or older, except as hereinafter set forth; and (ii) the Association must publish and adhere to policies and procedures which demonstrate an intent by the Association to provide housing for persons fifty-five (55) years of age or older.

A. Board Discretion. The Requirements for Exemption contemplate that up to twenty percent (20%) of the Homes may be occupied by persons all of whom are under the age of fifty-five (55) without loss of the Exemption. Accordingly, the Board, upon application by an Owner, tenant, purchaser or proposed lessee, shall have absolute discretion to allow a Home to be occupied only by individuals under the age of fifty-five (55) based upon criteria that the Board shall determine, which criteria shall include, by way of example and not of limitation, information then known to the Board concerning potential or pending changes in occupancy of other Homes in Valencia Sound, if any, due to known adverse medical conditions or domestic relations and the ages of any likely remaining occupants of such Homes; other known prospective changes in occupancy of Homes for whatever reasons; proximity to age fifty-five (55) of those occupants of other Homes in Valencia Sound then under such age; and any other information known to and deemed relevant by the Board in carrying out its duty to monitor and control the percentage of the Homes becoming occupied only by persons under the age of fifty-five (55). However, for so long as the age provisions of the Fair Housing Act are in effect, the Board shall comply with the Requirements for Exemption, including, but not limited to, insuring that not more than twenty percent (20%) of the Homes in Valencia Sound are occupied only by individuals under the age of fifty-five (55).

B. Declarant Rights; Limitations. Notwithstanding the provisions of Paragraph A above, Declarant shall have the right to convey a Home owned by Declarant to a purchaser who intends that the Home be occupied only by persons under fifty-five (55) years of age provided that, for so long as the Fair Housing Act is in effect, after the conveyance not more

than twenty percent (20%) of the Homes shall be occupied only by persons under fifty-five (55). Such Home shall, at the first change of occupancy thereafter, be subject to the requirement that at least one (1) occupant be fifty-five (55) years of age or older unless waived by the Board pursuant to the provisions of Paragraph A above.

C. Board Responsibility. It shall be the responsibility of the Board to monitor the percentage of Homes with occupants all of whom are under the age of fifty-five (55) to insure that the Board does not permit more than twenty percent (20%) of the Homes in Valencia Sound to be occupied only by persons under the age of fifty-five (55). The Board shall have the right to promulgate rules and regulations necessary to comply with the Requirements for Exemption so that the provisions of subparagraph E hereof limiting the number of days that children nineteen (19) years of age or younger may stay in a Home are enforceable. The Board shall also be responsible for complying with the provisions of Section 760.29(e), Florida Statutes, regarding registration of Valencia Sound with the Florida Commission on Human Relations and submitting a letter to said commission regarding Valencia Sound's compliance with said Section 760.29, Florida Statutes, as amended.

D. Owner Responsibility. No Owner may lease or sell such Owner's Home unless at least one (1) of the intended occupants is fifty-five (55) years of age or older at the time of the occupancy, and such Owner shall submit an age verification form to the Association prior to the effective date of such occupancy which sets forth the ages of the intended occupants. The Board, however, shall have the right, in its sole and absolute discretion, to waive this requirement based upon criteria in accordance with the provisions set forth in Paragraph A hereof, but not if more than twenty percent (20%) of the Homes will not have at least one (1) occupant fifty-five (55) years of age or older. In the event there is a change in the occupants of the Home (e.g., a death or a divorce) so that at least one (1) of the occupants is no longer fifty-five (55) years of age or older, the Owner must immediately notify the Association of said change in writing.

E. Children. As long as Valencia Sound falls within the Exemption, no children nineteen (19) years of age or younger shall be permitted to reside in any of the Homes, except for a period of time not to exceed a total of sixty (60) days per calendar year. In addition, children shall be allowed to play only in those areas of Valencia Sound designated from time to time by the Association.

F. No Representations or Warranties. Notwithstanding anything contained herein to the contrary, it is acknowledged and agreed that, although it is the intent of Declarant and the Association that Valencia Sound falls within the Exemption so that persons nineteen (19) years of age or younger will be prohibited from residing within Valencia Sound, no representation or warranty is given that Valencia Sound will comply with the Exemption, and in the event for any reason it is determined that Valencia Sound does not fall within the Exemption, and therefore it is unlawful to discriminate against families with children nineteen (19) years of age or younger, neither Declarant nor the Association shall have any liability in connection therewith. In addition, Declarant has caused or will cause to be recorded in the Public Records restrictive covenants affecting Valencia Sound which exempt the Declarant

from, or entitles Declarant to a reduction in, certain impact fees due the County provided that Valencia Sound continues to prohibit children nineteen (19) years of age or younger from residing in any Home as provided in this Declaration. In the event for any reason it is determined that Valencia Sound does not fall within the Exemption or is otherwise no longer entitled to exemption from or reduction in such impact fees, the Association shall be required to pay all such impact fees applicable or due to the County.

Section 3. NUISANCES. No obnoxious or offensive activity as determined by the Board shall be carried on or about the Lots or in or about any Improvements, Homes, or on any portion of Valencia Sound nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No use or practice shall be allowed in or around the Homes which, as determined by the Board, is a source of annoyance to Owners or Occupants of Homes or which interferes with the rights, peaceful possession or proper use of the Homes or the surrounding areas. No loud noises, noxious or unpleasant odors, or ultra-hazardous activity, each as determined by the Board, shall be permitted or undertaken by any Owner and/or Occupant in any portion of Valencia Sound (including all Improvements, Homes or Lots). Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any Lot, or exposed to the view of other Owners without the prior written approval of the Board.

Section 4. PARKING AND VEHICULAR RESTRICTIONS. Parking upon the Property shall be restricted to the driveway and garage located upon each Lot and the designated parking areas within the Association Property. No Owner shall store any items, materials or other personal property in the garage of such owner's Home to the extent such storage would limit or prohibit the use of the garage for the parking of vehicles. No parking on the Streets or encroachment onto sidewalks or swale areas is permitted. No Owner shall keep any vehicle on any Lot which is inoperable or deemed to be a nuisance by the Board. No Owner shall conduct repairs taking more than twenty-four (24) hours (except in an emergency or except within the garage of the Home with the garage door closed) or restorations of any motor vehicle, boat, trailer, golf cart or other vehicle upon any Lot. No commercial vehicle (as determined by the Board by way of rule from time to time) or any bus, trailer, recreational vehicle, mobile home, boat or boat trailer may be parked or stored on the Property overnight except in the garage of a Home located upon a Lot. No motor home, bus or tractor-trailer or any other truck larger than a full-size pickup truck may be parked on the Property, except temporarily as in the case of a moving van or other such vehicle necessary to provide service to an Owner and with the exception of any vehicles necessary for any construction activity being performed by or on behalf of Declarant.

Section 5. NO IMPROPER USE. No improper, offensive, hazardous or unlawful use shall be made of any Home nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any portion of the Property. All Laws and other requirements of all Governmental Authorities having jurisdiction thereover shall be

observed. Violations of Laws or other requirements of any Governmental Authority having jurisdiction thereover relating to any Home or Lot shall be corrected by, and at the sole expense of the Owner of said Home and/or Lot.

Section 6. LEASES. No portion of a Home (other than an entire Home) may be rented. All leases shall provide, and if they do not so provide then the leases shall be deemed to provide, that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration or other Governing Documents, or of any other agreement, document or instrument governing the Lots or Homes. The Owner of a leased Home shall be jointly and severally liable with such Owner's tenant for compliance with the Governing Documents and to the Association to pay any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the negligence or willful or criminal misconduct, of the tenant. Every lease shall be subordinate to any lien filed by the Association whether before or after such lease was entered into. Each Owner shall be required to use a lease addendum which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association of more than sixty (60) days. The Association has the right to require Owners to use a lease addendum the form of which may be prepared by the Association providing for, among other things, the foregoing. Even if such lease addendum is not included, each lease entered into by Owner for a Home shall be deemed to include the foregoing by this reference.

Within five (5) days following execution of a lease for a Home, but in no event later than occupancy of the Home by a tenant, Owner shall: (a) notify the Association in writing with the name of the tenant and all of tenant's Occupants who will be occupying the Home, and (b) provide the Association with a true, correct and complete copy of the lease agreement. In the event Owner fails to timely comply with the foregoing, such lease shall be null and void and of no further force or effect, and Owner shall be in violation of this Declaration. The provisions of this Section 6 shall also apply to renewals of leases. In no event shall subleases or assignment of leases be permitted without the prior written approval of the Association.

In the event that an Owner is delinquent in the payment of his or her Assessments or other sums due and owing to the Association, the Lot shall not be leased until such amounts are paid in full or unless the Association consents, in writing, to any such lease. If the Lot is leased in violation of this provision, the Association may terminate the lease and evict the tenants in addition to imposing all other available remedies. In the event an Owner is in default in the payment of Assessments or other sums due and owing to the Association and the Owner's Lot is leased, the Association shall have the right and authority to collect the rent to be paid by the tenant to the Owner directly from the tenant. In the event such tenant fails to remit said rent directly to the Association within ten (10) days (but no later than the day the next rental payment is due) from the day the Association notified such tenant in writing that the

rents must be remitted directly to the Association, the Association shall have the right to terminate the lease and evict the tenant. All sums received from the tenant shall be applied to the Owner's account for the leased Lot according to the priority established in Section 720.3085 of the HOA Act, until the Owner's account is current. All leases entered into by an Owner shall be deemed to automatically incorporate this provision and all the Owners hereby appoint the Association its agent for such purpose. The Association may, without further approval of the Owner of the leased Lot, terminate the lease for violations of the Declaration by the tenants and/or other Occupants and thereafter evict the tenants and Occupants from the Lot.

In addition to any notice to a tenant of a Lot permitted to be given by Law, an Owner by acceptance of a deed or title to a Lot, does hereby irrevocably grant to the Association (and its officers, directors, designees, agents, and employees) and to any professional management or accounting firm providing management or accounting services to the Association, the right to notify, in writing, the tenants of the Lot of any delinquency by the Owner of the Lot in payment of any monetary obligations due to the Association, including but not limited to the amount thereof. Further each Owner hereby agrees and acknowledges that the disclosure of any of Owner's delinquent monetary obligations due to the Association, as provided in the preceding sentence, shall not be construed or be deemed to be a violation of the Fair Debt Collection Practices Act, 15 U.S.C. Section 1692, et seq.

Section 7. ANIMALS AND PETS. Only common domesticated household pets may be kept on any Lot or in a Home, but in no event for the purpose of breeding or for any commercial purposes whatsoever. No other animals, livestock, horses, reptiles or poultry of any kind shall be kept, raised, bred or maintained on any portion of the Property. Permitted pets shall only be kept subject to and in accordance with the Rules and Regulations. No pets shall be allowed which constitute a nuisance as determined by the Board. Any pet must be carried or kept on a leash when outside of a Home or fenced-in area. No pet shall be kept tied up outside of a Home or in any screened porch or patio, unless an Owner or Occupant is present in the Home. An Owner or Occupant, as applicable, shall immediately pick up and remove any solid animal waste deposited by such Owner's or Occupant's pet on the Property. An Owner is responsible for the cost of repair or replacement of any Association Property damaged by such Owner's or Occupant's pet.

Notwithstanding the foregoing, under no circumstances shall a Pit Bull (as hereinafter defined), Rottweiler, Presa Canario (canary dog) or Dangerous Dog (as hereinafter defined) be permitted on the Property. As used in this Declaration: (i) a "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds; and (ii) a "Dangerous Dog" is defined as a dog which meets any one (1) of the following criteria: (a) has aggressively bitten, attacked, endangered or inflicted severe injury on a human being at any time whether on or off the Property, (b) has severely injured or killed a domestic animal at any time whether on or off the Property, or (c) has, when unprovoked, chased or approached any person upon the Streets, Drives, Roads, Roadways

and/or sidewalks, or any other portion of the Property in a menacing fashion or exhibiting an apparent attitude of attack; provided, however, a dog shall not be a "Dangerous Dog" if the threat, injury, death or damage was sustained by a person who, at the time, was unlawfully on the Property (or any portion thereof) or, while lawfully on the Property (or any portion thereof), was tormenting, abusing, assaulting or provoking the dog or its owner or a family member; provided further, that no dog may be a "Dangerous Dog" if the dog was protecting or defending a human being within the immediate vicinity of the dog from an unjustified attack or assault.

Each Owner, on behalf of such Owner or Occupant, who houses or permits a pet to be kept, hereby agrees to indemnify and defend the Association and Declarant and hold each of the Association and Declarant harmless from and against all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising from or growing out of such Owner or Occupant having any animal on the Property.

Section 8. ADDITIONS AND ALTERATIONS. No Home shall be enlarged or modified by any addition thereto or to any part thereof, and no Owner shall make any Improvement, addition, or alteration to the exterior of such Owner's Home, including, without limitation, the painting, staining, or varnishing of the exterior of the Home, including doors, garage doors, driveways and walkways, without the prior written approval of: (i) the Committee as set forth in Article VIII above, which approval may be withheld for purely aesthetic reasons, and (ii) all applicable Governmental Authorities.

Section 9. INCREASE IN INSURANCE RATES; CANCELLATION OF POLICY. No Owner or Occupant may engage in any action or conduct which may reasonably be expected to result in an increase in the rate or cancellation or non-renewal of any insurance policy or policies covering or with respect to any portion of the Property not owned by such Owner.

Section 10. EMERGENCIES. In case of any emergency originating from or threatening any Lot, the Board or any individuals authorized by the Board, shall have the immediate right, but not the obligation, to enter any Lot for the purpose of remedying or abating the cause of emergency, at the Board's discretion, notwithstanding that the Owner of such Lot is present at the time of the emergency.

Section 11. SLOPES AND TREES. No Owner or Occupant may engage in any activity which will change the slope or drainage of a Lot, including, without limitation, Lake Bank slopes. In that regard and without limiting the generality of the foregoing, no Owner or Occupant may alter the slopes, contours or cross-sections of the Lakes, Lake Banks, littoral zones, canals, or canal banks; or chemically, mechanically or manually remove, damage or destroy any plants in any littoral zones. All trees and other landscaping within Valencia Sound have been installed in accordance with a landscape plan that meets the requirements of the ULDC. As a result, no additional trees are permitted to be planted on the Property by any Owner or Occupant and no

trees are permitted to be removed from the Property (other than dead or dying trees which are being replaced with trees of the same species) without the prior written consent of Declarant for as long as Declarant owns a Lot, and thereafter, without the prior written consent of the Board. Any Owner or Occupant who removes or installs any tree upon their Lot which is not in conformance with the approved landscape plan shall be responsible for any costs, fines and fees imposed by the County as a result of such action. Declarant and the Association shall each (acting alone) have the right, but not the obligation, after ten (10) days prior notice and demand to do so, to remove (at such Owner's cost and expense) any trees or other landscaping installed by or on behalf of an Owner which is not in accordance with this Declaration.

Section 12. SIGNS. No sign, display, poster, advertisement, notice, lettering or other advertising device of any kind whatsoever (including, without limitation, "For Sale", "For Rent" or "By Owner" or any other signs for the sale or renting of homes) may be exhibited, displayed, inscribed, painted or affixed in public view or on the exterior of any portion of any vehicle, building or other Improvement in the Property (including, without limitation, a Home) without the prior written consent of the Board, which consent may be given, withheld or conditioned in the sole and absolute discretion of the Board. Neither the Board nor the Architectural Control Committee shall consent to any type of "For Sale", "For Rent", "By Owner" or similar sign for the renting or sale of a Home so long as Declarant owns a Lot in Valencia Sound or so long as Declarant or any of Declarant's affiliates (or any of their respective successors or assigns) are conducting sales and marketing of Homes in Valencia Sound or other communities developed or marketed by Declarant or its affiliates, whichever is later. Signs, regardless of size, used by Declarant or any of Declarant's affiliates, or any of their successors or assigns, for advertising, marketing or directional purposes during the construction and sale period of Valencia Sound or other communities developed and/or marketed by Declarant or its affiliates and other signs authorized by Declarant shall be exempt from this Section 12. Such sign or signs as Declarant may be required to erect under the terms of an Institutional Mortgage shall also be exempt from this Section 12. This Section 12 may not be amended without the prior written consent of Declarant.

Section 13. TRASH AND OTHER MATERIALS. No rubbish, trash, garbage, refuse, recycling materials or other waste material shall be kept or permitted on the Lots and/or Association Property, or other portions of the Property, except in sanitary containers located in appropriate areas (i.e., areas not visible from the street or any other Lot other than at times of scheduled trash or recycling pick-up), and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, offensive, detrimental or a nuisance to Owners or to any other property in the vicinity thereof or to its Occupants. No clothing or other household items shall be hung, dried, or aired in such a way as to be visible from the Association Property or another Lot. No stripped vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Property except when accumulated during construction by Declarant, during construction approved by the Architectural Control Committee, or when accumulated by the Association for imminent pick-up and discard.

Section 14. TEMPORARY STRUCTURES. No tent, shack, shed or other temporary building or improvement, other than separate construction, service and sales trailers to be used by Declarant, Declarant's affiliates, and/or their respective agents and contractors, for the construction, service and sale of Valencia Sound or other communities, shall be placed upon any portion of the Property, either temporarily or permanently. No trailer, motor home or recreational vehicle shall be: (a) used as a residence, either temporarily or permanently, or (b) parked overnight upon the Property.

Section 15. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, boring or mining operations of any kind shall be permitted upon or on any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 16. SEWAGE DISPOSAL. No individual sewage disposal system shall be permitted on any of the Property, provided that a central sewage disposal system is being operated in accordance with the requirements of the Governmental Authority having jurisdiction over said central system.

Section 17. WATER SUPPLY. No individual water supply system shall be permitted on any of the Property, provided that one or more central water supply systems are being operated in accordance with requirements of the Governmental Authority having jurisdiction over said central system.

Section 18. FENCES. Any fence placed upon any Lot must be approved by the Architectural Control Committee, as provided in Article VIII above, prior to installation. Except as otherwise permitted in this Declaration and/or the Rules and Regulations, in no event may the Committee approve any request for a fence to be placed in any of the following areas: (a) the area between the front of a Home and the Street, Drive, Road and/or Roadway at the front of the Lot on which the Home is situated, unless specifically required by the ULDC; (b) except as expressly provided below, any Drainage Easement within the Property as set forth on the Plats or in a separate instrument recorded in the Public Records; (c) any Lake Maintenance Easement; or (d) in the area between a Home and the Home located next to it so as to preclude the Association's access to the recessed area of a Home located on the zero lot line side of the Home. Any Privacy Fence proposed for the adjacent Lot must be located behind (to the rear of) the recess opening so that the recessed area remains accessible to the Association for maintenance purposes, but remains subject to approval by the Committee as provided in Article VIII above, prior to installation. Landscaping that creates a hedge or vegetative fence must comply with all guidelines and requirements imposed by the Committee, including, without limitation, those relating to species planted, height restrictions and permissible locations. The Owner assumes complete responsibility to maintain the fence, including, but not limited to, trimming and removal of any plants and other landscaping from the fence. In the event the Committee approves the installation of a fence, it shall also have the right to require installation of certain landscaping, also subject to the Committee's approval, at the time the fence is installed. No Owner shall be permitted to: (a) attach their fence to any perimeter fence or wall located on or

within any of the Buffers or Open Space Areas, or to otherwise fence-in or enclose any portion of a Buffer or other Association Property, and/or (b) install a fence or any portion thereof within any Lake or Lake Maintenance Easement on the Property.

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

In addition, the installation of any fence placed upon any Lot is subject to easements which run with the land. In the event that any fence is approved by the Committee and is permitted to cross any such easements, such Committee's approval is still subject to Owner first receiving written approval from the grantee of such easements and all other applicable Governmental Authorities. In the event the grantee of any such easement which runs with the land (i.e., FPL, other utility provider or the County), its successors and/or assigns, requires the removal of any fence upon the Lot, then the Owner of said Lot shall, at the Owner's sole cost and expense, immediately remove the fence. Notwithstanding the foregoing or any permit or approval issued by a Governmental Authority to the contrary, no fence may be installed within any Lake Maintenance Easement on the Property. The Owner of a Lot, when installing any fence upon the Lot, shall comply with all applicable Laws in addition to the Committee approval required by Article VIII above.

Each Owner acknowledges and agrees that in order for the Association to provide the Home Landscaping Services on the Lot as provided in this Declaration, it is necessary for the Association to have access to the lawns and landscaping on the Lot. Accordingly, in the event that an Owner of a Lot desires to install a fence on such Owner's Lot, the Committee's approval of such fence may be conditioned upon, among other things, the installation of operable gates in locations and of sufficient width approved by the Committee, including, without limitation, the front, sides and/or rear of the Lot. In the event Owner fails to install such operable gates, Owner shall be responsible for the maintenance and care of the lawn and landscaping on the Lot, if any, in the portion of the Lot which becomes enclosed by the fence construction. In such event, the Association shall no longer provide any of the Home

Landscaping Services to such enclosed portions of the Lot and Owner shall not be excused from the payment of the Special Service Assessments for the Home Landscaping Services or entitled to any reduction in Special Service Assessments for being responsible for such maintenance and care. "Maintenance and care" within the meaning of this subsection shall include, by way of example and not of limitation, mowing, edging, fertilizing and spraying of lawns, maintenance of the Irrigation Systems or portion thereof, replacement of sod and the trimming, fertilizing and spraying of any Hedge within the enclosed portions of the Lot. The Association shall remain responsible, however, to maintain the Privacy Fence, if any, located within any such Lot. In the event the Owner fails to properly maintain such Owner's Lot and/or Home pursuant to this subparagraph, then the Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the property of the Owner for the purpose of performing the maintenance referred to, set forth and described in the notice. The determination of whether an Owner is failing to properly maintain and care for the property for which such Owner has the maintenance responsibility shall be determined in the sole and absolute discretion of the Association or Declarant. Further, if failure to comply relates to the Owner's obligations to maintain and care for such Owner's Lot, Home or other Improvement, the Association shall be entitled, but not obligated, to perform such maintenance and care itself and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

Section 19. ANTENNAE. No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or devices of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any portion of the Property or upon any improvements thereon, unless expressly approved in writing by the Association, except that this prohibition shall not apply to those satellite dishes that are one (1) meter (39.37 inches) in diameter or less, and specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000, as amended, promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association is empowered to adopt, and amend from time to time, rules governing the types of satellite dishes or antennae which may be permitted and restrictions relating to safety, location and maintenance of satellite dishes or antennae. The Association may also adopt (and amend from time to time) and enforce reasonable rules limiting installation of permissible satellite dishes or antennae to certain specified locations, not visible from the street or neighboring properties, and integrated with the Property and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules and provided the cost of complying with such rules would not unreasonably increase the cost of installation of permissible satellite dishes or antennae. Any permissible satellite dishes or antennae shall be installed in compliance with all Laws, including zoning, land-use and building regulations. Further, any Owner desiring to install permissible satellite dishes or antennae may, but is not obligated to, submit plans and specifications for same to the Architectural Control Committee to ensure compliance with the Association's rules governing the types of permissible satellite dishes and antennae and restrictions relating to safety, location and maintenance of satellite dishes and antennae.

Section 20. IMPROPER USE OF ASSOCIATION RECORDS, DIRECTORIES AND COMMUNICATIONS. No Member, Owner or Occupant shall use the Association's Official Records, membership directories or other Association communications such as, by way of example and not limitation, e-mails containing one or more Member's e-mail addresses, for any purpose whatsoever other than as strictly related to Association business. Failure to comply with the requirements of this Section 20 shall, without limitation, constitute a nuisance for which the Association may, in addition to any and all other remedies available to the Association, seek an injunction against the offending Members, Owners and/or Occupants.

Section 21. UNMANNED AERIAL VEHICLES. The use of UAVs by Owner and Owner's Occupants is prohibited except and to the extent permitted by the Rules and Regulations, if any, regarding use and operation of UAVs by Owner and Owner's Occupants.

Section 22. DECLARANT EXEMPTION. Declarant plans to undertake the work of constructing Homes and Improvements upon the Property and may undertake the work of constructing other buildings upon adjacent land or other property being developed or marketed by Declarant or its affiliates. The completion of the aforementioned work and the sale, rental and other transfer of Homes by Declarant and Declarant's affiliates are essential to the establishment and welfare of the Property. In order that such work may be completed and a fully occupied community established as rapidly as possible, neither the Owners (or any of Owner's Occupants), the Association, nor the Architectural Control Committee shall do anything whatsoever to interfere with any of Declarant's or Declarant's affiliates' activities relating to the selling or constructing of Homes and Improvements upon the Property, the selling or constructing of other buildings upon adjacent land or any other property being developed or marketed by Declarant or any of Declarant's affiliates, or the sale, rental and/or other transfer of Homes by Declarant or any of Declarant's affiliates. In this respect, Declarant hereby reserves the right for itself and its employees, agents, licensees, and invitees to come upon any and all portions of the Property (including, without limitation, the Association Property as well as a Lot even after the same has been conveyed to an Owner) as may be necessary or convenient to enable Declarant to carry on its work and other activities including, without limitation, Declarant's development and construction of Valencia Sound and the Homes therein.

In general, none of the Use Restrictions or any other restrictions or limitations set forth in this Article X shall apply to Declarant or its designees, or to Lots owned by Declarant or its designees. Declarant shall specifically be exempt from any restrictions, conditions and/or limitations which interfere in any manner whatsoever with Declarant's plans for development, construction, sale, lease, or use of the Property and to the Improvements being placed or constructed thereon, or concerning the development, construction, sale, lease or use of any other real estate developments owned by or being developed, marketed and/or sold by affiliates of Declarant. Declarant shall be entitled to injunctive relief for any actual or threatened interference with its rights under this Article X in addition to whatever remedies at Law to which it might be entitled.

ARTICLE XI
SALES, LEASES AND CONVEYANCES

In order to assure that Valencia Sound will be a community of congenial and responsible residents and that prospective purchasers will comply with the requirements of the Declaration and thus protect the value of the Homes, the sale, lease or transfer of Homes shall be subject to the following provisions, in addition to any other provisions in the Governing Documents regarding such sale, lease or transfer of Homes.

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

ARTICLE XII
DAMAGE OR DESTRUCTION TO ASSOCIATION PROPERTY; CONDEMNATION

Damage to or destruction of all or any portion of the Association Property, or any taking of Association Property (or any part thereof) as a result of condemnation or eminent domain, shall, notwithstanding any provision in this Declaration to the contrary, be handled as follows:

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

B. If insurance proceeds are insufficient to effect total restoration, and the cost of restoration exceeds such proceeds by One Hundred Thousand Dollars (\$100,000.00) or less, then the Association shall cause the Association Property to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment proportionately against each of the Lots in accordance with the provisions of Article VI and Article VII above.

C. If the insurance proceeds are insufficient to effect total restoration and the cost of restoration of the Association Property exceeds said proceeds by over One Hundred Thousand Dollars (\$100,000.00), then by the written consent or vote of a majority of the voting interests, they shall determine whether: (i) to rebuild and restore either: (a) in substantially the same manner as the Improvements existed prior to the damage or destruction; or (b) in a manner less expensive, and in the event of (a) or (b) to raise the necessary rebuilding and restoration funds by levying pro rata restoration and construction Special Assessments against all Lots; or (ii) to not rebuild and to retain the available insurance proceeds. In the event it is decided that the damaged or destroyed Association Property shall not be rebuilt, the remains of any structure or structures shall be torn down and hauled away, so as not to be a safety hazard or visual nuisance, and the land shall be fully sodded and landscaped or otherwise treated in an attractive manner. Notwithstanding anything contained herein to the contrary, any decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall not be effective without the prior written approval of Declarant (which approval may be given, conditioned or withheld in Declarant's sole and absolute discretion) as long as Declarant owns any portion of the Property.

D. Each Owner shall be liable to the Association for any damage to the Association Property not fully covered or collected by insurance which may be sustained by reason of the negligence, or willful or criminal misconduct of said Owner or of such Owner's Occupants, both minors and adults. In addition, the Association shall have the right to charge such Owner a Special Assessment equal to the increase, if any, of any insurance premium due from the Association which is directly or indirectly attributable to the damage or destruction cause by such Owner or such Owner's Occupants, both minors and adults.

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

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

ARTICLE XIII
INSURANCE

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

Section 1. CASUALTY INSURANCE. Property and casualty insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all Improvements and personal property which are owned by the Association and now or hereafter located upon the Association Property, which insurance shall afford protection against fire and other risks, if any, as shall customarily be covered with respect to areas similar to the Association Property in developments similar to Valencia Sound in construction, location and use.

Section 2. PUBLIC LIABILITY INSURANCE. A comprehensive policy of public liability insurance naming the Association and Declarant (until Declarant no longer owns any Lot with the Property) as named insureds thereof insuring against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the operation, maintenance and use of the Association Property and any Improvements located thereon, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by any one person for any one occurrence; not less than Three Million Dollars (\$3,000,000.00) for damages incurred or claimed by more than one person for any one occurrence; and for not less than Fifty Thousand Dollars (\$50,000.00) property damage per occurrence with no separate limits stated for the number of claims. The Association may also obtain worker's compensation insurance and other liability insurance including, but not limited to, insurance for lawsuits related to employment contracts in which the Association is a party, as it may deem desirable.

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

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

Section 5. OTHER INSURANCE. The Board may obtain such other forms of insurance as the Board may determine and in such coverage amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Association Property and any

Improvements now or hereafter located thereon or in the best interests of the Association and/or its Officers and Directors.

Section 6. CANCELLATION OR MODIFICATION. All insurance policies purchased by the Association shall provide that they may not be cancelled (including for nonpayment of premiums) or substantially modified without at least thirty (30) days prior written notice to the Association and to each first mortgage holder, if any, named in the mortgage clause.

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

Section 8. WAIVER OF SUBROGATION. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement of said persons, but only to the extent that such insurance proceeds are received in compensation for such loss.

Section 9. INDIVIDUAL INSURANCE; HOME REPAIRS AFTER CASUALTY. Each Owner shall purchase and maintain blanket all-risk property and casualty and windstorm insurance on the Home in an amount not less than its full insurable value, as well as flood insurance coverage, if located in a flood zone. Evidence of the coverages required to be maintained under this Section 9 shall be furnished to the Association promptly upon the Board's request. Each Owner of a Lot further covenants and agrees in the event a Home is damaged by fire or other casualty, Owner shall, at Owner's cost and expense (or together with any applicable insurance proceeds) properly and promptly restore it to at least as good a condition as it was before the casualty occurred. Any such repair or reconstruction work shall be substantially in accordance with the original plans and specifications of the Home (allowing for building or fire code changes) unless otherwise approved by the Committee and the Board and otherwise subject to all provisions of Article VIII above. Owner shall remove all debris within thirty (30) days and complete repair or reconstruction of the damaged structure as soon as reasonably practicable, but in any event within one (1) year following the damage or destruction (subject to force majeure).

ARTICLE XIV **GENERAL PROVISIONS**

Section 1. CONFLICT WITH OTHER GOVERNING DOCUMENTS. In the event of any conflict between the provisions of this Declaration and the provisions of the Articles, Bylaws and/or the

Rules and Regulations, the provisions of this Declaration, the Articles, the Bylaws and the Rules and Regulations shall control, in that order.

Section 2. NOTICES. Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) each Owner, at the address of the person whose name appears as the Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Home owned by such Owner; (ii) the Association, certified mail, return receipt requested, at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing; and (iii) Declarant, certified mail, return receipt requested, at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or such other address or addresses as Declarant shall hereafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners.

Section 3. ENFORCEMENT. The Governing Documents may be enforced by Declarant (so long as Declarant holds an equitable or legal interest in any Lot and/or Home), the Association, any Owner and any Institutional Mortgagee holding a mortgage on any portion of the Property in any judicial proceeding seeking any remedy recognizable at Law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any of the Governing Documents. The failure by any party to enforce the Governing Documents (in whole or in part) shall in no event be deemed a waiver thereof or of the right of such party to thereafter enforce the Governing Documents. The prevailing party in any such litigation shall be entitled to reimbursement of all costs thereof including, but not limited to, Legal Fees, from the non-prevailing party. The Water Management District 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 Drainage System. In addition, the Association shall be entitled to recover pre-litigation Legal Fees incurred in enforcing the Governing Documents which shall be collectible in the same manner as Assessments as set forth in the Declaration.

Section 4. INTERPRETATION. The provisions of the Governing Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the development of a residential community and for the maintenance of recreational facilities and Association Property. The Governing Documents shall be interpreted, in good faith and with due reasonableness, by the Board. In the event of a doubt or dispute as to any such interpretation, a written opinion of a legal counsel to the Association that such interpretation is not unreasonable shall cause the interpretation to be binding and conclusive.

Article, Section and Paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Declaration.

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

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

Section 6. CERTAIN RIGHTS OF DECLARANT; COMMUNITY APPROVALS. Notwithstanding anything to the contrary herein contained, no Improvements constructed or installed by Declarant shall be subject to the approval of the Association, the Architectural Control Committee, or the Owners or be subject to the provisions and requirements of this Declaration, although it is the intent of the Declarant to create a community with a common scheme of development, as same may change from time to time as provided in this Declaration. Notwithstanding the other provisions of this Declaration, the Declarant reserves for itself, its affiliates, and their respective nominees, the right to enter into and transact on the Property any business that Declarant determines to be necessary or appropriate to consummate the sale, lease or encumbrance of Homes or other real property located within or outside Valencia Sound, including, but not limited to, the right to: (a) maintain models and a sales and/or leasing office, a construction office and/or a service office, (b) place signs, (c) employ sales, leasing, construction and service personnel, (d) use the Association Property, (e) hold promotional and other events on the Property and to use the Association Property for or in connection with such events, and (f) show Homes. Declarant further reserves the right to make repairs to the Association Property and to carry on construction activity for the benefit of the Property, all of which activities may continue even after the Turnover Date. The Declarant, its affiliates and their respective nominees, may exercise the foregoing rights without notifying the Association and/or the Owners. Any such models, sales and/or leasing office, construction office, service office, signs and any other items pertaining to such sales, leasing, construction or service efforts shall not be considered a part of the Association Property and shall remain the property of the Declarant.

In addition, the Declarant hereby has, shall have and hereby reserves the right to enter upon the Lots and Association Property (including, without limitation, all drainage, lake maintenance, canal maintenance, and utility easements, whether located on a Lot or Association Property) in order for Declarant to final-out and/or close-out any and all approvals,

permits, orders, conditions and/or requirements that have been issued or imposed by any Governmental Authority in connection with the development and construction of Valencia Sound and all Improvements therein (collectively, the "Community Approvals"), and for Declarant to comply and adhere to the same, and such rights shall survive the Turnover Date and continue for such period of time as is necessary for Declarant to fully comply with all such Community Approvals. Without limiting the generality of the foregoing, in exercising any such rights, Declarant shall have the right to remove and/or relocate any and all items (including, without limitation, landscape materials, fences and/or other Improvements) that may be required to be removed and/or relocated to final-out and/or close-out any and all Community Approvals without compensation to the Association or the Owners. The foregoing shall also include the right of the Declarant to enter onto the Lots to remove such items installed by the Owner of such Lots which are not in accordance with the Community Approvals, and without compensation to such Owners. Association is and shall be responsible for complying and causing all Association Property to comply with the Community Approvals, including, without limitation, those Community Approvals that may be in the Declarant's name and not yet transferred to the Association. All fees, costs and expenses of complying with the Community Approvals shall be deemed Operating Expenses of the Association. In the event Declarant is unable to: (i) final-out and/or close-out any and all such Community Approvals as a result of Association's failure to timely and/or properly perform any of its operation, maintenance and/or repair obligations pursuant to the Governing Documents, the Community Approvals and/or any other applicable Laws; or (ii) obtain a return of any bond or surety posted by Declarant in connection with the development and construction of Valencia Sound, then Declarant shall have the immediate right, but not the obligation, in its sole and absolute discretion, to (a) commence an enforcement action against the Association, including, without limitation, monetary penalties and injunctive relief, to compel the Association to perform such operation, maintenance and/or repair obligations as required by this Declaration and/or the Community Approvals, as applicable; and/or (b) take any and all actions necessary, at the Association's sole cost and expense, to comply with and adhere to any such Community Approvals. The Association hereby agrees to indemnify and reimburse the Declarant (within ten (10) days of receipt of a written invoice from Declarant) for all fees, costs and expenses incurred by Declarant (including, without limitation, Legal Fees) in the event that Declarant takes actions in accordance with this Section 6. The rights granted to Declarant hereunder shall survive the Turnover Date and continue for such period of time as is necessary for Declarant to fully comply with all Community Approvals.

The Declarant shall also have the right, but not the obligation, to conduct inspections and tests from time to time of all or any portion of the Association Property in order to ascertain the physical condition of the Improvements and to determine if maintenance, repair or replacement of any such Improvement is necessary. If the Declarant conducts any such tests or inspections, it shall pay all costs thereof and restore the affected portion of the Property to its condition immediately prior to the inspections and tests. The Declarant shall have such rights of entry on, over, under, across and through the Property as may be reasonably necessary to exercise the rights described in this Section 6. The Declarant's right of inspection shall exist whether or not the Turnover Date has occurred. In the event the Declarant exercises its inspection rights, it is acknowledged by the Association and all Owners

that the Declarant is performing any such inspections for its own benefit and not for the benefit of the Association and/or the Owners and further, the Declarant shall have no obligation to inform the Association and/or the Owners of the result of any such inspection.

ALL OWNERS AND OCCUPANTS OF VALENCIA SOUND ARE HEREBY PLACED ON NOTICE THAT DECLARANT AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES MAY BE, FROM TIME TO TIME, CONDUCTING EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO VALENCIA SOUND. BY THE ACCEPTANCE OF THEIR DEED, TITLE OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF VALENCIA SOUND, EACH SUCH OWNER, OCCUPANT AND USER, FOR THEMSELVES AND EACH OF THEIR RESPECTIVE HEIRS, LEGAL REPRESENTATIVES SUCCESSORS AND ASSIGNS AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES AS FOLLOWS: (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY; (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO VALENCIA SOUND WHERE THE AFORESAID ACTIVITIES ARE BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS); (iii) THAT THE OWNER OR OCCUPANT IS AT RISK OF SUFFERING INJURY TO BOTH THEIR PERSON AND/OR PROPERTY AS A RESULT OF ENTRY UPON ANY PROPERTY WITHIN OR IN PROXIMITY TO VALENCIA SOUND WHERE THE AFORESAID ACTIVITIES ARE BEING CONDUCTED. EACH OWNER AND OCCUPANT EXPRESSLY ASSUMES FULL RESPONSIBILITY FOR THE RISK OF BODILY INJURY, DEATH OR PROPERTY DAMAGE SUFFERED AS A RESULT OF THE AFORESAID CONSTRUCTION AND OTHER ACTIVITIES; (iv) THAT EACH OWNER AND OCCUPANT HEREBY RELEASES, WAIVES, DISCHARGES AND HOLDS HARMLESS DECLARANT, ITS PARTNERS AND AFFILIATES, AND EACH OF THEIR RESPECTIVE PARTNERS, AFFILIATES, SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS, AND ANY SUBSEQUENT DECLARANT (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES), RELATED TO, ARISING OUT OF AND/OR RESULTING FROM THE AFORESAID CONSTRUCTION AND OTHER ACTIVITIES; (v) ANY PURCHASE OR USE OF ANY PORTION OF VALENCIA SOUND HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING; AND (vi) THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT FOR DECLARANT TO SELL AND CONVEY LOTS AND HOMES TO OWNERS AND TO ALLOW THE USE OF ASSOCIATION PROPERTY BY OWNERS AND OCCUPANTS.

Declarant further has, shall have and hereby reserves the right to permit purchasers under contract with Declarant to purchase a Lot in Valencia Sound the right to use and enjoy the Association Property and/or participate in Association events or functions, as

determined by Declarant in Declarant's sole and absolute discretion and without the consent of the Association and/or the Owners.

This Section 6 may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by the Declarant. This right of use and transaction of business as set forth herein and the other rights reserved by the Declarant in the Governing Documents may be assigned in writing by the Declarant in whole or in part. For the purposes of this Section 6, the term "Declarant" shall include any "Lender" which has loaned money to the Declarant to acquire or construct Improvements upon the Property, or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to the Declarant, or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of the Declarant as set forth in this Section 6 above are in addition to, and are no way a limit on, any other rights or privileges of the Declarant under any of the Governing Documents.

Section 7. DISPUTES AS TO USE. In the event there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith, subject to Section 4 above. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Board.

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

A. Until the Turnover Date, all amendments or modifications shall be only made by Declarant without the requirement of the Association's consent or the consent of the Owners, except for amendments prohibited by the HOA Act; provided, however, that the Association shall, forthwith upon request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request.

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

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

D. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant or any Institutional Mortgagee under the Governing Documents without the specific written approval of such party affected thereby. In addition, and notwithstanding anything to the contrary contained herein: (1) no amendment to this Declaration shall be effective which shall eliminate or modify the provisions of Article X, Section 22 or Article XIV, Section 6 above, and any such amendments shall be deemed to impair and prejudice the rights of Declarant, and (2) no amendment inconsistent with the requirements under Article 5, Chapter F, of the County's Unified Land Development Code shall be recorded unless approved in writing by the County Attorney's office.

E. A true copy of any recorded Amendment or Supplemental Declaration to this Declaration shall be sent certified mail by the Association to Declarant and to all Institutional Mortgagees holding a mortgage on any portion of the Property having requested notice. The Amendment or Supplemental Declaration, as applicable, shall become effective upon its recording in the Public Records.

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

G. Any proposed amendment to the Declaration which would affect the Drainage System (including the water management portions of the Association Property), shall be submitted to the Water Management District and any other Governmental Authority having jurisdiction over the Drainage System for a determination of whether the proposed amendment necessitates a modification of the Water Management District Permit for the Property.

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

Section 10. TERM. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and

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

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

Section 11. RIGHTS OF MORTGAGEES.

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

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

(1) Any condemnation, loss or casualty loss which affects any material portion of the Association Property;

(2) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(3) Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Lot; and

(4) Any failure by an Owner owning a Lot encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform such Owner's obligations under the Governing Documents, including, but not limited to, any delinquency in the payment of Assessments, or any other charge owed to the Association by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

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

Section 12. APPROVAL OF ASSOCIATION LAWSUITS BY OWNERS. Notwithstanding anything contained herein to the contrary, in order to prevent the Board from incurring expenses (including, without limitation, Legal Fees) not contemplated by the Governing Documents, the Association shall be required to obtain the approval of three-fourths (3/4) of the total voting interests (at a duly called meeting of the Owners at which a quorum is present) prior to engaging persons or entities for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

- (a) the collection of Assessments;
- (b) the collection of other charges which Owners are obligated to pay pursuant to the Governing Documents;
- (c) the enforcement of the use and occupancy restrictions contained in the Governing Documents;
- (d) defending or otherwise responding to a complaint, charge or other legal filing, the failure of which will result in a default or material harm to be incurred by the Association or the Association Property;
- (e) dealing with an emergency when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Association Property or to Owners (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths [3/4] of the Owners);
- (f) enforcing the Association's rights and remedies under any service or supply contract between the Association and any vendor, service supplier, insurer or other party; or
- (g) filing a compulsory counterclaim.

The provisions of this Section 12 may not be amended or revoked (in whole or in part) without the prior written consent of Declarant, which consent may be withheld or delayed in Declarant's sole and absolute discretion. Notwithstanding the foregoing, the requirement to obtain Declarant's prior written consent shall terminate and be of no further force or effect on the date that is eleven (11) years following the Turnover Date.

Section 13. COMPLIANCE WITH PROVISIONS. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot except as elsewhere herein provided does

consent and agree to, and shall be conclusively deemed to have consented and agreed to, every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property. Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than Declarant.

Section 14. SECURITY. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. Notwithstanding the foregoing, NEITHER DECLARANT NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS, WARRANTIES OR GUARANTEES WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE SECURITY OR SAFETY OF THE PROPERTY (OR ANY PORTION THEREOF) OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE. ALL OWNERS, BY ACCEPTANCE OF A DEED OR TITLE TO A LOT, AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES), RELATED TO, ARISING OUT OF AND/OR RESULTING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY OR SAFETY WITHIN THE PROPERTY, AND NEITHER THE ASSOCIATION, DECLARANT NOR ANY SUCCESSOR DECLARANT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH MONITORING SYSTEM OR SECURITY SERVICE, OR THAT ANY SYSTEM OR SERVICE WILL PREVENT INTRUSIONS, FIRES, DAMAGE, INJURY, DEATH OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY, EVEN IF CAUSED BY THE NEGLIGENCE OF THE ASSOCIATION, DECLARANT AND/OR ANY SUCCESSOR DECLARANT. ALL MEMBERS, OWNERS AND OCCUPANTS OF ANY LOT OR HOME, AND OCCUPANTS OF ANY OWNER ACKNOWLEDGE AND AGREE THAT THE ASSOCIATION AND ITS BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT: (a) ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE), IF ANY, RECOMMENDED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR (b) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE) WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED OR PREVENT LOSSES INCLUDING, WITHOUT LIMITATION, LOSSES FROM FIRE, SMOKE, BURGLARY, THEFT, HOLD UP OR OTHERWISE.

EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME FURTHER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT: (a) THE ASSOCIATION, ITS BOARD, THE ARCHITECTURAL CONTROL COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS OR GUARANTORS AND THAT EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS AND PROPERTY, TO LOTS OR HOMES, AND (b) EACH MEMBER, OWNER, THE ASSOCIATION, ITS BOARD, THE COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS, WARRANTIES AND/OR GUARANTIES, NOR HAS ANY MEMBER, OWNER AND/OR OCCUPANT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE), IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Section 15. COVENANT RUNNING WITH THE LAND. All provisions of this Declaration shall, to the extent applicable and unless otherwise expressly provided herein to the contrary, be construed to be covenants running with the Lots and Homes and the Property and with every part thereof and interest therein, and all of the provisions hereof shall be binding upon and inure to the benefit of Declarant and subsequent Owners of the Homes, Lots and Property or any part thereof, or interest therein, and their respective heirs, successors, and assigns. However, the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, unless specifically provided herein to the contrary. All present and future Owners and Occupants of the Lots and Homes, as applicable, shall be subject to and shall comply with the provisions of this Declaration and the other Governing Documents as they exist and may from time to time be amended. The acceptance of a deed of conveyance of a Lot, or the use of any portion of the Property shall constitute an adoption and ratification by such Owner or Occupant of the provisions of this Declaration, and the Articles, Bylaws, and Rules and Regulations of the Association. In the event that any easements granted herein shall fail for want of a grantee in being or for any other purpose, the same shall constitute and be covenants running with the land.

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

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

Section 18. MANDATORY RECLAIMED WATER ZONE. Valencia Sound is located within the County Water Utilities Department's "Mandatory Reclaimed Water Zone" service area.

Accordingly, each Owner acknowledges and agrees that Declarant has entered or will enter into one or more reclaimed water development agreements whereby reclaimed water provided by the Palm Beach County Water Utilities Department will be used to recharge the Lakes in Valencia Sound. The water from the Lakes (including the reclaimed water) will be used for irrigation of the Association Property and each of the individual Lots within the Community. EACH OWNER FURTHER ACKNOWLEDGES AND AGREES THAT RECLAIMED WATER IS NOT POTABLE AND SHOULD NOT BE CONSUMED IN ANY MANNER. All usage and consumption fees charged by the County, if any, for the reclaimed water will be paid by the Association and included as part of the Operating Expenses of the Association.

Section 19. PUBLIC THOROUGHFARES; BUS STOP. In conformance with County requirements, it is disclosed to each Owner of a Lot in the Community that Valencia Sound is adjacent to: (a) Flavor Pict Road, a public right-of-way located along the northern boundary of Valencia Sound, and (b) Lyons Road, a public right-of-way located along the eastern boundary of Valencia Sound. Flavor Pict Road and Lyons Road are planned thoroughfare roadways which are each initially planned to contain two (2) lanes, but which could ultimately include up to four (4) lanes. Each Owner, by acceptance of a deed or title to a Lot, acknowledges that some portions of Flavor Pict Road, if and when fully constructed by the County, may be elevated to cross over the Florida Turnpike and may be visible from Valencia Sound or portions thereof. Declarant does not represent, warrant or guarantee whatsoever how and to what extent traffic noise and/or the County's construction and operation of Flavor Pict Road (including, without limitation, the crossover of the Florida Turnpike) will affect Valencia Sound and/or the use and enjoyment thereof, and Declarant shall have absolutely no liability whatsoever therefor.

Each Owner, by acceptance of a deed or title to a Lot, further acknowledges and agrees (i) that an easement shall be granted in favor of the County to permit the County to construct and operate a bus stop, boarding and alighting area adjacent to said Lyons Road roadway within the Rural Parkway Easement, and (ii) because Flavor Pict Road and Lyons Road are public roadways, utilities and other improvements (including, without limitation, overhead power lines and/or light poles) may or may not be constructed within such roadways or any adjacent utility easements.

Section 20. SURROUNDING AGRICULTURAL USES. Each Owner by acceptance of a deed or title to a Lot acknowledges and agrees that Valencia Sound lies in an area where adjacent and/or surrounding properties are presently zoned for and/or may be used for agricultural uses, a permissive zoning designation allowing, among other things, groves/row crops, livestock raising, private kennels, stables, farm worker quarters, and others. Declarant cannot and does not represent, warrant or guaranty the manner in which such properties are now or in the future will be used, or how same will affect Valencia Sound, and Declarant shall have absolutely no liability whatsoever therefor.

Section 21. NO PARTITION. Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Association Property or any part thereof, nor shall any person acquiring any interest in the Properties or any part thereof seek any judicial

partition unless the Properties have been removed from the provisions of this Declaration. This Section 21 shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Section 22. VENUE. EACH OWNER ACKNOWLEDGES THIS DECLARATION LEGALLY AND FACTUALLY WAS EXECUTED IN THE COUNTY. DECLARANT HAS AN OFFICE IN THE COUNTY, AND EACH PARCEL IS LOCATED IN THE COUNTY. ACCORDINGLY, AN IRREBUTTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN THE COUNTY. IN ADDITION TO THE FOREGOING, EACH OWNER AND DECLARANT AGREES THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN THE COUNTY.

Section 23. CERTAIN RESERVED RIGHTS OF DECLARANT WITH RESPECT TO COMMUNITY SYSTEMS. Without limiting the generality of any other applicable provisions of this Declaration, and without such provisions limiting the generality hereof, Declarant hereby reserves and retains to itself:

A. the title to any Community Systems and a perpetual exclusive easement over, under and across the Property for the placement and location thereof;

B. the right to connect, from time to time, the Community Systems to such receiving or intermediary transmission sources as Declarant may in its sole and absolute discretion deem appropriate, in locations on the Property as Declarant may determine in its sole and absolute discretion, including, without limitation, companies licensed to provide CATV or satellite services in the County, for which services Declarant shall have the right to charge any users a fee (which shall not exceed any maximum allowable charge provided for in the ordinances of the applicable Governmental Authorities);

C. the continuing right to air conditioned space within and/or on the Association Property as Declarant may determine in its sole and absolute discretion to install, operate, maintain, repair and replace the equipment serving, providing or running the Community Systems, which location may include, without limitation, rooms within any clubhouse or other Improvements constructed on the Association Property; and

D. the exclusive right to offer and provide from time to time to the Association, the Lots and the Lot Owners, any and all Bundled Services through the Community Systems.

Neither the Association nor any officer, director, employee, committee member or agent thereof (including any management company) shall be liable for any damage to property, personal injury or death arising from or connected with any act or omission of any of the foregoing during the course of performing any duty or exercising any right or privilege (including, without limitation, performing maintenance work which is the duty of the Association or exercising any remedial maintenance or alteration rights under this Declaration) required or authorized to be done by the Association, or any of the other aforesaid parties, under this Declaration or otherwise as required or permitted by Law.

Section 24. USE OF NAME AND SERVICE AND TRADEMARKS. No person other than Declarant and any licensee thereof shall use the name "Valencia" (either itself or "Valencia Sound") or any service mark, trademark or copyrighted material associated therewith in the name or promotion of any business venture, organization in marketing materials (including, without limitation, social media and other on-line uses) or other activities, whether for profit or otherwise, and whether within or outside of Valencia Sound, in all such cases without first obtaining from Declarant a written license to do so, which license may be granted or withheld in Declarant's sole and absolute discretion. In addition, the Association does not acquire any rights whatsoever in and to the name "Valencia", "Valencia Sound" or any derivation thereof (all such rights being expressly reserved by Declarant). However, the Association shall have the continuing right to identify the Community as Valencia Sound including, without limitation, the installation and maintenance of signs on the Community identifying it as "Valencia Sound." No other use of the name "Valencia", "Valencia Sound" or any derivation thereof may be used by the Association without the prior written consent of Declarant, which consent may be withheld in Declarant's sole and absolute discretion. Any violation hereof shall entitle Declarant not only to all remedies (including injunctive relief) available under all state and federal intellectual property laws, to the extent applicable, but also those set forth in this Declaration. The provisions of this Section 24 may not be amended without Declarant's prior written consent, which consent may be withheld or delayed in Declarant's sole and absolute discretion.

Section 25. CONSENT AND RELEASE FOR USE OF LIKENESS. Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of Law or otherwise, and each Occupant of a Home, by reason of his or her occupancy, use and/or participation in or attendance at any event of the Association hereby, without any prior or subsequent consent: (a) agrees to photographs and/or video (including audio) being taken of such persons: (i) during any use and/or enjoyment of Association Property, and/or (ii) participation in any and all activities sponsored, promoted or set up by or through the Declarant and/or the Association and whether or not such activities take place on the Association Property or elsewhere, (b) permits such photographs and/or video to be used by the Association, Declarant and/or Declarant's affiliates in advertising and marketing materials and/or media publications, and (c) waives any right to inspect, approve or receive any compensation for such person's photographs or videos and/or use of such person's likeness in any and all such advertising and marketing materials and/or media publications.

Section 26. ASSOCIATION AND DECLARANT AS ATTORNEY-IN-FACT. Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of Law or otherwise, and each Occupant of a Home, by reason of his or her occupancy, is hereby declared to have acknowledged and agreed to his or her automatic consent to any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Valencia Sound by Declarant (collectively, the "Modifications") and, in respect thereto, each Owner of a Lot and Occupant of a Home hereby designates the Association to act as agent and attorney in fact on behalf of such Owner or Occupant to consent to any such Modification. If requested by Declarant, each Owner shall evidence his or her consent to a Modification in writing (provided, however, that any refusal to give such written consent shall not obviate the automatic effect of

this provision). Further, each Owner, by reason of having acquired ownership of a Lot, hereby agrees to execute, at the request of Declarant, any document and/or consent which may be required by any Governmental Authority to allow Declarant and/or its affiliates to complete the plan of development of Valencia Sound, as such plan may be hereafter amended, and each such Owner hereby further appoints Declarant as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of each such Owner, any and all of such documents and/or consents. This power of attorney is irrevocable and is coupled with an interest. The provisions of this Section 26 may not be amended without Declarant's prior written consent.

The Association covenants and agrees, for itself or in a representative capacity on behalf of all Owners and Occupants, not to challenge or object (directly or indirectly) to any Modifications or other governmental permits and approvals whatsoever (including, without limitation, comprehensive plan changes, land use changes, rezoning requests, development orders and/or other development related requests) sought or to be sought in the future by Declarant or Declarant's affiliates (collectively, the "Approval Matters"). Accordingly, the Board shall not have any power or authority to spend any funds whatsoever of the Association or to assess the Owners for any fees, costs or expenses to challenge or object to any Approval Matters.

The provisions of this Section 26 may not be amended without Declarant's and Community Declarant's prior written consent, which consent may be withheld or delayed in their respective sole and absolute discretion.

Section 27. DECLARANT'S RESERVATION OF RIGHTS. Notwithstanding anything contained in the Governing Documents to the contrary, Declarant reserves the right to change the zoning and/or land use of any portion of the Property now existing or hereafter changed to be other than single-family residential (e.g., multi-family residential or commercial) and/or to make such uses of all or any part of the Property as shall be permitted by applicable zoning regulations as they may exist from time to time. Declarant, however, is not obligated by this Declaration to cause any portion of the Property to be rezoned or developed for any such uses. In the event Declarant changes the zoning of the Property, Declarant hereby reserves the right to amend this Declaration or to create one or more sub-declarations subjecting such properties to additional or different specified or prohibited uses.

Additionally, in the event Declarant changes the zoning of the Property or any portion thereof to a use other than single-family residential and amends the Governing Documents or creates a sub-declaration, in order to insure representation on the Board for various groups having dissimilar interests, Declarant reserves the right to establish voting groups for election of Directors to the Board. In such event, each voting group shall be entitled to elect one (1) or more Directors to the Board. Each voting group may have different voting rights as determined by Declarant.

In the event Declarant establishes other uses of or for the Property as aforesaid, Declarant reserves the right to change the method pursuant to which Assessments are shared among the Lots and other portions of the Property. The expenses may be divided among each

type of property use (e.g., single-family residential, multi-family residential and commercial) based upon, but not necessarily proportional to, the percentage of each type of property use, the level of services received by each type of property use and other relevant factors as determined by Declarant. Additionally, expenses which specifically relate to a specific property use will only be assessed against that type of property. The percentages for each type of property will be based upon the total acreage of the Property.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

BEING ALL OF THE PLAT OF DELRAY HOLDINGS 282, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 111, PAGE 136, AND A PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 5780, AT PAGE 1529 AND OFFICIAL RECORDS BOOK 15669, AT PAGE 1685 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING A PORTION OF TRACT 85, BLOCK 62, PALM BEACH FARMS COMPANY PLAT NO. 3, AS RECORDED IN PLAT BOOK 2, AT PAGES 45 THROUGH 54, ALL OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PLAT OF DELRAY HOLDINGS 282; THENCE, ALONG THE WEST LINE OF SAID PLAT OF DELRAY HOLDINGS 282, NORTH 01°01'21" WEST, A DISTANCE OF 2399.70 FEET TO THE NORTHWEST CORNER OF SAID DELRAY HOLDINGS 282; THENCE, ALONG THE NORTH LINE OF SAID PLAT OF DELRAY HOLDINGS 282 THE FOLLOWING THIRTEEN (13) COURSES, NORTH 89°36'32" EAST, A DISTANCE OF 527.42 FEET; THENCE SOUTH 00°23'28" EAST, A DISTANCE OF 0.28 FEET; THENCE NORTH 89°36'32" EAST, A DISTANCE OF 1980.00 FEET; THENCE NORTH 00°23'28" WEST, A DISTANCE OF 1.32 FEET; THENCE NORTH 89°36'32" EAST, A DISTANCE OF 360.00 FEET; THENCE NORTH 00°23'28" WEST, A DISTANCE OF 1.32 FEET; THENCE NORTH 89°36'32" EAST, A DISTANCE OF 660.00 FEET; THENCE SOUTH 00°23'28" EAST, A DISTANCE OF 0.36 FEET; THENCE NORTH 89°36'32" EAST, A DISTANCE OF 660.00 FEET; THENCE NORTH 00°23'28" WEST, A DISTANCE OF 0.36 FEET; THENCE NORTH 89°36'32" EAST, A DISTANCE OF 660.00 FEET; THENCE SOUTH 00°23'28" EAST, A DISTANCE OF 0.36 FEET; THENCE NORTH 89°36'32" EAST, A DISTANCE OF 355.00 FEET; THENCE, DEPARTING SAID NORTH LINE, SOUTH 00°23'28" EAST, ALONG THE EAST LINE OF TRACT RW (LYONS ROAD) OF SAID PLAT OF DELRAY HOLDINGS 282, A DISTANCE OF 2353.30 FEET TO A POINT OF INTERSECTION WITH THE SOUTH LINE SAID PLAT OF DELRAY HOLDINGS 282; THENCE, ALONG SAID SOUTH LINE THE FOLLOWING FIVE (5) COURSES, SOUTH 89°07'26" WEST, A DISTANCE OF 685.02 FEET; THENCE SOUTH 00°23'28" EAST, A DISTANCE OF 5.28 FEET; THENCE SOUTH 89°07'26" WEST, A DISTANCE OF 3990.14 FEET; THENCE NORTH 00°23'28" WEST, A DISTANCE OF 0.84 FEET; THENCE SOUTH 89°07'26" WEST, A DISTANCE OF 501.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

A PORTION OF TRACT P2 OF DELRAY HOLDINGS 282, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 111, AT PAGE 136, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID TRACT P2; THENCE SOUTH 89°07'26" WEST, ALONG THE SOUTH LINE OF SAID TRACT P2, A DISTANCE OF 100.00 FEET; THENCE NORTH 00°23'28" WEST, ALONG A LINE 100.00 FEET WEST OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE EAST LINE OF SAID TRACT P2, A DISTANCE OF 2,161.01 FEET; THENCE NORTH 89°36'32" EAST, ALONG THE NORTH LINE OF SAID TRACT P2, A DISTANCE OF 62.30 FEET SOUTH 45°23'28" EAST, ALONG THE EASTERLY BOUNDARY OF TRACT P2, A DISTANCE OF 53.32 FEET; THENCE CONTINUE ALONG SAID EASTERLY BOUNDARY, SOUTH 00°23'28" EAST, A DISTANCE OF 2,122.46 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGIN AT THE NORTHEAST CORNER OF THE PLAT OF DELRAY HOLDINGS 282, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 111, PAGE 136 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE, SOUTH 00°23'28" EAST ALONG THE EAST LINE OF TRACT RW, OF SAID DELRAY HOLDINGS 282, A DISTANCE OF 2353.30 FEET; THENCE SOUTH 89°07'26" WEST ALONG THE SOUTH LINE OF SAID TRACT RW, A DISTANCE OF 55.00

EXHIBIT A

Legal Description of Property
(continued)

FEET; THENCE NORTH 00°23'28" WEST ALONG THE WEST LINE OF SAID TRACT RW, A DISTANCE OF 30.30 FEET TO A POINT OF INTERSECTION WITH THE NORTH LINE OF TRACT L3 OF SAID PLAT OF DELRAY HOLDINGS 282, ALSO BEING THE NORTH LINE OF THE LAKE WORTH DRAINAGE DISTRICT CANAL L-29 AS RECORDED IN OFFICIAL RECORD BOOK 1732, PAGE 812 AND OFFICIAL RECORD BOOK 22684, PAGE 1699 OF SAID PUBLIC RECORDS; THENCE, DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE, ALONG SAID NORTH LINE, SOUTH 89°07'26" WEST, A DISTANCE OF 100.00 FEET; THENCE, DEPARTING SAID NORTH LINE, NORTH 00°23'28" WEST, A DISTANCE OF 1784.81 FEET; THENCE SOUTH 89°36'32" WEST, A DISTANCE OF 293.43 FEET; THENCE NORTH 00°23'28" WEST, A DISTANCE OF 205.50 FEET; THENCE SOUTH 89°36'32" WEST, A DISTANCE OF 50.00 FEET; THENCE NORTH 00°23'28" WEST, A DISTANCE OF 180.00 FEET; THENCE SOUTH 89°36'32" WEST, A DISTANCE OF 433.00 FEET; THENCE SOUTH 45°23'28" EAST, A DISTANCE OF 16.97 FEET; THENCE SOUTH 89°36'32" WEST, A DISTANCE OF 302.37 FEET; THENCE NORTH 76°53'43" WEST, A DISTANCE OF 51.42 FEET; THENCE SOUTH 89°36'32" WEST, A DISTANCE OF 3242.37 FEET; THENCE SOUTH 88°20'09" WEST, A DISTANCE OF 180.04 FEET; THENCE SOUTH 89°36'32" WEST, A DISTANCE OF 315.00 FEET; THENCE SOUTH 88°20'09" WEST, A DISTANCE OF 135.03 FEET; THENCE SOUTH 89°36'32" WEST, A DISTANCE OF 16.49 FEET TO A POINT OF INTERSECTION WITH THE EAST LINE OF TRACT L6 OF SAID PLAT OF DELRAY HOLDINGS 282 ALSO BEING THE EAST LINE OF THE 40 FOOT LAKE WORTH DRAINAGE DISTRICT EASEMENT AS RECORDED IN OFFICIAL RECORD BOOK 22684, PAGE 1678 AND OFFICIAL RECORD BOOK 22761, PAGE 1090 AND LAKE WORTH DRAINAGE DISTRICT REQUIRED RIGHT-OF-WAY AS RECORDED IN OFFICIAL RECORD BOOK 1732, PAGE 612 OF SAID PUBLIC RECORDS; THENCE, ALONG SAID EAST LINE, NORTH 01°01'21" WEST, A DISTANCE OF 20.00 FEET; THENCE, DEPARTING SAID EAST LINE, SOUTH 89°36'32" WEST, A DISTANCE OF 40.00 FEET TO A POINT OF INTERSECTION WITH THE WEST LINE OF SAID PLAT OF DELRAY HOLDINGS 282; THENCE, ALONG SAID WEST LINE, NORTH 01°01'21" WEST, A DISTANCE OF 127.01 FEET TO A POINT OF INTERSECTION WITH THE WESTERLY PROLONGATION OF THE SOUTH LINE OF SAID TRACT L6; THENCE, ALONG SAID PROLONGATION AND THE SOUTH LINE OF TRACT L6, NORTH 89°36'32" EAST, A DISTANCE OF 5092.29 FEET; THENCE NORTH 44°36'32" EAST, A DISTANCE OF 19.80 FEET TO A POINT OF INTERSECTION WITH AFORESAID NORTH LINE OF DELRAY HOLDINGS 282; THENCE, ALONG SAID NORTH LINE, NORTH 89°36'32" EAST, A DISTANCE OF 96.00 FEET TO THE POINT OF BEGINNING.

NOT A CERTIFICATE

EXHIBIT "B"

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.**

[See Attached 12 Pages]

NOT A CERTIFIED COPY

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.,
(a Florida not for profit corporation)**

THESE AMENDED AND RESTATED ARTICLES OF INCORPORATION ("Restated Articles") are adopted as of the 19th day of March, 2020 by BOYNTON BEACH ASSOCIATES XXVI, LLLP, a Florida limited liability limited partnership.

RECITALS:

WHEREAS, Articles of Incorporation of Monticello Homeowners Association, Inc. were filed with the Department of State of the State of Florida on December 21, 2018, under Document Number N18000013317 (the "Original Articles");

WHEREAS, pursuant to Article XIII, Section A of the Original Articles, prior to the First Conveyance, the Declarant may amend the Original Articles without the vote of the Members or the Board of Directors; and

WHEREAS, the First Conveyance has not occurred, and Declarant desires to amend and restate the Original Articles in their entirety, including changing the name of the Association, all as more particularly set forth in these Restated Articles.

NOW, THEREFORE, pursuant to the authority and for the reasons aforementioned, the undersigned does hereby amend and restate the Original Articles in their entirety as follows:

The foregoing recitals are true and correct and are incorporated herein by reference.

**ARTICLE I
DEFINITIONS**

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

1. "Articles" shall mean these Amended and Restated Articles of Incorporation and any amendments hereto.
2. "Association" shall mean Valencia Sound Homeowners Association, Inc., a Florida not for profit corporation. The Association is NOT a condominium association and is not intended to be governed by Chapter 718, Florida Statutes (the Florida Condominium Act).
3. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.
4. "Bylaws" shall mean the Bylaws of the Association and any amendments thereto.
5. "County" shall mean Palm County, Florida.
6. "Declaration" shall mean the Declaration of Covenants, Restrictions and Easements for Valencia Sound recorded (or to be recorded) in the Public Records of the County, as amended and/or supplemented from time to time.
7. "Director" shall mean a member of the Board.

8. "Governing Documents" shall mean and refer, in the aggregate, to the Declaration, these Articles, the Bylaws, the Rules and Regulation of the Association, and all of the instruments and documents referred to in such documents, all as may be amended and/or supplemented from time to time.

9. "HOA Act" shall mean the Florida Homeowners' Association Act (Chapter 720, Florida Statutes) and, where the context requires or permits shall also include, the Florida Not For Profit Corporation Act (Chapter 617, Florida Statutes).

10. "Member" shall mean a member of the Association.

All initial capitalized terms used in these Articles but not defined herein shall have the meanings given to such terms in the Declaration, which are incorporated herein by this reference.

ARTICLE II
NAME; PRINCIPAL ADDRESS

The name of the corporation shall be VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation, whose principal address and mailing address is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or at such other place as may be designated, from time to time, by the Board of Directors.

ARTICLE III
PURPOSES

The purposes for which the Association is organized are: (i) to take title to, administer, operate, maintain, finance, repair, replace, manage and lease the Association Property (including the Drainage System) in accordance with the terms of, and purposes set forth in, the Governing Documents, and (ii) to carry out and perform the Association's duties and obligations under the Governing Documents (including enforcing the provisions thereof). The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any Member, Owner or other individual person, firm or entity.

ARTICLE IV
POWERS

Without limiting the generality of the foregoing, the Association shall have the following powers and shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the Governing Documents or the HOA Act.

B. The Association shall have all of the powers granted to the Association in the Governing Documents. All of the provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles.

C. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

1. To perform any act required or contemplated by it under the Governing Documents.

2. To make, establish, amend, abolish (in whole or in part) and enforce reasonable rules and regulations governing the use of the Association Property.
3. To make, levy and collect Assessments for the purpose of obtaining funds from its Members to pay Operating Expenses and other costs defined in the Declaration and costs of collection, and to use and expend the proceeds of Assessments in the exercise of the powers and duties of the Association.
4. To own, administer, operate, maintain, finance, repair, replace, manage, lease and convey the Association Property or any other real or personal property in accordance with the Governing Documents.
5. To enforce, including by legal means if necessary, the obligations of the Members and the provisions of the Governing Documents and the HOA Act.
6. To employ personnel, retain independent contractors and professional personnel, and enter into service contracts to provide for the administration, operation, maintenance, financing, repairing, replacing, management and leasing of the Association Property and to enter into any other agreements consistent with the purposes of the Association, including, but not limited to, agreements with respect to professional management of the Association Property and to delegate to such professional manager certain powers and duties of the Association. Prior to the Turnover Date (as hereinafter defined), the President of the Board shall have the inherent authority to enter into contracts and agreements on behalf of the Association without a meeting of the Directors, so long as the monetary amounts to be paid by the Association pursuant to the contracts and agreements do not exceed the amounts therefor as set forth in the then-adopted operating Budget of the Association, as amended from time to time.
7. To operate, maintain, and manage the Drainage System in a manner consistent with the requirements of the Water Management District Permit and applicable rules and requirements of the Water Management District; to assist in the enforcement of the Declaration's provisions relating to the Drainage System; and to levy and collect adequate assessments against Owners for the costs of maintenance and operation of the Drainage System.
8. To enter into the Declaration and any amendments thereto and instruments referred to therein.
9. To assign and/or delegate any right, duty or obligation of the Association as it deems necessary including, without limitation, assignments and delegations to a management company and/or other entity(ies) or person(s).
10. To provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Association mandate to keep and maintain Valencia Sound in a proper and aesthetically pleasing condition and to provide the Owners with services, amenities, controls, rules and regulations, and enforcement which will enhance the quality of life at Valencia Sound.
11. To borrow money and to obtain such financing as is necessary to maintain, repair and replace the Association Property in accordance with the Declaration and, as security for any such loan, to collaterally assign the Association's right to collect and enforce Assessments levied for the purpose of repaying any such loan and to provide such other collateral as may be necessary to obtain such financing.
12. Notwithstanding anything to the contrary, there are hereby excluded from the powers and authority of the Association the right or ability, in its own name or on behalf of some or all Owners, to take action against, to object to and/or refuse to consent to, any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Valencia Sound (including, without limitation, comprehensive plan changes, land use changes, rezoning requests, development orders and

approvals, construction plans or permitting and/or other matters relating to the development or redevelopment of Valencia Sound), regardless of its actual or estimated impact thereon. This provision shall likewise prohibit the Association from paying, providing or contributing any funds to any business entity, organization or person for the aforesaid purposes.

The powers of the Association shall be subject to and exercised in accordance with the provisions of these Articles, any other Governing Documents and the HOA Act provided, however, that in the event of a conflict, the provisions of the HOA Act shall have control over these Articles and any other Governing Documents.

ARTICLE V MEMBERS AND VOTING

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

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

B. After the First Conveyance, Declarant shall be a Member as to each of the remaining Lots until each such Lot is conveyed to another Owner, and thereupon and thereafter each and every Owner, including Declarant as to Lots owned by Declarant, shall be a Member and exercise all of the rights and privileges of a Member in accordance with (but at all times subject to) the Governing Documents.

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

D. The Association shall have two (2) classes of voting membership:

1. "Class A Members" shall be all Members, with the exception of Declarant while Declarant is a Class B Member, each of whom shall be entitled to one (1) vote for each Lot owned.

2. "Class B Members" shall be Declarant, who shall be entitled to three times the total number of votes of the Class A Members plus one. Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following events ("Turnover Date"):

(a) Three (3) months after the conveyance of ninety percent (90%) of the "Total Developed Lots" (as defined in Article VIII.C below) by Declarant, as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County;

(b) At such earlier time as Declarant shall designate in writing to the Association; or

(c) On such other date as a majority of the Board is elected by the Class A Members as required by the HOA Act.

On the Turnover Date, the Class A Members other than Declarant shall be entitled to elect at least a majority of the Board. After the Turnover Date, Declarant may exercise the right to vote as a Class A Member in the same manner as any other Class A Member except for purposes of reacquiring control of the Association or selecting a majority of the members of the Board.

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

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

G. Any Member who conveys or loses title to a Lot by sale, gift, inheritance, devise, bequest, judicial decree or otherwise shall, immediately upon such conveyance or loss of title, no longer be a Member with respect to such Lot and shall lose all rights and privileges of a Member resulting from ownership of such Lot, but such party shall remain jointly and severally liable, together with the new Member owning the Lot, for all outstanding obligations (including monies owed) to the Association.

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

Notwithstanding the foregoing provisions, whenever any Lot is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

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

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

3. When neither spouse is present, the person designated in a "Proxy" (as defined in the Bylaws) signed by either spouse may cast the Lot vote, when voting by Proxy is allowed, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Proxy by the other spouse, the vote of said Lot shall not be considered, but shall count as one (1) Member for purposes of establishing a quorum.

I. Unless some greater number is provided for in the Governing Documents, a quorum for the transaction of business at any meeting of the Members shall exist if Members holding at least thirty percent (30%) of the total voting interests of the Members shall be present or represented by proxy at the meeting.

ARTICLE VI
TERM

The term for which this Association is to exist shall be perpetual. In the event of dissolution of the Association (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Association shall be conveyed to a similar homeowners association or a public agency having a similar purpose, or any Member may petition the appropriate circuit court of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and its properties in the place and stead of the dissolved Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties.

In the event of the Association's termination, dissolution, or final liquidation, the responsibility for the operation and maintenance of the Drainage System must be transferred to and accepted by an entity which complies with Section 62-330.310, F.A.C. and is approved by the Water Management District prior to such termination, dissolution, or liquidation.

ARTICLE VII
INCORPORATOR

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

Steven M. Helfman, Esq.
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323

ARTICLE VIII
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors of the Association ("First Board") shall be three (3) and shall be increased to four (4), or such greater odd number of not more than seven (7) as determined in the sole discretion of the Declarant, upon the election of one (1) "Purchaser Member" (as hereinafter defined) to the Board in accordance with Section 720.307(2) of the HOA Act. The "Initial Elected Board" (as hereinafter defined) shall be three (3) and the number of Directors elected by the Members subsequent to the "Declarant's Resignation Event" (as hereinafter defined) shall be an odd number of no less than three (3) nor more than seven (7). The Board shall determine the number of Directors to comprise the Board prior to each meeting at which Directors are to be elected. Except for Declarant-appointed Directors, Directors must be: (i) Members or the parents, children or spouses of Members, (ii) a partner, shareholder,

member, manager, director or officer of a Member that is an entity, or (iii) a trustee or beneficiary of a Member that is a trust. Each Director shall have only one (1) vote.

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

<u>NAMES</u>	<u>ADDRESSES</u>
Salvatore DeJulio	1600 Sawgrass Corporate Parkway, Suite 400 Sunrise, Florida 33323
Marcie DePlaza	1600 Sawgrass Corporate Parkway, Suite 400 Sunrise, Florida 33323
N. Maria Menendez	1600 Sawgrass Corporate Parkway, Suite 400 Sunrise, Florida 33323

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

C. In accordance with Section 720.307(2) of the HOA Act, the Members other than Declarant ("Purchaser Members") shall be entitled to elect one member of the Board after fifty percent (50%) of all the Lots in Valencia Sound to be constructed with a Home thereon (the "Total Developed Lots") have been conveyed to Members. The election of such one (1) Purchaser Member to the Board shall occur at the annual meeting of the Members following such conveyance.

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

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

F. At the Initial Election Meeting, Purchaser Members, who shall include all Members other than Declarant, shall elect a majority of the Directors, and Declarant, until the Declarant's Resignation Event, shall be entitled to designate the remaining Directors on the Board (same constituting the "Initial Elected Board"). Declarant reserves and shall have the right, until the Declarant's Resignation Event, to name the successor, if any, to any Director it has so designated.

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

H. A Director (other than a Declarant-appointed Director) may be removed from office upon the affirmative vote or agreement in writing of a majority of the voting interests of Purchaser Members for

any reason deemed to be in the best interests of the Purchaser Members. A meeting of the Purchaser Members to so remove a Director (other than a Declarant-appointed Director) shall be held upon the written request of ten percent (10%) of the Purchaser Members. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in the HOA Act. Notwithstanding the foregoing, the Declarant shall not vote or consent with respect to removal of any Director elected by Members other than Declarant.

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

1. When Declarant no longer holds for sale in the ordinary course of business at least five percent (5%) of the Total Developed Lots and all Lots sold by Declarant have been conveyed as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County; or

2. When Declarant causes the voluntary resignation of all of the Directors designated by Declarant and does not designate replacement Directors.

Upon Declarant's Resignation Event, the Directors elected by Purchaser Members shall elect successor Directors to fill the vacancies caused by the resignation or removal of Declarant's designated Directors. These successor Directors shall serve until the next Annual Members' Meeting and until such Directors' successors are elected and qualified. In the event Declarant's Resignation Event occurs prior to the Initial Election Meeting, the Initial Election Meeting shall be called in the manner set forth in Article VIII.E above, and all of the Directors shall be elected by the Purchaser Members at such meeting.

J. At each Annual Members' Meeting held subsequent to Declarant's Resignation Event, all of the Directors shall be elected by the Members. At the first Annual Members Meeting held after the Initial Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. a number equal to fifty percent (50%) of the total number of Directors rounded up to the nearest whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the highest number of votes at the meeting; and

2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

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

ARTICLE IX
OFFICERS

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President(s), Secretary and Treasurer, and such other officers as the Board may from time to time elect, subject to the directions of the Board. Except for officers elected prior to the Turnover Date, officers must be: (a) Members or the parents, children or spouses of Members, (b) a partner, shareholder, member, manager, director or officer of a Member that is an entity, or (c) a trustee or beneficiary of a Member that is a trust.

Except for the First Officers as set forth below, the officers of the Association, in accordance with any applicable provision of the Bylaws, shall be elected by the Board for a term of one (1) year and thereafter until qualified successors are duly elected and have taken office. The Bylaws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers. The President shall be elected from amongst the membership of the Board, but no other Officers need be a Director, but each Officer shall be an Owner (other than Officers elected or appointed by Declarant-appointed Directors). If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any other office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy. Except for the office of President, the same person may hold two or more offices, the duties of which are not incompatible.

ARTICLE X
FIRST OFFICERS

The names of the Officers who are to serve until the first election of officers by the Board (or otherwise designated by Declarant) are as follows:

President	-	Salvatore DeJulio
Vice President	-	Marcie DePlaza
Secretary/Treasurer	-	N. Maria Menendez

ARTICLE XI
INDEMNIFICATION

Each and every Director, officer, and member of the Architectural Control Committee of the Association shall be indemnified by the Association from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, consequential and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, reasonable fees for attorney and paralegal services and all costs and court costs through and including all trial, appellate and post-judgment levels and proceedings), related to, arising out of and/or resulting from his/her being or having been a Director or officer of the Association, and the foregoing provision for indemnification shall apply whether or not such person is a Director or officer at the time such cost, expense or liability is incurred. Notwithstanding the above, (i) in the event of a settlement in connection with any of the foregoing, the indemnification provisions provided in this Article XI shall not be automatic and shall apply only when the Board approves such settlement and reimbursement for the costs and

expenses of such settlement as being in the best interest of the Association, and (ii) in the event a Director or officer admits that he/she is or is adjudged guilty of willful misconduct, gross negligence or criminal conduct in the performance of his/her duties, the indemnification provisions of this Article XI shall not apply. The foregoing right of indemnification provided in this Article XI shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer of the Association may be entitled under statutory or common law.

The Association shall have the power and authority to purchase and maintain insurance on behalf of any person (a "Covered Person") who is or was a Director, officer or member of the Architectural Control Committee of the Association, or is or was serving at the request of the Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise. Such insurance shall cover any liability asserted against such Covered Person and incurred in any such capacity, or arising out of such Covered Person's status as such, whether or not the Association would have the power to indemnify the Covered Person against such liability under the provisions of this Article XI.

The provisions of this Article XI shall not be amended in a manner which would limit or deny indemnification for any Director or officer entitled to indemnification hereunder prior to such amendment.

ARTICLE XII BYLAWS

The Board shall adopt Bylaws consistent with these Articles. Such Bylaws may be altered, amended or repealed in the manner set forth in the Bylaws. In the event of any conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII AMENDMENTS

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

B. After the First Conveyance, and prior to the Turnover Date, these Articles may be amended solely by a majority vote of the Board, without the prior written consent of the Members, at a duly called meeting of the Board.

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

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

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

3. At such meeting, a vote of the Members shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted only upon receiving the affirmative vote of a majority of the total number of Members in the Association.

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

D. Notwithstanding any provisions of this Article XIII to the contrary, these Articles shall not be amended in any manner which shall prejudice the rights of any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

E. Notwithstanding the foregoing provisions of this Article XIII to the contrary, no amendment to these Articles shall be adopted which shall abridge, prejudice, amend or alter the rights of Declarant without the prior written consent of Declarant, including, but not limited to, Declarant's right to designate and select members of the First Board or otherwise designate and select Directors as provided in Article VIII above, nor shall any other amendment be adopted or become effective without the prior written consent of Declarant for so long as Declarant holds either a leasehold interest in or title to at least one (1) Lot.

F. A proposal to amend these Articles must contain the full text of the provision to be amended with new language underlined and deleted language stricken. However, if the proposed change is so extensive that underlining and striking through language would hinder, rather than assist, the understanding of the proposed amendment, the following notation must be inserted immediately preceding the proposed amendment: "Substantial rewording. See Governing Documents for current text." An amendment is effective when recorded in the public records of the County. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

ARTICLE XIV

REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, and the initial registered agent of the Association at that address shall be Steven M. Helfman, Esq.

ARTICLE XV

AMENDMENT AND RESTATEMENT

These Amended and Restated Articles of Incorporation of the Association amend, restate and replace the Original Articles in their entirety.

IN WITNESS WHEREOF, the Declarant has hereunto affixed its signature as of the date first stated above.

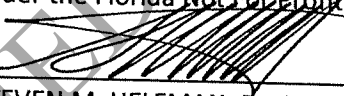
BOYNTON BEACH ASSOCIATES XXVI, LLLP, a Florida limited liability limited partnership

By: Boynton Beach XXVI Corporation, a Florida corporation, its general partner

By: 
Richard M. Norwalk, Vice President

[CORPORATE SEAL]

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


STEVEN M. HELFMAN, Registered Agent

Dated: March 19, 2020

NOT A CERTIFIED COPY

EXHIBIT "C"

**BYLAWS
OF
VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.**

[See Attached 13 Pages]

NOT A CERTIFIED COPY

**BYLAWS
OF
VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.**

Section 1. Identification of Association

These are the Bylaws of Valencia Sound Homeowners Association, Inc. ("Association") as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapters 617 and 720, Florida Statutes.

1.1 The office of the Association shall be for the present at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323 and thereafter may be located at any place designated by the Board.

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

1.3 The seal of the Association shall bear the name of the Association and the words "Florida" and "Non-Profit."

Section 2. Explanation of Terminology

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

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

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

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

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

3.4 Except as otherwise provided in the Articles, a written notice of each Members' meeting, whether an Annual Members' Meeting or a special meeting (collectively "Meeting"), shall be given to each Member entitled to vote at such Member's last known address as it appears on the books of the Association, and shall be mailed or hand delivered to the said address or electronically transmitted to the location furnished by the Member for that purpose not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the Meeting. Proof of such mailing, hand delivery or electronic transmission shall be given by affidavit of the person giving the notice. Any notice given hereunder shall state the date, time and place of the Meeting and the purposes for which the Meeting is called, however, the purpose of the Annual Members' Meeting need not be stated. The notices of all Annual Members' Meetings shall, in addition, specify the number of Directors of the Association to be designated by Declarant and the number of Directors to be elected by the Members, if applicable. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member (or by the person entitled to vote for such Member) by signing a document setting forth the waiver of such notice. Additionally, the attendance of any Member (or person authorized to vote for such Member), either in person or by proxy, shall constitute such Member's waiver of notice of such Meeting, and waiver of any and all objections to the place of the Meeting, the date and time of the Meeting, or the manner in which it has been called or convened, except when Member's (or Member's authorized representative's) attendance is for the express purpose of objecting at the beginning of the Meeting to the transaction of business because the Meeting is not lawfully called.

3.5 The Members may, at the discretion of the Board, act by written action in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or duly waived in accordance with the provisions of these Bylaws. Unless some greater number is required under the Governing Documents or the HOA Act, and except as to the election of Directors, which shall be accomplished by plurality vote, the decision of a majority of the votes cast by the Members as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written action in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written action in lieu of a Meeting shall set forth the time period during which the written actions must be received by the Association, which period shall be no longer than as provided in the HOA Act.

3.6 (a) A quorum for the transaction of business at any meeting of the Members shall consist of Members entitled to cast thirty percent (30%) of the total number of votes of the Members. A quorum of any class of Members shall consist of Members of such class entitled to cast thirty percent (30%) of the total number of votes of the class. Limited "Proxies" and general "Proxies" (as hereinafter defined in Section 3.10) may be used to establish a quorum.

(b) When a quorum is present at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written Proxy shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a

quorum is required by express provision of the Governing Documents or by law, then such express provision shall govern and control the required vote on the decision of such question.

3.7 Not less than sixty (60) days before any Annual Members' Meeting or special meeting at which elections of Directors are to occur (an "Election Meeting"), the Association shall mail, deliver or electronically transmit, whether by separate Association mailing or included in another Association mailing, delivery or transmission, including regularly published newsletters, to each Member entitled to a vote, a first notice of the date of the Election Meeting. Any Member or other eligible person desiring to be a candidate for the Board must give written notice to the Association not less than forty (40) days before the Election Meeting. Together with an agenda, the Association shall mail, deliver or electronically transmit a second notice of the Election Meeting to all Members entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 ½ by 11 inches, which must be furnished by the candidate not less than thirty-five (35) days before the Election Meeting, to be included with the mailing, delivery or electronic transmission of the ballot, with the costs of mailing, delivery or electronic transmission and copying to be borne by the Association. The Association shall not be liable for the contents of any information sheets prepared and supplied by the candidates. Elections shall be decided by a plurality of those ballots cast, regardless of whether a quorum is attained; however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of Members of the Board. Members may not vote for Directors by Proxy. Voting by secret ballots by Members shall be conducted in accordance with Section 720.306(8)(b) of the HOA Act. Furthermore, at any Election Meeting, the "Chairperson" (as hereinafter defined in Section 7.2) shall appoint an "Election Committee" consisting of three (3) Members to supervise the election, count and verify ballots, disqualify votes if such disqualification is justified under the circumstances and certify the results of the election to the Board. The Election Committee shall be able to determine questions within its jurisdiction by plurality vote of all three (3) members, but matters resulting in deadlocked votes of the Election Committee shall be referred to the entire Board for resolution. No candidate for election, or spouse or immediate family member thereof, shall be appointed to the Election Committee.

Notwithstanding any of the foregoing, if an election is not required because there are either an equal number or fewer candidates than vacancies existing on the Board, then no such voting and counting of ballots shall be necessary, with such candidates as having qualified as provided above being deemed elected, and commencing services on the Board at the same time as if each had been elected by vote.

3.8 If a quorum is not in attendance at a Meeting (other than with respect to an Election Meeting for which a quorum is not required), the majority of the Members who are present, either in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present, but in no event later than ninety (90) days from the date of the originally scheduled Meeting. Proxies for such adjourned Meeting shall remain valid in accordance with the HOA Act.

3.9 Minutes of all Meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times. The Association shall retain minutes for such time as required by applicable Florida law.

3.10 Voting rights of Members shall be as stated in the Articles with respect to the election of all Boards other than the First Board. Such votes may be cast in person, by secret ballot or by Proxy (as hereinafter defined). Proxies may also be used to vote on other agenda items at meetings at which Directors are to be elected, and may also be used to establish a quorum. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of a Member. Proxies shall be in writing signed by the person or authorized representative of an entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof, provided, however, any proxy automatically expires ninety (90) days after the original date of the Meeting for which it was originally given. A Proxy must be filed with the Secretary of the Association before the appointed time of the Meeting in order to be valid. Any Proxy may be revoked prior to the time a vote is cast in accordance with such Proxy. Any proxy holder may appoint, in writing, a substitute to act in his or her place.

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

Section 4. Board; Directors' Meetings

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

4.2 The election and, if applicable, designation of Directors shall be conducted in accordance with Section 3.7 above. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses of Members except that if a Lot is owned by an entity and not an individual, such entity may only appoint a partner, shareholder, member, manager, director or officer of such entity or any of its constituent entities on its behalf to be eligible to serve on the Board.

4.3 (a) Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Association as set forth in the Governing Documents and the HOA Act.

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

4.4 The organizational meeting of a newly elected Board shall be held immediately after the election, but if not, then no later than ten (10) days following its election at such place and time as shall be fixed by the Directors at the meeting at which they were

elected and notice of such organizational meeting shall be given in accordance with the HOA Act.

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

4.6 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone, facsimile or electronically transmitted if correctly directed to an electronic mail address at which the Director has consented to receive notice, at least forty eight (48) hours prior to the date and time named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a Directors states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting is not lawfully called or convened.

4.7 Notice of all Board meetings shall be given to the members in accordance with the HOA Act. Members of the Board may communicate electronically (via e-mail, texting, messaging apps and other similar electronic means of communication) but may not use electronic communication to cast votes. This provision shall not, however, prohibit the circulation or delivery of a unanimous written consent of the Board via electronic transmission such as, but not limited to, e-mail.

4.8 A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned meeting, only business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given other than, prior to such adjournment, the announcement of the time, date and place for the re-continued meeting unless additional business not scheduled to be taken up at the original Meeting is to be considered, in which case all notice requirements herein shall apply.

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

4.10 No Director shall receive any compensation from the Association for acting in such capacity or capacities, unless approved by a majority vote of the Members at a Meeting.

4.11 Minutes of all meetings of the Board shall be kept in a business-like manner, shall be available for inspection by Members and Directors, and shall be retained for such time periods, all as required by the HOA Act.

4.12 The Board shall have the power to appoint an "Executive Committee" of the Board consisting of not less than three (3) Directors. An Executive Committee shall have and exercise such powers of the Board as may be delegated to such Executive Committee by the Board. Meetings of the Executive Committee shall be subject to all provisions hereof and of the HOA Act applicable to meetings of the full Board. The Board may appoint different Executive Committees for different purposes as determined by the Board.

4.13 Meetings of the Board shall be open to all Members pursuant to, and as limited by, the HOA Act. The Board may also hold closed meetings to the extent permitted by applicable law, including, by way of example but not by way of limitation, when the discussion at a meeting is governed by attorney-client privilege, meetings between the Board or a committee and the Association's attorney to discuss proposed or pending litigation or meetings of the Board held for the purpose of discussing personnel matters. Members shall have the right to speak on any matter placed on the agenda in accordance with, and as limited by, the HOA Act and any rules and regulations promulgated by the Association governing the frequency, duration and other manner of Member statements, which rules may include a sign-up sheet for Members wishing to speak. In the event a Member conducts himself or herself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, the Board shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he or she is a Member or a duly authorized representative, agent or proxy holder of a Member, unless said person has been specifically invited by any of the Directors to participate in such meeting.

4.14 The Board may by resolution also create committees and appoint persons to such committees and vest in such committees such powers and responsibilities as the Board shall deem advisable.

4.15 Prior to the Turnover Date, any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, specifically setting forth the action to be taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of the Directors, provided, however, whenever assessments are to be

considered, they may be considered only at a meeting of the Directors properly noticed in accordance with the HOA Act.

Section 5. Powers and Duties of the Board

5.1 All of the powers and duties of the Association shall be exercised by the Board except where otherwise required or limited by the Governing Documents or the HOA Act. Such powers and duties of the Board shall include, but not be limited to, all powers and duties set forth in the Governing Documents, as well as all of the powers and duties of a director of a corporation not for profit under the HOA Act and any other applicable Florida law not inconsistent therewith.

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

Section 6. Late Fees and Legal Fees

A member who fails to timely pay any Assessment or other amount due to the Association (a "Delinquent Amount") shall be charged a late charge of Twenty-Five Dollars (\$25) or five percent (5%) of the overdue amount, whichever is greater, by the Association for such late Assessment or Delinquent Amount plus interest at a rate determined by the Board to be charged for the late payment provided such amount does not exceed the highest amount permitted by law. Members shall also be responsible to pay all Legal Fees incurred in connection with the collection of late Assessments or Delinquent Amounts, as applicable, and to foreclose the Association's lien has been commenced. Without limitation, the Board has authorized the collection of the following Legal Fees for such circumstances:

- (a) Legal Fees incurred in the filing of a Claim of Lien;
- (b) Legal Fees incurred in the filing of a Satisfaction of Lien;
- (c) Legal Fees incurred in the preparation and sending of any Notice of Intent to Lien and Notice of Intent to Foreclose; and
- (d) Legal Fees incurred in any action pursuing collection of such unpaid Assessments or Delinquent Amounts, or violation by a Member or their Occupants of any part of the Governing Documents, including those incurred in enforcing the Association's right to recover the aforementioned late charges, interest and Legal Fees.

Section 7. Officers of the Association

7.1 Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of a majority of the Directors at any meeting of the Board. The Board may, from time to time, elect

such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. One person may hold any two offices simultaneously, except when the functions of such offices are incompatible, but no person shall hold the office of President and any other office simultaneously.

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

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

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

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

7.6 The compensation, if any, of the Directors, officers, committee members and other employees of the Association shall be fixed by the Board. Directors and officers shall not receive any compensation from the Association for acting in such capacity or capacities, unless permitted by the HOA Act and approved by a majority vote of the Members present at a Meeting. This provision shall not preclude the Board from hiring a Director or Officer as an employee of the Association or preclude contracting with a Director or Officer, or a party

affiliated with a Director or Officer for the management or performance of contract services for all or any part of Valencia Sound.

Section 8. Resignations; Vacancy; Removal

8.1 Any Director or officer may resign his or her post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer (other than appointees of Declarant) shall constitute a written resignation of such Director or officer.

8.2 Except when contrary to the HOA Act, when a vacancy occurs on the Board, the vacancy shall be filled by the remaining members of the Board at any meeting by electing a person who shall serve the remaining portion of the unexpired term, provided that all vacancies in directorships to which Directors are appointed by Declarant pursuant to the provisions of the Governing Documents shall be filled only by the Declarant and without the necessity of any meeting.

8.3 Any Director elected by the Members other than the Declarant may be removed by: (a) a vote of a majority of voting interests of all of the Members (other than the Declarant) at a special meeting of Members called for that purpose, (b) by written agreement signed by a majority of all such Members' voting interests, or (c) by written ballot without a Meeting in accordance with the HOA Act. The vacancy of the Board so created shall be filled in accordance with the procedures specified in the HOA Act.

8.4 When a vacancy occurs in an office for any cause, the office shall be filled in accordance with the Articles.

Section 9. Accounting Records; Fiscal Management

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

9.2 The Board shall adopt a Budget (as defined and provided for in the Declaration) of the anticipated Operating Expenses for each forthcoming calendar year (the

fiscal year of the Association being the calendar year) at a special meeting of the Board ("Budget Meeting") called for that purpose to be held during the month of November of the year preceding the year to which the Budget applies. Prior to the Budget Meeting, a proposed Budget for the Operating Expenses shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the Budget, the Association shall provide each Member with notice of the Individual Lot Assessment applicable to such Member's Lot and either: (a) a copy of the Budget, or (b) a written notice that a copy of the Budget is available upon request at no charge to the Members. If so requested by a Member, a copy thereof shall be furnished to each requesting Member within ten (10) business days after the Association's receipt of the written request. The copy of the Budget, if requested, shall be deemed furnished and the notice of the Individual Lot Assessment shall be deemed given upon its delivery or upon its being mailed to the Owner shown on the records of the Association at such Owner's last known address as shown on the records of the Association.

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

9.4 Individual Lot Assessments shall be payable as provided in the Declaration.

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

9.6 The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

9.7 A report of the accounts of the Association shall be made annually by an accountant and a copy of the report shall be furnished to each Member who requests same in writing no later than May 31 of the year following the calendar year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Owner at such Owner's last known address as shown on the records of the Association.

Section 10. Rules and Regulations

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

Section 11. Fines and Suspensions

The Board shall have the power and authority, all as provided in the Governing Documents: (i) to impose reasonable fines in amounts determined by the Board from time to time, (ii) to suspend the rights of a Member and/or such Member's Occupants to use the Association Property or any portions thereof, (iii) to suspend the right of a Member to vote, and (iv) to preclude a Member or Occupant from the Association Property or portions thereof for violation by such Member or Occupant of any duty, requirement or restriction imposed under the Governing Documents. Notwithstanding the foregoing, nothing herein shall authorize the Association or the Board to eliminate an Owner's or Occupant's ingress and egress to or from such Member's Lot, provided any access control device or label provided for a Member's or Occupant's convenience may be withdrawn from such party or deactivated as a sanction hereunder. Any such fine or suspension pursuant to this Section 11 shall be governed by the pertinent procedures and requirements of the HOA Act, as same may be amended from time to time.

Section 12. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Members and the Board; provided, however, if such rules of order are in conflict with any of the Governing Documents or the HOA Act, Robert's Rules of Order shall yield to the provisions of such instrument(s). Non-material deviations from Robert's Rules of Order shall not invalidate otherwise proper acts of the Members or the Board.

Section 13. Roster of Owners

Each Owner shall file with the Association a copy of the recorded deed or other document showing his or her ownership interest in Valencia Sound. The Association shall maintain such information as part of the official records of the Association. The Association shall also maintain the electronic mailing addresses and phone numbers of those Owners consenting to receive notice by electronic transmission. The electronic mailing address and numbers provided by Owners consenting to receive notice by electronic transmission shall be removed from Association records when consent to receive notice by electronic transmission is revoked. The Association may rely on the accuracy of such information for all purposes until notified in writing of changes therein. Unless otherwise requested in writing, all phone numbers and electronic mailing addresses shall constitute a part of the official records of the Association and provided to any Member who makes a proper request to inspect such official records of the Association and/or as part of published membership directories of the Association.

Section 14. Amendment of the Bylaws

14.1 These Bylaws may be amended as hereinafter set forth in this Section 14.

14.2 After the Turnover Date, any Bylaw of the Association may be amended or repealed with notice of the subject matter of a proposed amendment to be included in the notice of a meeting at which a proposed amendment is to be considered, and any new Bylaw of the Association may be adopted by either:

(i) a majority vote of the Members who appear in person or by proxy at any Annual Members' Meeting or any special meeting of the Members called for that purpose or by majority action of the Members who have acted by written action in lieu of a Meeting as permitted by these Bylaws; or

(ii) by the affirmative vote of a majority of the Directors then in office at any regular meeting of the Board or at any special meeting of the Board called for that purpose or by written instrument signed by all of the Directors as is permitted by these Bylaws, provided that the Directors shall not have any authority to adopt, amend or repeal any Bylaw if such new Bylaw or such amendment or the repeal of a Bylaw would be inconsistent with any Bylaw previously adopted by the Members.

14.3 Notwithstanding any of the foregoing provisions of this Section 14 to the contrary, until the Turnover Date, all amendments or modifications to these Bylaws and adoption or repeal of Bylaws shall only be made by action of the First Board as described in the Articles, which First Board shall have the power to amend, modify, adopt and repeal any Bylaws without the requirement of any consent, approval or vote of the Members.

14.4 Notwithstanding the foregoing provisions of this Section 14, there shall be no amendment to these Bylaws which shall abridge, prejudice, amend or alter the rights of: (i) Declarant, without the prior written consent thereto by Declarant; or (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee; nor shall any other amendment to these Bylaws be adopted or become effective without the prior written

consent of Declarant for so long as Declarant holds either a leasehold interest in or title to at least one (1) Lot.

14.5 A proposal to amend these Bylaws or the rules and regulations of the Association must contain the full text of the provision to be amended with new language underlined and deleted language stricken. However, if the proposed change is so extensive that underlining and striking through language would hinder, rather than assist, the understanding of the proposed amendment, the following notation must be inserted immediately preceding the proposed amendment: "Substantial rewording. See governing documents for current text." An amendment is effective when recorded in the public records of the County. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

Section 15. Mediation

If and to the extent required by the HOA Act, mandatory mediation before the Department of Business and Professional Regulation (the "Department") shall be required prior to institution of court litigation for disputes involving certain actions or inactions, as described in the HOA Act.

Section 16. Recall of Board Members and Election Disputes

If and to the extent required by the HOA Act, mandatory binding arbitration before the Department shall be required for election disputes and disputes involving the recall of any member of the Board. Any member of the Member-elected Board may be recalled and removed from office as provided for and described in the HOA Act.

Section 17. Interpretation

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

VALENCIA SOUND HOMEOWNERS
ASSOCIATION, INC., a Florida not-for-profit
corporation

By: _____

Salvatore DeJulio, President

Attest: _____

N. Maria Menendez, Secretary

[CORPORATE SEAL]

EXHIBIT "D"

**RULES AND REGULATIONS
OF
VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.**

[See Attached 26 Pages]

NOT A CERTIFIED COPY

VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

GENERAL

These Rules and Regulations are designed for the mutual benefit of all Owners. All Rules and Regulations shall apply to and be binding upon all Owners. Notwithstanding the foregoing, the Rules and Regulations shall not apply to Declarant or Declarant's agents, employees or contractors or to Lots or Homes owned by Declarant until they are conveyed to Owners. All initial capitalized terms used herein, but not defined, shall have the meaning given to such terms as set forth in the Declaration of Covenants, Restrictions and Easements for Valencia Sound, as amended and/or supplemented from time to time (the "Declaration").

1. *Responsibility.* With respect to compliance with the Rules and Regulations, an Owner shall be held responsible for their own actions as well as those of their Occupants, contractors and other persons for whom such Owner is responsible, as well as for the actions of persons over whom Owner exercises control and supervision.
2. *Observance of Governmental Requirements.* All applicable laws, ordinances, codes, orders, rules, regulations and requirements of all governmental bodies having jurisdiction (collectively, "Governmental Requirements") shall be observed. Violations of any Governmental Requirements relating to the Association Property or any Lot or Home shall be corrected by, and at the sole expense of, the responsible Owner and, as appropriate, the violator.
3. *Improper Use.* No improper, hazardous or unlawful use shall be made of the Association Property or any Home or Lot.
4. *Nuisance.* No obnoxious activity shall be carried on at any Home or Lot or in or about any portion of the Community. Nothing shall be done which may be an unreasonable annoyance or a nuisance to any other Owner or which interferes with the peaceful possession or proper use of the Homes or the surrounding areas. Nothing shall be done within the Association Property or any Home or Lot which tends to cause embarrassment, discomfort, unreasonable annoyance or nuisance to any Owner or Owner's Occupants using any portion of the Community.
5. *Disturbance.* No loud noises or noxious odors shall be permitted. None of the following shall be located, used or placed on any Lot or inside any Home, or exposed to other Owners without the prior written approval of the Board of Directors (the "Board"): (a) horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes); (b) noisy vehicles, power equipment, power tools or off-road motor vehicles; or (c) any items which may unreasonably interfere with television or radio reception. Owners shall not operate radios, televisions, musical instruments or any other noise producing items at times or at volume levels which shall disturb others.
6. *Violations.* Violations of any Rule or Regulation shall subject the responsible Owner and/or violator to any and all remedies available to the Association pursuant to the Governing Documents (as defined in the Declaration), including all rules and regulations promulgated by the Association, and the HOA Act. All violations of any of the Rules and Regulations should be reported immediately to the Board or its designees. Violations shall be called to the attention of the responsible Owner(s) and, as appropriate, the violator(s) by the Board or its designees in writing. Disagreements concerning violations shall be presented to and be ruled upon by the Board in accordance with the Declaration and the HOA Act.
7. *Enforcement.* Failure of an Owner to comply with any Rule or Regulation adopted by the Association shall be grounds for action which may include an action to recover sums due for damages, injunctive relief or any combination thereof. In addition to all other remedies for failure to comply with any Rule or Regulation, the Association may suspend any or all of the rights of an Owner or an Owner's tenants, guests or invitees to use the Association Property and facilities (including, without limitation, the Recreation Tract) as provided in the Declaration. In any actions, the Association shall be entitled to recover any and all court costs incurred by it, together with Legal Fees, against the responsible Owner(s) and, as appropriate, any violator(s). In addition, and in the sole discretion of the Board, fines may be imposed upon an Owner for failure to comply with any Rule or Regulation. Procedures for the impositions of fines are spelled out in the Declaration and the HOA Act.
8. *Revocation.* Any waivers of the Rules and Regulations and/or consents or approvals in violation of the Rules and Regulations given by the Board shall be revocable at any time and shall not be considered as a waiver, consent or approval of identical or similar situations unless set forth in writing by the Board.
9. *No Amendment.* The Rules and Regulations contained in this document do not amend any provision of the Declaration. In the event of conflict between the two, the provisions of the Declaration shall prevail.
10. *Further Amendment.* The Board reserves the right to amend, clarify or alter these Rules and Regulations at any time.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

ADDITIONS AND ALTERATIONS

As provided in the Declaration, no Owner shall make any improvement, addition or alteration to such Owner's Lot or the exterior of such Owner's Home without the prior written approval of the Architectural Control Committee ("Committee") and a security deposit in an amount determined by the Board to cover incidental damages caused to Association Property or to an adjacent Lot or Home by virtue of such Owner's construction of improvements, additions, or alterations to such Owner's Lot or the exterior of the Home. All requests for Committee approval of any Improvement (as defined below) must be on the form designated for this purpose by and available from the Association. No changes shall be commenced until such time as the Owner is in receipt of written approval from the Committee.

ARCHITECTURAL CONTROL COMMITTEE ("COMMITTEE"):

All exterior improvements, additions, modifications, decorations or alterations to the Lot or Home (the "Improvement") shall be reviewed by and have written approval given by the Committee prior to the installation or construction thereof. The Committee shall require the submission of plans and specifications showing the materials, color, structure, dimensions and location of the proposed Improvement in sufficient detail to assure compliance with any criteria established for approvals. Submissions shall be accompanied by justification or reasoning for the Improvement and the security deposit, if any, required by the Board to cover the costs of incidental damage caused to Association Property or to an adjacent Lot or Home by virtue of an Owner's construction of improvements, additions or alterations to such Owner's Lot or exterior of the Home. Notwithstanding any criteria established, the Committee shall in its discretion determine whether the Improvement shall be in harmony with or detrimental to the appearance of the Community. The Committee shall approve or disapprove the request within 45 days from receipt of all requested submission plans and materials. In the event the Committee fails to approve or disapprove a request in writing within 45 days of receipt of all requested plans, materials and information, unless a request is specifically deferred, the request shall automatically be deemed disapproved. The Committee shall employ the following minimum criteria for approval or rejection of requests:

- i. Uniformity of type and design in relation to similar improvements.
- ii. Comparability of quality of materials as used in existing improvements.
- iii. Uniformity with respect to color, size and location.
- iv. Consistency with Governmental Requirements.

If approved by the Committee, all construction shall be subject to the terms and conditions set forth in the Committee's approval, the Governing Documents, the Rules and Regulations, and any applicable Governmental Requirements, including, without limitation, obtaining all proper permits.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the Committee or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for Improvements. Note that, even in the event of strict compliance with the following guidelines, prior approval from the Committee shall be required for each and every of the following items:

1. *Painting.* The painting, staining or varnishing of the exterior of the Home, including doors and garage doors, may be approved only if the colors and style are consistent with existing improvements. Declarant's original paint color schemes provided to its original purchasers shall be the basis for determining consistency with existing improvements. No Home shall have the same exterior color scheme as either of the homes placed next to it whose front elevation is on the same street frontage.
2. *Metal or Aluminum Roofs.* Metal or aluminum roofs shall not be permitted.
3. *Temporary Structures.* No tents, trailers, shacks, utility sheds or other temporary buildings or structures shall be constructed or otherwise placed on a Lot.
4. *Antennae.* No antennae, microwave receiving devices, satellite receiving devices, aerials or ham radios shall be placed or erected on any Lot, within any Home or upon any other portion of the Community, except to the extent applicable law requires the Association to permit any such device, in which case such improvement shall be subject to all of the other requirements of the Governing Documents and the Committee to the maximum extent permitted by law. Satellite dishes which are reasonable in size (such as one (1) meter (39.37 inches) or less in diameter), may be approved, subject to any rules adopted by the Association relating to the location and effectiveness with respect to concealing their appearance from adjacent lots and rights of way.
5. *Driveways.* Approval for the widening of driveways may be considered if the width shall be no wider than the outside width of the garage and only if finished with material of a selection, color and style consistent with the original installation. Approval for the refinishing of driveways with brick pavers may be approved only if the colors and styles are consistent with existing improvements and it does not interfere with any existing utilities, as determined by the Association. Widening of driveways of zero lot line homes will only be considered for the non-zero side of the driveway. Owner assumes the responsibility for continued maintenance, repair and replacement of the extended driveway areas. Declarant's original brick paver schemes provided to its original purchasers (on either a standard or optional basis) shall be the basis for determining consistency with existing improvements.
6. *Screen Enclosures.* Approval for screen enclosures shall be limited to aluminum frame structures which are either bronze or white and screen meshes on the enclosure which are a standard dark color (e.g. charcoal, bronze or black). Kick plates may be approved which are no taller than 24" above the patio deck. Obscure screen materials shall be prohibited. No enclosures shall be permitted at the front entries if the proposed structure extends beyond the face of the covered entry, except where functionality of the front door to the home is affected, in which event the enclosure may be extended, but only to the extent the enclosure is no more than 48" from the front door of the Home. No aluminum or flat roofing material shall be permitted. Either the existing roof line may be extended or a screen enclosure may be installed if approved by the Committee. The composition of all pitched roofs shall be consistent with the composition of the existing roof of such home.
7. *Awnings.* An Owner shall not install or attach any awnings to such Owner's Home without the prior written consent of the Committee. The Committee shall have the right to adopt, and amend from time to time, guidelines governing the type, design, size and color of awnings which may be permitted, and restrictions relating to locations and the maintenance of the awnings.
8. *Lighting Fixtures.* Approval may be given for lighting fixtures (e.g. coach lights and entry chandeliers), subject to limited wattage, fixture sizes which are to scale with others in Community and fixture styles which are consistent with others in the Community.
9. *Above Ground Swimming Pools and Spas.* Above ground swimming pools shall not be permitted. Above ground spas shall not be permitted unless: (i) the entire spa is located within the screen enclosure of the Home and (ii) the entire base of the spa shall at all times be screened from view by all adjacent Lot Owners and from the street with the use of hedges and/or landscaping. Owner shall be required to submit a landscaping plan to the Committee to show proper screening of the spa base. Owner shall be responsible to maintain, repair and replace from time to time any hedges and/or landscaping which may be approved as part of the screening requirements for the spa.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS (continued)

10. *Fountains and Sculptures.* Certain fountains may be considered for approval if installed with timers and if to scale within the area of installation. Approved fountains and sculptures may only be installed in the rear yard of an Owner's Lot, but in no event in a manner which obstructs or interferes with the view of a Lake by an adjacent Lot Owner in a material way. Approved fountains and sculptures may be installed only in landscaped regions of the Lot originally created by Declarant. No fountain or sculpture shall be approved or installed which exceeds 48" in height. Fountains shall only be permitted to run between the hours of 8:00 a.m. and 11:00 p.m. No more than two sculptures shall be permitted per Home.
11. *Exterior Lighting.* Except for seasonal decorative lights, which may be displayed between Thanksgiving and January 31 only, all exterior lights must be approved by the Committee.
12. *Conversion of Garages.* Conversion of garages to air conditioned livable space shall not be permitted.
13. *Solar Panels.* An Owner shall not install or attach any solar panel to the Home without the prior written consent of the Committee. The Committee shall have the right to adopt and amend from time to time, guidelines governing the type, design and size of solar panels which may be permitted, and restrictions relating to locations and the maintenance of the solar panels.
14. *Pergolas.* Pergolas may be approved by the Committee, but in no event in a manner which obstructs or interferes with the view of a Lake by an adjacent Lot Owner in a material way. All pergolas must include concrete footers or other mechanism to permanently secure the structure.
15. *Setbacks.* All Improvements (including, without limitation, pools and screen enclosures) shall comply with all setbacks and other dimensional requirements imposed by the appropriate development order for the Community, as well as all other applicable Governmental Regulations.
16. *Review and Inspection Fees.* The Committee may set, establish and charge fees ("Review and Inspection Fees") for, among other things, processing Owner's request for proposed Improvements, review of the plans and specifications for proposed Improvements and inspection of the Improvements constructed by an Owner, which review and inspection may be performed by third parties. The Committee may require such Review and Inspection Fees be paid in advance (i.e., at the time of submission of the Owner's application). In the event any Review and Inspection Fees remain unpaid by an Owner, in addition to the other rights of the Association, the Committee shall have the right, at its option, to: (i) not release the security deposit described below until all Review and Inspection Fees have been paid, or (ii) deduct all unpaid Review and Inspection Fees from any security deposit required to be paid by such Owner. In addition (and in addition to any other remedies under and pursuant to the Governing Documents for a failure of an Owner to perform Owner's obligations), if any Review and Inspection Fees are not paid by an Owner, the Board may levy an Assessment against such Owner for such unpaid Review and Inspection Fees, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.
17. *Security Deposit.* Any Owner desiring to make Improvements may be required by the Committee, depending upon the Improvements being requested and the manner of installation of such Improvements, to provide to the Committee, at the time of the Owner's submission of plans and specifications for review and approval by the Committee, a security deposit in an amount determined by the Board (initially, Five Thousand and No/100 Dollars (\$5,000.00)) to cover costs of incidental damage caused to Association Property or to an adjacent Lot or Home by virtue of such Owner's construction of Improvements. The Committee shall have the sole and absolute discretion to determine whether a security deposit is required for the Improvements being requested. The amount of the security deposit may be increased or decreased as may be determined by the Board from time to time.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

**ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS
FOR OPEN PATIOS, SCREEN ENCLOSED PATIOS AND POOL DECKS**

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the Committee or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for open patios, screen enclosed patios and pool decks. Note that, even in the event of strict compliance with the following guidelines, prior approval from the Committee shall be required for each and every screen enclosure installation:

1. Approval for screen enclosures shall be limited to aluminum frame structures which are bronze.
2. Approval for screen enclosures shall be limited to screen meshes on the enclosure which are a standard dark color (e.g. charcoal, bronze or black).
3. Kick plates may be approved which are no taller than 24" above the patio and/or pool deck.
4. Obscure screen materials shall be prohibited.
5. No enclosures shall be permitted at the front entries.
6. No aluminum or flat roofing material shall be permitted. Either the existing roof line may be extended or a screen enclosure may be installed if approved by the Committee.
7. Open patios, screen enclosed patios and pool decks must maintain the following minimum setbacks, assuming drainage easements and other easements do not exist and assuming that any enclosure is built with a screen roof rather than a solid roof:

POOLS AND SPAS

- Minimum decking behind pool – building code issue, not zoning issue
- Rear yard setback from edge of pool water to property line – non open space lots
- Rear yard setback from edge of pool water to property line - open space lots* (excludes LME)
- Side yard setback from property line to edge of pool water (corner lots)
- Side yard setback from property line to edge of pool water (interior lots)

ZLL's	SF's
per building code	per building code
5'	10.5'
3'	3'
13'	18'
ZLL-3' / NZ-5'	10.5'

SCREEN ENCLOSURES

- Rear yard setback from property line to screen – non open space lots
- Rear yard setback from property line to screen – open space lots* (excludes LME)
- Side yard setback from property line to screen – interior lots
- Side yard setback from property line to screen – corner lots

ZLL's	SF's
2'	7.5'
0'	0'
ZLL-0' / NZ-2'	7.5'
10'	15'

- ZLL - Zero Lot Line
- NZ - Non Zero Lot Line
- SF - Single Family

* An "open space lot" is a Lot that abuts an open space area fifty (50') feet or greater in width.

8. Notwithstanding anything to the contrary contained in these Rules and Regulations, there shall be a minimum two foot (2') setback requirement from the side yard lot line on the "zero lot line" side of a Home for that portion of any open patio, screen enclosed patio and/or pool deck that extends beyond the foot masonry wall extending from such "zero lot line" side of the Home (the "Privacy Wall"). In addition, if an Owner installs or constructs such open patio, screen enclosed patio and/or pool deck between two feet (2') and five feet (5') from the side yard lot line on the "zero lot line" side of a Home, then a hedge must also be installed by said Owner within the two foot (2') setback area along that portion of the open patio, screen enclosed patio and/or pool deck that extends beyond the Privacy Wall in order to provide a vegetative privacy barrier.
9. *Rear Yard Drainage Swale Easement.* Except as expressly provided in this paragraph, no planting, landscaping and/or other improvement whatsoever, including, without limitation, hedges, trees, pool decks, patios, screen enclosures, etc. shall be

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

**ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS
FOR OPEN PATIOS, SCREEN ENCLOSED PATIOS AND POOL DECKS (continued)**

permitted within the rear five (5') feet (the "Rear Yard Drainage Swale Easement") of any "Non-Lake Lot." As used herein, a "Non-Lake Lot" means a Lot in which no portion of such Lot is abutting any portion of a Lake or lake maintenance easement. The Rear Yard Drainage Swale Easement is for drainage and flowage of storm water runoff, and the pipes and other ancillary equipment installed to provide for such drainage and flowage. Notwithstanding the first sentence of this paragraph to the contrary, subject to the prior written approval from the Committee, an Owner of a Non-Lake Lot may install a pool/spa deck, patio and/or screen enclosure within the Rear Yard Drainage Swale Easement provided that such pool/spa deck, patio and/or screen enclosure is constructed in a manner that will not cause storm water runoff to discharge therefrom onto any adjacent property (including, without limitation, any adjacent Owner's Lot or Association Property). In that regard, no pool/spa deck, patio and/or screen enclosure to be constructed within a Rear Yard Drainage Swale Easement shall be approved by the Committee unless such pool/spa deck, patio and/or screen enclosure is designed and constructed in a manner that will retain all storm water runoff within the Non-Lake Lot including, without limitation, installation of a commercial grade deck drain that will collect such runoff and discharge it to the side yard of the Non-Lake Lot. In addition, each Owner of a Non-Lake Lot shall have the right to seek approval from the Committee for the installation of a fence across the Rear Yard Drainage Swale Easement to the rear property line of such Owner's Non-Lake Lot, subject to the terms and conditions of the Governing Documents and the prior approval of the Committee.

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**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS - FENCES

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the Committee or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for fences. Note that, even in the event of strict compliance with the following guidelines, prior approval from the Committee shall be required for each and every fence installation:

1. Only bronze or white colored aluminum rail fences shall be approved. Fence heights shall be 5' in height, with pickets spaced no closer than 3" on center and no thicker than 1", unless otherwise required by the Governmental Requirements.
2. No style of wood, PVC or chain link fence shall be approved.
3. To the extent a hedge or vegetative fence is approved as part of the landscaping of a lot, such hedge or vegetative fence must comply with all fencing guidelines, including, without limitation, height and location restrictions.
4. No fence shall be approved or installed which encroaches into Association Property, other Lots, Lake Maintenance Easements, Lake Maintenance Access Easements, Buffer Areas and/or Drainage Easements.
5. No fence shall be approved which is not set back a minimum of 10' back from the front wall of the Home and at least 5' back from the sidewalk where applicable. No fences shall be attached to a neighbor's Home. In considering requests for fence installations, the following may be taken into consideration: locations of air conditioning units; locations of garage access doors; and positions of adjacent Homes.
6. No fence shall be approved which extends in front of the front corner of a neighbor's Home where the two Homes are immediately adjacent to each other and where both Homes face the same direction.
7. For fences installed on corner Lots whose rear property line is common with the adjacent Lot's side property line and/or whose side property line is adjacent to or visible from a road, a landscape hedge must be installed on the outer side of the fence within the Lot to provide screening. For fences installed on corner Lots whose side property line is adjacent to a street or road, no fences shall be permitted to cross or be installed within any utility easement which runs along such side property line without the approval of the Committee and the utility company occupying the easement.
8. No fence shall be approved which does not provide access to the Owner's neighbor for maintenance of the neighbor's zero lot line wall and roof overhang, if possible. All fences to be installed along the "non-zero lot line" side of a "zero lot line" Lot shall require a gate to provide access to the Owner's neighbor for maintenance of the neighbor's "zero lot line" wall and roof overhang.
9. For any fence, if approved, the Owner shall be responsible for the costs associated with any required removal, repair and/or replacement if that fence is erected on or adjacent to a lot line common with a Lot where the home is not yet under construction or, if under construction, not yet closed to the new owner.
10. For any fence, if approved, the Owner shall be responsible to meet all County requirements and criteria including, but not limited to, proper permitting and surveying.
11. For any fence, if approved, the Owner shall assume the responsibility to maintain the fence, including trimming any grass or other plants from the fence.
12. Except as otherwise provided in the Declaration, no fence shall be approved which: (i) attaches to the boundary or perimeter fence or wall located within any Buffer, Landscaped Area or Grassed Area or other Association Property; or (ii) would otherwise fence-in or enclose any portion of any Buffer, Landscaped Area, Grassed Area or other Association Property.
13. Owners shall not be permitted to attach any items or objects to a fence.
14. In accordance with the Declaration, an Owner who elects to install a fence on any portion of such Owner's Lot shall be required to install access gates in locations approved by the Committee which provide adequate and sufficient access to the Association to perform the maintenance obligations. Such gates shall be five (5') feet wide and may be located in the front, rear and/or sides of the Lot, as determined by the Committee. In the event that access to any portion of a Lot by the Association becomes inaccessible or is impeded in any manner, the Owner of such Lot shall assume the full responsibility for the maintenance and care of the lawn and landscaping located within that portion of the Lot which is inaccessible to the Association, and the Association shall have no further responsibility to do so as long as the Lot remains inaccessible or access is impeded. This maintenance includes, by way of example and not limitation, cutting of the grass, maintaining of

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ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS – FENCES (continued)

the irrigation system, fertilization, spraying, mulching and edging and replacement of sod. There shall be no reduction in the Association assessments for the Owner in return for the preceding maintenance obligation assumed by the Owner.

15. To the extent a hedge is required to be installed as part of the fence approval issued by the Committee, or in the event an Owner desires to install a hedge in lieu of a fence, such hedge shall be subject to the same rules as fences as provided herein and must comply with all fencing guidelines contained within the Governing Documents, including, without limitation, rules regarding providing access to the Association to perform the Association's maintenance obligations, and any and all height and location restrictions.

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ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS – PERMANENT GENERATORS

Without limiting the generality of the criteria included in these Rules and Regulations and without curtailing the right of the Committee or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for a permanent emergency generator and other appurtenances applicable to the permanent generator (collectively, a "Generator System").

1. *Location.* No above-ground portions of a Generator System shall be permitted to be installed within any portion of the front yard of a Lot unless there is not sufficient space on the sides of the Lot to accommodate the Generator System after taking into account applicable easements and setbacks. No portion of a Generator System shall encroach onto: (a) any Association Property, (b) any other Lot in the Community, (c) any easements benefiting or burdening the Lot including, without limitation, utility easements, drainage easements, lake maintenance easements, lake maintenance access easements, zero lot line maintenance and/or roof overhang and encroachment easements, or (d) drainage swales on the Lot. In addition to the foregoing, the locations of the various components of the Generator System shall otherwise comply with all Governmental Requirements. The location of the Generator System shall also comply with all applicable setback requirements set forth in the Association Documents and Governmental Requirements.
2. *Applications; Submittals.* All applications to the Committee for Generator Systems shall include, in addition to other standard information: (a) the make, model, propane capacity and sound level ratings for all components of the Generator System, and (b) an indemnification and hold harmless agreement from the Owner(s) of the Lot in favor of the Association, the Committee and all other Owners. With the application for installation of a Generator System, the Owner shall be required to submit a survey to the Committee showing the general location and placement of all components of the Generator System. The survey shall depict (i) the location of all components of the Generator System including, without limitation, the storage tank and the distances from the Home on the Lot and the Home(s) adjacent to the Lot on the side(s) where the Generator System or any portion thereof is to be installed, (ii) the size and layout of the slab that the physical generator will be installed on, (iii) the location of all easements and applicable setbacks affecting the Lot to show that no portion of the Generator System encroaches thereon, and (iv) the location and size and species of any screening to be installed to screen the above-ground portions of the Generator System as required below.
3. *Screening.* Generators shall at all times be screened from view by all adjacent Lot Owners and from the street using fences, walls or hedges, or a combination thereof, as determined by the Committee. Owner shall submit a landscaping/screening plan to show proper screening of the Generator.
4. *Compliance with Governmental Requirements.* For any Generator System approved by the Committee, the Owner shall at all times be responsible to comply with all Governmental Requirements relating to the installation and use of the Generator System including, without limitation, applicable setback requirements and maximum sound level restrictions. In that regard, all approvals for a Generator System shall require the Owner to obtain all necessary building permits and other approvals required by the Governmental Requirements. Regardless of an approval by the Committee, no Generator System may be installed or used without such building permits and approvals. No portion of an Owner's Security Deposit shall be returned to an Owner unless and until evidence satisfactory to the Committee of such compliance with Governmental Requirements has been delivered to the Committee.
5. *Plumbing.* A licensed and insured LP gas contractor must be used to install any necessary plumbing and/or connections to existing gas lines on the Lot.
6. *Maintenance.* All Generator Systems must be regularly and properly maintained, repaired and replaced, as applicable, by the Owner of the Lot on which such Generator System is installed.
7. *Required Removals.* For any Generator System, if approved, the Owner shall be responsible for the costs associated with any required removal, repair and/or replacement if the Generator System is erected on or adjacent to a lot line common with a Lot where the house is not yet under construction or, if under construction, not yet closed to the new Owner.
8. *Limitations.* Not all Lots in the Community may be able to have Generator System installed thereon due to, among other things, the Governmental Requirements, applicable setback requirements, location of easements and the configuration of the Lot. Accordingly, even if an application for a Generator System is approved by the Committee, there is no guarantee that a particular Lot will accommodate a Generator System thereon. Accordingly, each Owner shall be responsible to confirm that their Lot can accommodate a Generator System prior to making application to the Committee and/or applying for any necessary permits and approvals.

VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
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MAINTENANCE AND APPEARANCE OF HOMES

1. *General.* Each Owner shall keep and maintain such Owner's Home and Lot in good order, condition and repair, and shall perform promptly all maintenance and repair work within the Home and Lot which, if omitted, would adversely affect the Community, other Owners or the Association. Maintenance obligations are more fully defined in the Declaration.
2. *Personal Property.* The personal property of an Owner shall be stored inside such Owner's Home or garage and not be visible to surrounding neighbors or from Association Property.
3. *Hurricane Season.* Each Owner who plans to be absent from such Owner's Home during the hurricane season shall prepare the Home and Lot prior to departure by removing all furniture, potted plants and other movable objects, if any, from the covered patio or screen enclosure area and from the outside of the Home. The Owner shall also designate a responsible firm or individual satisfactory to the Association to care for the Home and Lot should it suffer hurricane damage and shall furnish the Association with the name of the designated firm or individual.
4. *Hurricane Shutters.* No hurricane shutters shall cover window or door openings except during periods of a hurricane watch or a hurricane warning that impacts the Community. Any removable tracks which have been installed by Declarant or approved by the Committee as part of a hurricane shutter package shall not also remain installed on a Home other than during periods of a hurricane watch or a hurricane warning. An Owner shall remove any removable type of hurricane shutters attached to the Home immediately after a hurricane watch or a hurricane warning has been lifted. In that regard, if an Owner installs removable hurricane shutters on the Home during a hurricane watch or a hurricane warning and thereafter leaves the Home, that Owner must either: (a) immediately return to the Home after the hurricane watch or hurricane warning has been lifted and remove such hurricane shutters from the Home; or (b) make arrangements for another individual to remove such hurricane shutters from the Home immediately after the hurricane watch or hurricane warning has been lifted. The installation of hurricane shutters, other than those provided by Declarant (if any), shall require Committee approval.
5. *Window Decor.* Window treatments (drapery, blinds, decorative panels or other tasteful window coverings) are permitted; however, the color of any portions of a blind, decorative panel or window treatment which are visible from the exterior of the Home must be neutral and otherwise consistent with the color scheme of the existing improvements. No newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding two (2) weeks after an Owner first moves into a Home, or when permanent window treatments are being cleaned or repaired.
6. *Landscape Material.* Except only for the Home Landscaping Services (as described in the Declaration) to be performed by the Association in accordance with the Governing Documents, Owner shall maintain, repair and replace all landscaping on such Owner's Lot. No trees, shrubbery or landscaping shall be removed from, altered or added to Lots without the prior written consent of the Committee. No additional trees, shrubbery or landscaping are permitted to be planted by an Owner on the Lot without the prior written consent of the Committee. In the event that the Committee approves any additional trees, shrubbery or landscaping to be installed on the Lot which was not initially installed by Declarant, the Association's Home Landscaping Services will not include the maintenance and care of such additional material. Replacement of dead, dying or decaying sod, trees, shrubs, landscaping and other plant materials within the Lots regardless of the reason whatsoever, shall be the obligation of the Owner of the Lot upon which replacement is required. Such replacement shall be with replacement material of similar size and species if the being replaced unless approved by the Committee. Notwithstanding the foregoing, the installation of Areca hedges upon a Lot shall not be permitted. No landscaping shall be installed on Lake Lots which shall interfere with the view of the Lake from other Lake Lots.
7. *Alteration of Drainage.* No sod, top soil, fill or muck shall be removed from or added to Lots without prior written consent of the Committee. No change in the condition of the soil or the level of land shall be made which would result in any permanent change in the flow or drainage of surface water within the Community or on the Lot.
8. *Air Drying.* No linens, cloths, clothing, curtains, rugs, mops, laundry of any kind or other articles shall be hung, dried or aired from any window, door, fence or balcony, or in such a way as to be visible to any other Owner. Clotheslines may be approved if reasonable in size, style, location and effectiveness with respect to appearance from adjacent lots and rights of way.
9. *Basketball Hoops.* No permanent basketball hoops are permitted to be installed on the Lot. Temporary or mobile basketball hoops shall not be permitted except for temporary moveable units that are stored in a garage when not in use. When not stored, units must be located such that the base and rim are entirely within the Lot and not in the right-of-way bounding the Lot.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
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TRASH AND OTHER MATERIALS

1. No rubbish, trash, garbage, refuse, tree limbs, grass clippings, hedge trimmings or other waste material ("Trash") shall be kept or permitted on the Lots or Association Property except in sanitary self-locking containers located in appropriate areas (i.e., areas not visible from the street or any other Lot other than at times of scheduled curbside Trash pick-up). For curbside pick-up, Trash shall be placed in sanitary self-locking containers.
2. Trash that is required to be placed at the front of a Lot in order to be collected may be placed and kept at the curb after 5:00 p.m. on the day before the scheduled day of collection, but not sooner. All Trash containers shall be removed after pick-up on the day of collection.
3. No odors shall be permitted to arise from Trash containers so as to render any portion of the Community unsanitary, offensive or a nuisance to any Owners, to the Association Property or to any other property in the vicinity.
4. No stripped-down vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse or Trash shall be stored or allowed to accumulate on any portion of the Community.
5. Each Owner shall regularly pick up all Trash around the Home and Lot.

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**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

PARKING AND VEHICULAR RESTRICTIONS

1. Parking shall be permitted only on driveways, inside garages and the designated parking areas within the Association Property of the Community. No parking on the streets or swales is permitted.
2. No vehicle parked in the driveways shall be positioned in such a manner as to hinder, impede or obstruct traffic on the streets of the Community.
3. Only vehicles belonging to authorized persons actively using the Recreation Tract are permitted to be parked in the Recreation Tract parking lot. The parking spaces in the Recreation Tract shall not be utilized for parking other than during periods of use of the Recreation Tract by the vehicle's owner.
4. No commercial vehicles, or campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers, horse trailers or vans, shall be permitted to be parked or to be stored at any place on the Lot, except in: (i) enclosed garages, and (ii) spaces for some or all of the above specifically designated by Declarant or the Association, if any. For purposes of this Section, "commercial vehicles" shall mean those which are not designed and used for customary, personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle; however, the presence of such graphics or lettering shall create a presumption that the vehicle is commercial unless otherwise determined by the Board. The prohibitions on parking contained in this Section shall not apply to temporary parking of trucks and commercial vehicles, such as for temporary construction use or providing pick-up and delivery and other commercial services, nor to passenger-type vans with windows for personal use which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of the Declarant or its affiliates. All Owners and other occupants of Homes are advised to consult with the Association prior to purchasing, or bringing onto the Lot, any type of vehicle other than a passenger car inasmuch as such other type of vehicle may not be permitted to be kept within the Community.
5. No repairs of vehicles shall be made within the Community unless the repairs take less than twenty-four hours. The only exceptions to the preceding shall be: (a) emergency repairs; and (b) repairs made within the garage of the Home and with the garage door closed.
6. Disposal of drained automotive fluids is not allowed within the Community.
7. Vehicles which cannot operate under their own power and/or which remain within the Community for more than seventy-two (72) hours shall be towed at the Owner's expense, unless parked on the Owner's driveway or inside the Owner's garage.
8. All vehicles shall be kept in proper operating condition so as not to be a hazard or a nuisance by noise, exhaust emission, appearance or otherwise.
9. No Owner shall keep any vehicle on the Lot which is deemed to be a nuisance by the Board.
10. No Owner shall perform restorations of any motor vehicle, boat or other vehicle within the Community unless made within the garage of the Home and with the garage door closed.
11. Car washing shall be permitted only on an Owner's driveway.
12. Owners shall maintain a current registration and all required insurance coverages for all vehicles parked within the Community.
13. Golf Carts.
 - (a) No gasoline-powered golf carts shall be operated within the Community, except as may be owned and operated by the Declarant or the Association. All other golf carts shall be powered by electricity or by similar non-combustion means.
 - (b) When not in use, golf carts shall be parked or stored within the garage of the Home and with the garage door closed. Golf carts may only be operated upon the paved roadways located within the Community. Operators of golf carts shall abide by all traffic regulations applicable to vehicular traffic and shall operate their golf cart in accordance with all manufacturers' and other safety recommendations. The operator shall not impede the flow of traffic. The Association may restrict, prohibit or regulate the use of golf carts upon heavily traveled roadways within the Community if the Association determines such use is incompatible with the normal and safe movement of traffic.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
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PARKING AND VEHICULAR RESTRICTIONS (continued)

- (c) Any person operating a golf cart within the Community shall carry and maintain a valid driver's license. Golf carts may be operated only during the hours between sunrise and sunset, unless the golf cart is equipped with headlights, brake lights, turn signals and a windshield. Each owner of a golf cart operated within the Community shall keep the golf cart in good condition and appearance. Each golf cart shall be equipped with efficient brakes, reliable steering apparatus, safe tires, a rearview mirror and red reflectorized warning devices in both the front and rear. No owner of a golf cart may modify their golf cart in a manner that affects the recommended mode or operation, speed or safety of the vehicle. Appropriate written warnings and/or violations will be issued where deemed appropriate or necessary by the Association. The issuance of two written warnings or violations will suspend an Owner's golf cart privileges for one year. Five such warnings and/or violations within one year will permanently revoke such Owner's golf cart privileges within the Community.
- (d) Each Owner (regardless of whether the Owner is the operator) and each operator of a golf cart (regardless of whether they are owner of the golf cart) will be responsible, jointly and severally, for any and all damage to property and injuries to persons (including death) caused by and/or resulting from its ownership and/or operation of a golf cart in the Community. Accordingly, EACH SUCH OWNER AND OPERATOR, JOINTLY AND SEVERALLY, SHALL AND HEREBY AGREES TO, INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION, THE BOARD, DECLARANT AND THE OTHER MEMBERS OF THE ASSOCIATION, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, SECONDARY, INCIDENTAL, CONSEQUENTIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES) RELATED TO, ARISING OUT OF AND/OR RESULTING FROM THE OWNERSHIP, OPERATION, MAINTENANCE AND/OR USE OF A GOLF CART IN THE COMMUNITY.
14. All Owners and their Occupants will obey the parking regulations imposed and/or posted by the Association in the private streets, parking areas and drives, and any other traffic regulations promulgated in the future, for the safety, comfort and convenience of Owners.
15. The operation of motorized scooters, go-carts, and other non-licensed or non-registered vehicles shall be prohibited in the Community except: (a) non-licensed and non-registered wheelchair or similar vehicles may be used for the transportation of disabled persons; and (b) golf carts which may be operated within the Community in accordance with the rules and regulations set forth herein.
16. The Board shall make a reasonable attempt to give notice to the owners of offending vehicles. If such vehicle is not removed or if the violation is not corrected, the Board may have the offending vehicle towed at the expense and risk of the owner of the vehicle.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

ANIMALS AND PETS

1. Ordinary house pets are permitted subject to the guidelines contained herein. Ordinary house pets shall include dogs (except Pit Bulls, Rottweilers, Presa Canarios (canary dog) and "Dangerous Dogs" – all as provided in the Declaration), cats, caged domesticated birds, hamsters, gerbils, guinea pigs, aquarium fish, small snapping turtles and tortoises, domesticated rabbits and pets normally maintained in a terrarium or aquarium. The Board may determine, in its discretion, a maximum number of pets permitted per household.
2. Under no circumstances shall a Pit Bull, Rottweiler, Presa Canario (canary dog) or Dangerous Dog be permitted on the Property. As used in the Declaration: (i) a "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds; and (ii) a "Dangerous Dog" is defined as a dog which meets any one (1) of the following criteria: (a) has aggressively bitten, attacked, endangered or has inflicted severe injury on a human being at any time whether on or off the Property, (b) has severely injured or killed a domestic animal at any time whether on or off the Property, or (c) has, when unprovoked, chased or approached any person upon the Streets, Drives, Roads, Avenues, Roadways and/or Sidewalks, or any other portion of the Property in a menacing fashion or apparent attitude of attack; provided, however, a dog shall not be a "Dangerous Dog" if the threat, injury, death or damage was sustained by a person who, at the time, was unlawfully on the Property (or any portion thereof), or, while lawfully on the Property (or any portion thereof), was tormenting, abusing or assaulting the dog, its owner or family member, or its handler; provided further, that no dog may be a "Dangerous Dog" if the dog was protecting or defending a human being within the immediate vicinity of the dog from an unjustified attack or assault.
3. Notwithstanding the foregoing, breeding of any animals or pets, including ordinary house pets, or any other keeping of pets for any commercial purpose whatsoever within the Community is prohibited.
4. Unusual pets shall not be kept, raised, bred or maintained on any portion of the Community, including the Home, Lot and Association Property. Unusual pets shall include, by way of example and not limitation, those animals not generally maintained as pets, such as poultry, livestock, horses, large reptiles, anthropoids, felines other than cats, canines other than dogs, rodents, birds and other creatures other than those listed in paragraph 1 above, or not maintained in a terrarium or aquarium. Pit Bulls, Rottweilers, Presa Canarios (canary dog) and Dangerous Dogs (all as provided in the Declaration) are also classified as unusual pets and are, therefore, prohibited.
5. Pet owners are responsible for any property damage, personal injury or disturbance which their pet may cause or inflict. Each Owner who determines to keep a pet agrees to indemnify the Association and hold the Association harmless against any loss or liability of any kind or character whatsoever arising from or growing out of such Owner having any animal in the Community.
6. Pets shall not be left unattended outside the Home. No pet shall be kept tied up outside of a Home or in any covered or screened porch or patio, unless someone is present in the Home.
7. All dogs and cats shall be walked on a leash and in full control by their owners at all times. Any pet shall be carried or kept on a leash when outside of a Home or outside of a fenced-in area.
8. Any solid animal waste shall be immediately picked up and removed and shall not be deposited on or within the Association Property.
9. All pets shall have and display, as appropriate, evidence of all required registrations and inoculations and the name and address of its owners.
10. Every female animal, while in heat, shall be kept confined in the Home by its owner in such a manner that she shall not be in contact with another animal nor create a nuisance by attracting other animals.
11. If any pet becomes obnoxious to the Owners by barking or otherwise, the owner of the pet shall cause the problem to be corrected. If the problem is not corrected, then the Owner, upon written notice from the Association, shall be required to dispose of the animal.
12. No Owner shall inflict or cause cruelty upon or in connection with any pet.
13. The foregoing are in addition to the other rules, regulations and restrictions governing animals and pets set forth in the Governing Documents.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
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USE AND ENJOYMENT OF LAKES

1. Owners and their Occupants shall be permitted to engage in "catch and release" fishing in the Lakes. Notwithstanding the preceding, an Owner shall only access a Lake from the Lake Maintenance Easement area which immediately abuts such Owner's Lot if such Owner's Lot is a Lake Lot. If the Owner's Lot is not a Lake Lot, or if an Owner of a Lake Lot wishes to access a different Lake or another area of the same Lake, then access to the Lake shall be exclusively from the Lake Maintenance Easement area abutting Association Property. If no portion of a Lake Maintenance Easement abuts Association Property, Owners other than Lake Lot Owners whose Lots abut the Lake shall not be permitted access to the Lake.
2. No Owner shall be permitted access to or to fish from any Lake Maintenance Easement or Lake Bank area which immediately abuts a Lake Lot owned by another Owner.
3. Lake Lot Owners and their Occupants shall be permitted to operate non-motorized and electric watercraft in the Lakes. No other persons shall be entitled to operate watercraft in the Lakes. Watercraft shall be limited in size to 18' in length.
4. No planting, fencing or other improvements or additions to the grassed area surrounding the lake and outside the Lot is permitted.
5. No installation of sand or other materials intended to simulate a beach is permitted along the Lake banks or within the Lake Maintenance Easements along the rear yards of Lake Lots.
6. Swimming and the operation of fuel-powered watercraft in the Lakes are prohibited.
7. Watercraft and trailers shall not be stored on the Lake Banks or in the easement areas. No watercraft (including watercraft permitted to be used within the Lakes of the Community) may be stored on a lake bank, in a Lake Maintenance Easement or Lake Maintenance Access Easement, within the rear yard of a Lot or otherwise visible in any manner on a Lot.
8. In no event shall any Owner cause any erosion or change in grade of any Lake bank slope from design grade.
9. Littoral plantings are installed in accordance with the permitting requirements of the Palm Beach County Environmental Resource Management Department and the Water Management District and may not be altered, relocated, destroyed, damaged or removed by an Owner.

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RULES AND REGULATIONS**

LEASING OF HOMES

1. No portion of a Home, other than an entire Home, shall be rented by the Owner. No Home, or portion thereof, shall be sub-let.
2. All leases shall provide that the right of the tenant to use and occupy the Home and the Association Property shall be subject and subordinate in all respects to the provisions of the Governing Documents.
3. All leases shall provide, and if they do not so provide then the leases shall be deemed to provide, that the Association shall have the right to terminate the lease upon the tenant's failure to observe any of the provisions of the Governing Documents.
4. Each Owner shall be required to use a lease addendum which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association. Even if such lease addendum is not included, each lease entered into by Owner for a Home shall be deemed to include the foregoing by this reference.
5. All leases shall provide for a minimum lease term of seven (7) months. No lease shall provide for an early lease termination which would reduce a lease term to a period of less than seven (7) months except in the event of a default by the tenant. No Home may be rented more than one (1) time during any twelve (12) month period.
6. The Owner of a leased Home shall be jointly and severally liable with such Owner's tenants for compliance with the Governing Documents and to the Association to pay Assessments and/or any claim for injury or damage to persons or property caused by the acts or omissions of the tenant and/or those for whom the Owner is responsible.
7. No Owner may lease the Home unless at least one of the intended occupants is fifty-five (55) years of age or older at the time of the occupancy. Any Owner who leases the Home shall submit an age verification form to the Association prior to the effective date of such occupancy. The Board, however, shall have the right, in its sole discretion, to waive this requirement based upon criteria included in the Declaration but not if more than twenty percent (20%) of the Homes will not have at least one occupant fifty-five (55) years of age or older.
8. The Owner shall provide the Association with a copy of all executed leases in their entirety for the Home.
9. A person occupying a Home for more than one (1) month without the Owner or tenant or a member of the Owner's or tenant's family being present shall not be deemed a guest, but rather, shall be deemed a tenant for purpose of the provisions of the Declaration and these Rules and Regulations which apply to tenants.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

MISCELLANEOUS RULES AND REGULATIONS

1. *Signs.* No sign, display, poster, advertisement, notice or other lettering whatsoever (including, without limitation, "For Sale", "For Rent" or "By Owner" signs) shall be exhibited, displayed, inscribed, painted or affixed in public view of any portion of a building, vehicle or other Improvement in the Community (including, without limitation, a Home) without the prior written approval of the Board, which approval may be given, conditioned, withheld or denied in the sole and absolute discretion of the Board. Notwithstanding anything to the contrary contained in these Rules and Regulations, the Board shall not approve any sign, display, poster, advertisement, notice or other lettering which is or in the nature of a "For Sale", "For Rent", "By Owner" or any other similar sign for the sale or renting of a Home for so long as Declarant owns a Lot in Valencia Sound or so long as Declarant or any of Declarant's affiliates (or any of their respective successors or assigns) are conducting sales and marketing of Homes in Valencia Sound or other communities developed or marketed by Declarant or its affiliates, whichever is later.
2. *Barbecuing.* If Owners barbecue on covered or screened patios or at a close distance away from the Homes, then those Owners shall take responsibility to clean or paint over any smoke discoloration which may result from such activities.
3. *Chemicals.* Except as otherwise specifically provided herein, Owners shall not keep any flammable, combustible or explosive fluids, fuels, chemicals or substances in any Home, its adjacent yard area or within the Association Property. No above-ground or underground propane or other fuel storage tanks shall be permitted except only for customary propane tanks associated with barbecue grills. Any such propane tanks and household substances shall be maintained in accordance with the prescribed use and safety instructions but in no event shall they be installed or stored on Association Property.
4. *Moving.* Owners or tenants who are moving in or out of the Community shall do so between the hours of 8:00 am and 9:00 p.m. Portable self-storage containers are permitted but may not be stored outside of the Home for more than 48 hours. Portable self-storage containers shall be placed entirely within the Lot and not in the right-of-way bounding the Lot. At no time shall such units be placed on Association Property.
5. *Solicitation.* All door-to-door commercial solicitation is prohibited. Placing of materials in mailboxes or on or within any portion of the Homes or Lots is strictly prohibited unless express written permission is granted by the Board.
6. *Resident Directory.* Use of addresses, phone numbers and e-mail addresses set out in any resident directory is for official Association use only. The resident directory and all information therein contained may not be used by any Owner for their own political, charitable, or business purposes. Any contact information (including, without limitation, e-mail addresses) provided to the Association or included in any correspondence to the Association may be used by the Association. All contact information in the Association's records may be included in the resident directory unless Owner sends written notice to the Association directing that such contact information not be included in the resident directory.
7. *Hunting, Trapping or the Possession/Use of Firearms.* Hunting, trapping, or the possession/use/discharge of firearms, including but not limited to, hand guns, rifles, shotguns, BB guns, pellet guns, paint guns, slingshots and bows and arrows, are not permitted anywhere in the Community. This rule shall not prohibit an Owner from keeping a lawful firearm: (a) in such Owner's Home, or (b) on such Owner's person strictly in accordance with a lawfully issued Florida concealed weapons license.
8. *Garage/Yard Sale.* No Owner shall be permitted to conduct or hold a garage sale, yard sale, tag sale or other similar sale from any portion of their Lot.
9. *Recording and Broadcasting of Association Meetings.* Owners shall provide not less than twenty-four (24) hour advance written notice to the Board expressing their desire to utilize any audio or video equipment at an official meeting of the Board or an official meeting of the Owners (collectively, "Association Meetings"). The only audio and video equipment and devices which Owners are authorized to utilize at any such meeting is equipment which does not produce distracting sound or light emissions. All audio and video equipment shall be assembled and placed in position in advance of the commencement of Association Meetings. Owners videotaping or audio recording Association Meetings shall not be permitted to move about the meeting room in order to facilitate the audio or video recording. Owners who have audio or video recorded an Association Meeting shall not share such audio or video recording with non-Owners. Live streaming and/or broadcasting of Association Meetings, including, without limitation, through Periscope, Facebook Live, Twitter, Instagram or other similar social media platforms, is prohibited. These rules only apply to official Board meetings, Annual Members' Meetings and special meetings of the Members scheduled in accordance with the Governing Documents; thus, no other meetings may be recorded, live streamed and/or broadcasted in any manner whatsoever.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

MISCELLANEOUS RULES AND REGULATIONS (continued)

10. *Outdoor Furniture.* Outdoor furniture shall be permitted only in the rear yard of a Lot, provided the Owner assumes the responsibility for maintenance, including the control of mildew, rust, wood rot and deterioration of equipment components.

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**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

GENERAL USE OF ASSOCIATION PROPERTY AND RECREATION AREAS

"Recreation Areas" as used herein shall mean and refer to the Recreation Tract (as defined in the Declaration), the Passive Rec Areas (as defined in the Declaration), and any portion thereof, including, without limitation, recreation amenities, facilities and equipment located thereon and therein.

1. *Responsibility:*

- a. ALL PERSONS USING ASSOCIATION PROPERTY, INCLUDING BUT NOT LIMITED TO THE RECREATION AREAS, SHALL DO SO AT THEIR OWN RISK. The Association and its Board assumes no responsibility for any accident or personal injury or for any loss or damage to personal property arising out of or in connection with the use of Association Property in general, including but not limited to, the Recreation Areas or any portions thereof. Persons using Association Property, including but not limited to the Recreation Areas, agree not to hold the Association or the Board liable for actions of any kind or nature whatsoever occurring on or within the Association Property, including but not limited to the Recreation Areas.
- b. With respect to the use of Association Property, including but not limited to the Recreation Areas, an Owner shall be held responsible for his/her actions and the action and conduct of such Owner's Occupants. Decorum, good conduct and safety shall be observed and shall be strictly enforced.
- c. Any damage to Association Property, including the Recreation Areas, which is caused by any Owner or Owner's Occupants shall be repaired or replaced at the expense of the Owner.
- d. The use of Association Property, including but not limited to, the Recreation Areas, by persons other than an Owner or such Owner's Occupants is strictly prohibited and shall be at the risk of those involved and not, in any event, the risk of the Association or its manager. Use of the Tennis Courts and facilities by persons other than Occupants of Owner shall be pursuant to the "Rules for Tennis Courts and Tennis Facilities" section set forth herein.
- e. The Association shall not be responsible for any personal injury (including, without limitation, death) or any loss or damage to any personal property within Association Property including but not limited to, the Recreation Areas, regardless of where such property is kept, checked, left or stored on the premises.
- f. The Association shall have the right to require Owners (on behalf of themselves and their Occupants) to execute a Recreational Amenities Release and Waiver in a form acceptable to Association prior to use of the Recreational Areas or participation in any activities sponsored, promoted or set up by the Association.

2. *General Use Restrictions:*

- a. The Association Property, including but not limited to, the Recreation Areas, any portions thereof, and all facilities and amenities located thereon, shall be solely for the use of the Owner and such Owner's Occupants, subject to the provisions of the Governing Documents. The Association retains the right to limit the number of guests or invitees per household that are permitted to: (i) use the Recreation Areas, and/or (ii) participate in any activities sponsored, promoted and/or set up by the Association.
- b. Any use of the Recreation Tract, or any other portion of Association Property, for any private use shall be submitted for prior approval to the Board or its manager. For this purpose, "private use" shall include, by way of example but not limitation, any of the following: private lessons (such as swimming lessons or tennis/pickleball lessons), group lessons, instructional classes, aerobics classes, weight training instruction, exercise classes (including karate or other martial arts classes), social meetings, fraternal meetings, political meetings, religious group meetings, parties, socials, barbecues, seminars, educational classes, computer training courses, and motivational speakers.
- c. The Association shall have the right to require that all guests and invitees register and/or obtain a guest pass or other authorization prior to the guests' and invitees' use of the Recreation Areas and/or participation in any activities sponsored, promoted or set up by the Association.
- d. Residents shall accompany and remain with their guests and invitees to the Recreation Areas, unless the guest or invitee obtains a guest pass or other authorization from the Association.
- e. Pets shall not be permitted in the Recreation Areas.
- f. The walkways and entrances of the Recreation Areas and facilities located thereon and therein shall not be obstructed or used for any purpose other than ingress and egress.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

GENERAL USE OF ASSOCIATION PROPERTY AND RECREATION AREAS (continued)

- g. No grilling, barbecuing or cooking of food shall be permitted within the Association Property except in those areas designated for such purposes by the Association.
3. *Cleanliness:*
- a. It is prohibited to litter or cause debris to be put in any of the Association Property, including the Recreation Areas. Owners and Owner's Occupants shall cause to be removed or disposed of all rubbish, garbage, trash, refuse or other waste materials generated during their respective use within any Recreation Areas or other Association Property.
 - b. No personal articles shall be allowed to stand overnight in any of the Association Property.
 - c. No garbage cans other than those provided by the Association, supplies, water bottles or other articles shall be placed or left within in the Association Property, including the Recreation Areas.
4. The Board has and reserves the right, from to time and in its sole discretion, to create, adopt, impose, alter or amend rules and regulations relating to the use of any portion of the Association Property, including the Recreation Tract, the Clubhouse and the facilities and/or amenities therein.

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**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE CLUBHOUSE

1. *Clubhouse Use:*

- a. Clubhouse hours shall be 7:00 a.m. to 11:00 p.m. Time extensions for social or community events may be granted at the discretion of the Board. Activities outside the Clubhouse shall not be allowed after 9:00 p.m. without the prior approval of the Board. The foregoing time restrictions shall not apply to activities which have been organized by the Association.
- b. All persons sixteen (16) years of age and younger shall be accompanied by an Owner or supervising adult twenty-one (21) years of age or older. Notwithstanding the foregoing, such persons 16 years and younger may be restricted from entering specified spaces within the Clubhouse designated by the Board from time to time.
- c. The Clubhouse shall not be used at any time for religious services by any sect, cult or group with the following exception: In the spirit of respect and togetherness, a table decoration of a lighted Chanukah Menorah and a Christmas tree, not to exceed eight (8) feet in height, may be displayed in the Clubhouse during the December holiday season.
- d. All belongings shall be removed from the Clubhouse when leaving. The Association and its Board shall not be responsible for belongings lost or stolen.
- e. No immoral, offensive or unlawful use shall be made of the Clubhouse. All Governmental Requirements shall also be strictly observed.
- f. Equipment and supplies shall not be stored in any location other than as specifically approved in writing by the Board.
- g. No signs, notices or photos shall be posted on any of the walls or windows of the Clubhouse, other than on bulletin boards, if made available by the Association for that specific purpose. All postings must first be approved by the Board.
- h. All Community events and meetings shall supersede the use of all other events throughout the Clubhouse.

2. *Code of Conduct for the Clubhouse:*

- a. No smoking (including e-cigarettes) in the Clubhouse or any rooms therein shall be allowed.
- b. No food or beverages other than bottled water are permitted in the card rooms.
- c. No breakable containers shall be permitted outside of the restaurant and lounge.
- d. Alcoholic beverages may not be served to anyone under the age of 21 or to intoxicated persons.
- e. Proper attire shall be worn in the Clubhouse.
- f. Bare feet, bare chests and swimsuits shall be prohibited in the Clubhouse, other than to use the locker room facilities provided that entry to and exit from the Clubhouse is through the door adjacent to the locker rooms directly accessing the Pool Area (as hereafter defined).
- g. An Owner shall be responsible for repair and/or replacement costs incurred as a result of deliberate, careless or irresponsible behavior resulting in damage to the Clubhouse furniture, accessories, appliances and/or any related equipment caused by the Owner and/or Owner's Occupants for whom the Owner is responsible.
- h. Boisterous or profane language shall not be used in the Clubhouse.
- i. A one (1) hour time limit shall apply on all pool tables when someone is waiting.

3. *Rules for Use of Fitness Center and Exercise Studio:*

- a. Fitness Center and Exercise Studio hours shall be as established by the Board from time to time
- b. All personal belongings shall be removed from the Fitness Center and Exercise Studio when leaving. The Association and its Board shall not be responsible for belongings lost or stolen
- c. All equipment shall be used at the risk of the person exercising.
- d. All persons must be sixteen (16) years or older to utilize the exercise room.
- e. Athletic shoes and shirts shall be worn at all times.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE CLUBHOUSE (continued)

- f. As a courtesy to others, people exercising are requested to allow others to work in with them.
 - g. A thirty (30) minute time limit shall apply on all cardio-vascular equipment when someone is waiting.
 - h. Equipment shall be wiped down after usage. Accordingly, people exercising are requested to bring a towel to the exercise room and fitness center for that purpose.
4. *Renting of the Social Hall and Kitchen:*
- a. Renting of the Social Hall and Kitchen shall be prohibited except only by sanctioned Valencia Sound clubs.
 - b. Reservations of the Social Hall and Kitchen may only be made by sanctioned Valencia Sound clubs, but must first be approved by the Board.
 - c. Any authorized person or group reserving the Social Hall and Kitchen shall have the care, custody and control of the Social Hall and Kitchen during the period the facility is reserved and shall, therefore, be responsible for any and all costs for repairs and/or replacement to the Social Hall and Kitchen, its furniture, equipment, accessories, appliances and the like which are damaged or destroyed for any reason while under their care, custody and control.
 - d. Sanctioned Valencia Sound clubs wishing to reserve the Social Hall and Kitchen must contact the Social Director to reserve a date and time. A minimum \$200 deposit shall be due and payable at the time of reservation. The deposit shall be refunded if there has been no damage, misuse or theft to the Social Hall and Kitchen or its components and if the Social Hall and Kitchen is left clean. The amount of the required deposit and the non-refundable portion of the deposit, if one is required, may be amended by the Board at any time and from time to time.
 - e. Any authorized person or group using the Social Hall and Kitchen shall be responsible for the care and cleaning of the facility, including the kitchen. All furnishings and equipment shall be replaced to their previous locations, but in no event shall they be removed from the Social Hall and Kitchen.
 - f. Major community meeting dates shall supersede the use of all other events in the Social Hall and Kitchen.
5. Use of the Clubhouse shall also be governed by all other applicable Rules and Regulations adopted by the Board from time to time, including but not limited to those concerning the "General Use of Association Property and Recreation Areas".

VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

RULES FOR THE SWIMMING POOL AREA

"Pool Area" as used herein shall mean and refer to the resort pool, swimmers' pool/lap pool, resistance pool, wading pool, spa shade cabanas and the general pool deck area.

1. *Pool Area Use:*

- a. THERE SHALL BE NO LIFEGUARD ON DUTY. ALL PERSONS USING THE POOLS, SPA OR OTHER WATER FACILITIES IN THE POOL AREA SHALL DO SO AT THEIR OWN RISK, INCLUDING, WITHOUT LIMITATION, ALL RISK OF PERSONAL INJURY AND/OR DEATH. The Association and its Board assumes no responsibility for any accident, personal injury and/or death or for any loss, theft or damage to personal property arising out of or in connection with the use of the pools, spa and/or the Pool Area in general. Persons using the pools, spa or Pool Area agree not to hold the Association or the Board liable for actions of any nature occurring within the Pool Area including, without limitation, any personal injury and/or death.
- b. Pool Area hours are from Dawn to Dusk, but in no event later than 9:00 p.m. Outdoor recreation lights shall be turned off no later than 9:00 p.m. Prior to 8:00 a.m., the use of the Pool Area shall be restricted only to Owners and their guests and/or invitees with a pass. Owners are responsible for the actions of their guests and/or invitees. No use prior to 7:00 a.m. shall be allowed which is deemed disruptive to the peaceful enjoyment of those residents living in close proximity to the Pool Area. Activities scheduled by the Association in the Pool Area takes precedence over individual use.
- c. All persons sixteen (16) years of age or younger using the resort pool shall be accompanied by an Owner or supervising adult twenty-one (21) years of age or older. No persons sixteen (16) years of age or younger are permitted in the swimmers' pool, resistance pool and spa. The children's wading pool is reserved for children eight (8) years and younger, who must always be accompanied by an Owner or supervising adult twenty-one (21) years of age or older.
- d. Wheelchairs, strollers and child waist and arm flotation devices shall be permitted in the Pool Area. No rafts, balls and similar flotation devices shall be permitted in the Pool Area.

2. *Code of Conduct for the Pool Area:*

- a. No nude swimming shall be allowed at any age. Paper or cloth diapers are prohibited in the pools and spa. Infants/children who are not toilet trained and adults who are incontinent must appropriate wear swim diapers which fit snugly around the legs and waist. If the swim diapers become soiled, the person must exit the pool immediately and not return until he/she has taken or been given a soap shower and has been covered by a new, clean swim diaper.
- b. No animals or smoking shall be permitted in the Pool Area.
- c. No roller skates, skateboards, roller blades, bicycles, scooters, balls of any kind, scuba equipment, swimming fins and other play or exercise equipment shall be permitted in the Pool Area, unless the equipment is used in conjunction with an event or activity scheduled by the Association.
- d. No running, pushing, dunking, rough play, profane language, diving or jumping in the Pool Area shall be permitted.
- e. Lap swimmers take precedence in swimmers' pool/lap pool.
- f. No music devices or portable televisions shall be permitted in the Pool Area without the use of headphones, and no live musical entertainment (i.e., DJ, live band, etc.) is permitted in the Pool Area unless organized by the Association.

3. *Health and Safety Considerations:*

- a. All users shall shower before entering the pools or spa. Water is recirculated; persons using the pool area shall not swallow pool water.
- b. No soaps or shampoos shall be used at the pool side shower.
- c. Persons wearing bandages or having colds, viruses, coughs, inflamed eyes, infections, diarrhea and/or open sores shall not use the pools or spa.
- d. No glass containers or other breakable objects shall be permitted in the Pool Area.
- e. All belongings shall be removed when the user is leaving the Pool Area. The Association and its Board shall not be responsible for any belongings lost or stolen.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE SWIMMING POOL AREA (continued)

- f. All rubbish, garbage, trash, refuse or other waste materials shall be placed into containers around the Pool Area provided for this purpose or removed from the Pool Area.
 - g. A four (4) foot walking area shall be maintained around the pools and spa at all times. Additionally, walking areas around and through the Pool Area shall not otherwise be blocked.
 - h. In accordance with health department regulations, no food or drink are permitted in the resort pool, swimmers' pool/lap pool, resistance pool, wading pool or spa.
 - i. The spa may reach temperatures in excess of one hundred degrees Fahrenheit (100°F). If a permitted user of the spa has a health risk, such user should first check with their physician before using the spa.
4. *Use of pool furniture and equipment:*
- a. Pool furniture shall not be removed from the Pool Area.
 - b. Pool furniture shall not be reserved for anyone not in the Pool Area.
 - c. Pool furniture and equipment shall not be modified, altered or changed in any manner.
 - d. Towels shall be placed on pool furniture when in use.
5. Use of the Pool Area shall also be governed by all other applicable Rules and Regulations adopted by the Board from time to time, including but not limited to those concerning the "General Use of Association Property and Recreation Areas".

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**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE OUTDOOR COURTS AND RACQUET CENTER FACILITIES

“Outdoor Courts” as used herein shall mean and refer to the Racquet Center Pro Shop, clay tennis courts, pickleball courts, bocce ball courts, shaded pavilion and the stadium seating areas.

1. General Restrictions:

- (a) The Association may retain or employ a manager (the “Racquet Center Director”) to oversee and manage the operations, maintenance and other aspects of the Outdoor Courts and related facilities (collectively, the “Racquet Facilities”). Each Member’s use and enjoyment of the Racquet Facilities will, in addition to the rules and regulations contained herein, be subject to such other rules, policies, and regulations imposed by the Racquet Center Director and approved by the Board, which may include, without limitation, the right to regulate use, impose time restrictions and requirements, implement scheduling procedures and other rules and regulations, schedule and conduct events and tournaments, providing private and group instructions and lessons, clinic programs, league/team programs, management and coaching. Notwithstanding anything contained in these Rules and Regulations to the contrary, if provided for in the Racquet Facilities Agreement, the Racquet Center Director shall have the right to schedule use of the Outdoor Courts by organized teams, as a practice or scrimmage court, facility, field or area.
- (b) Lessons and Instructions. Only the Racquet Center Director (or its agents), or, where no Racquet Facilities Agreement is in place, such person or person(s) designated by the Association, shall be permitted to provide and conduct tennis and/or pickleball lessons and instructions upon the Outdoor Courts.
- (c) Non-Resident Use Restrictions. Owners of property in Lotus may invite guests who are not owners of homes in Lotus to play with them, subject to the rules promulgated by the Association from time to time. Residents shall accompany and remain with their guests, invitees and tenants at all times during the use of the Racquet Center Facilities.
- (d) Notwithstanding anything contained herein to the contrary, the Association or Racquet Center Director shall have the right, but not the obligation, from time to time, to impose, amend and/or supplement rules, regulations and restrictions relating to the number of guests permitted per Owner or per household, and the days and times which guests are permitted or restricted from play. The foregoing right of the Association and Racquet Center Director shall include, the right to impose fees to be paid by guests in connection with their use of the Racquet Center Facilities; the right to determine a ratio of “owner per guest” use”; and the right to ban use of the Racquet Center Facilities by outside person(s) and/or guests as a result of non-compliance of these rules by the Owner and/or such guest.
- (e) If applicable, guests of Members shall be required to pay the prevailing guest fee at check-in. Payment of guest fees is the responsibility of the Owner who reserved the court. Owners and tenants and guests with guest passes may use the facilities without charge.
- (f) Use of the Racquet Center Facilities or any portion thereof, by any organized team (i.e., school teams, municipal recreation league teams, etc.) as a practice or scrimmage court, facility, field or area is strictly prohibited. The Association or Racquet Center Director shall have the right to schedule matches, events and tournaments with other communities, groups, leagues and third parties however. Such visiting communities, groups, and leagues shall not be required to pay guest fees when playing in official league matches scheduled by the Association or Racquet Center Director.
- (g) Written requests or telephone messages left for reservations are not considered valid requests for reservations.
- (h) All players shall play at their own risk.

2. Racquet Center Facilities Use:

- a. The tennis and bocce ball courts are open for play from 7:00 a.m. until 11:00 p.m. Pickleball courts are open for play from 8:00 a.m. to 7:00 p.m. During morning hours (7:00 a.m. to 12:00 noon), players shall maintain low noise levels.
- b. Pro shop hours are posted at the Racquet Center and are subject to change as determined by the Association or Racquet Center Director from time to time.
- c. Private lessons shall not be given during prime playing hours (5:00 p.m. to 9:00 p.m.).
- d. Play shall be limited to one and a half (1½) hours for doubles play and one (1) hour for singles play. Play may continue provided that no other players are waiting at the expiration of the preceding time limits.
- e. The Association or Racquet Center Director, as applicable, shall have the right to terminate/refuse play for any reason, in their sole discretion.

**VALENCIA SOUND HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE TENNIS COURTS AND TENNIS FACILITIES (continued)

- f. Operation of the Racquet Center Facilities may be suspended (i) due to cold weather, rain or wet conditions; (ii) when the lightning detection system (if any) is activated, and (iii) as otherwise directed by the Association or the Racquet Center Director, as applicable.
3. *Specific Use Restrictions:*
- a. The Racquet Center Facilities are restricted to the playing of appropriate games or game-related activities (i.e., exhibitions and clinics) only.
 - b. No one shall be permitted on the Racquet Center Facilities except those persons playing without the prior consent of the Racquet Center Director.
 - c. Roller skates, skateboards, roller blades, bicycles, scooters and other play or exercise equipment are prohibited on the other Outdoor Courts and within the Racquet Center Facilities.
 - d. Children sixteen (16) years of age and younger shall be accompanied and closely supervised by an adult twenty-one (21) years of age or older and shall not disrupt the play of others.
 - e. No intoxicants, food or breakable containers shall be permitted on or within the Racquet Center Facilities.
 - f. All belongings shall be removed from the Racquet Center Facilities when play is complete. The Association and its Board shall not be responsible for belongings lost or stolen.
 - g. An Owner shall be responsible for repair and/or replacement costs incurred as a result of deliberate or irresponsible behavior resulting in damage to the Racquet Center Facilities and/or related equipment caused by the Owner, Owner's Occupants, and others for whom the Owner is responsible.
 - h. Pets shall not be permitted on the Racquet Center Facilities.
4. *Code of Conduct for the Racquet Center Facilities:*
- a. Boisterous or profane language shall be not used by players or spectators.
 - b. Walking behind or through the playing areas during play shall be prohibited.
 - c. Entering or leaving a court or playing field shall only occur when the play of other players is stopped.
 - d. Only proper attire, shoes and protective wear shall be worn. No swimsuits or bare chests shall be allowed. Only sneakers shall be worn on the courts. Black soled sneakers shall not be permitted.
5. *Reservations for Use.* Use of the amenities is currently managed by a computerized system which controls general member play (open play) while reserving smaller time slots for programmed activities including instruction, round-robins, team play, and special events. The computerized system may be accessed by phone or internet.
- a. Reservations for use of Racquet Center Facilities shall be as set forth and determined by the Association or the Racquet Center Director.
 - b. Players shall not reserve more than one time slot. Any duplicate reservations shall not be honored until all other players have played.
 - c. Unassigned court time may be signed up for by the same players on the same day.
 - d. Court time shall be forfeited if players do not show up within ten (10) minutes of the reserved time.
 - e. If the court loses playability during a reserved time, playing time shall not be extended if other players are waiting or have reservations.
6. *Pickleball Courts.* The Board reserves the right to require the use of specific pickleball paddles and/or pickleballs.



STATE OF FLORIDA - PALM BEACH COUNTY

I hereby certify that the foregoing is a true copy of the record in my office.

THIS 20 DAY OF March, 2020

SHARON R. BOCK
CLERK & COMPTROLLER

By [Signature]
DEPUTY CLERK

EXHIBIT C

NOT A CERTIFIED COPY

This Instrument prepared by
and to be returned to:
Steven G. Rappaport, Esquire
Sachs Sax Caplan
6111 Broken Sound Parkway NW, Ste. 200
Boca Raton, FL 33487
(561) 994-4499

**CERTIFICATE OF AMENDMENT
TO THE DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS
FOR VALENCIA SOUND**

I HEREBY CERTIFY that the amendments attached as Exhibit "A" to this Certificate were duly adopted as amendments to the Declaration of Covenants, Restrictions and Easements for Valencia Sound. The Declaration of Covenants, Restrictions and Easements for Valencia Sound is recorded in Official Record Book 31313, at Page 1480, in the Public Records of Palm Beach County, Florida. The attached amendments were approved by the written consent of the members pursuant to Section 617.0701(4), Fla. Stat.

DATED this 23rd day of August, 2023.

WITNESSES

VALENCIA SOUND HOMEOWNERS
ASSOCIATION, INC.

[Signature]
Signature

By: [Signature], President

DAVID FEINBERG
Print Name

By: [Signature], Secretary

[Signature]
Signature

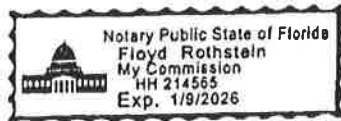
William LATARUS
Print Name

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 23rd day of August, 2023, by Mark Teitelbaum, as President, and Don Brenner, as Secretary, of Valencia Sound Homeowners Association, Inc., a Florida Corporation, not-for-profit, on behalf of the corporation, who are personally known to me or have produced Drives Lic as identification.

[Notary Seal]

Notary Public



[Signature]
Name typed, printed or stamped
My Commission Expires: 1/9/26

EXHIBIT "A"

**AMENDMENTS
TO THE DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR
VALENCIA SOUND**

The Declaration of Covenants, Restrictions and Easements for Valencia Sound is recorded in Official Record Book 31313, at Page 1480, in the Public Records of Palm Beach County, Florida.

As indicated herein, words underlined are added and words ~~struck through~~ are deleted.

Item 1: Article I, Section 24 of the Declaration of Covenants, Restrictions and Easements for Valencia Sound ("Declaration"), shall be amended as follows:

Section 24. "HOA ACT" shall mean the Homeowners' Association Act, Chapter 720, Florida Statutes, (unless the context otherwise requires), the Florida Not-for-Profit Corporation Act, Chapter 617, Florida Statutes, as same may be amended each in effect and as same exists on the Effective Date and notwithstanding any subsequent amendment, restatement and/or recodification thereof (or any portion thereof) from time to time.

Item 2: Article IV, Section 1(D) of the Declaration shall be amended as follows:

D. The right of the Association in accordance with its Articles, Bylaws, and this Declaration, with the affirmative vote or written consent of two-thirds (2/3) of the total voting interest of the Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws, except as provided to the contrary in this Declaration, to borrow money for the purpose of improving the Association Property and Improvements thereon, and, in aid thereof, to mortgage, pledge, or hypothecate any or all of its real or tangible or intangible personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the use rights of the Owners in the Association Property. Notwithstanding the foregoing, such two-thirds (2/3) vote or written consent of the Members, identified above, ~~total voting interests~~ shall not be required for such Improvements made for the sole purpose of preservation of, or prevention of damage to the Association Property or compliance with laws, or for any maintenance or repairs to the Association Property that are of an emergency nature or necessary to preserve and protect the Association Property in the reasonable discretion of the Board .

Item 3: Article VI Section 1 of the Declaration shall be amended as follows:

Section 1. AFFIRMATIVE COVENANT TO PAY ASSESSMENTS. In order to: (a) fulfill the terms, provisions, covenants, conditions, restrictions, easements, reservations, regulations, burdens, liens and easements contained in the Governing Documents; and (b) own, manage, operate, maintain, repair, replace and preserve the Association Property for the use, safety, welfare and benefit of the Owners and their Occupants, there is hereby imposed upon each Completed Lot, and Incomplete Lot, and each Completed Lot Owner and Incomplete Lot Owner, the affirmative covenant and obligation to pay to the Association commencing from and after the first conveyance of a Completed Lot from Declarant as evidenced by the recordation of a deed in the Public Records of the County (in the manner herein set forth) all Assessments as set forth herein, which Assessments may include, but are not limited to, the Individual Lot Assessments, Special Service Assessments and Special Assessments, as applicable. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot within the Property, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments in accordance with the provisions of the Governing Documents.

The following expenses of the Association are hereby declared to be Operating Expenses which the Association is obligated to assess and collect, and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the Governing Documents: (1) all taxes (including, without limitation, real property taxes) and tax liens which may be assessed or levied at any and all times against the Association Property, the Community Systems or against any and all personal property or Improvements thereon; (2) all charges levied for Community Systems or other utilities providing services for the Association Property or to Owners on a bulk basis, such as water, gas, electricity, telephone, cable television, internet access, sanitation, sewer and any type of utility or any other type of service charge which is not separately billed to an Owner; (3) the premiums on policies of insurance including, but not limited to, liability and casualty insurance for the Association Property and directors and officers liability insurance for the officers and directors of the Association; (4) all fees, costs, expenses, and other sums necessary for the ownership, maintenance, repair, and replacement of the Association Property and all Improvements located thereon; (5) all administrative and operational fees, costs, and expenses incurred by the Association, including without limitation, compensation paid by Association to managers, accountants, attorneys and other agents, employees and independent contractors providing labor and services to the Association; (6) all fees, costs and expenses of maintaining, repairing and replacing the Rural Parkway; (7) all fees, costs and

other sums of owning, operating, maintaining, repairing and replacing the Irrigation System including, without limitation, all water usage related thereto and all fees, costs and charges incurred for reclaimed water as provided in Article II, Section 2(10) above and Article XIV, Section 18 below; (8) all fees, costs and other sums of owning, operating, maintaining, repairing and replacing the Drainage System, including, without limitation, work within retention areas, drainage structures and drainage easements; (9) any alterations or improvements to the Association Property that would not otherwise require a membership vote pursuant to Article IX, Section 1(K) hereof; and (9 10) any and all other expenses deemed to be Operating Expenses by the Board and/or under this Declaration. The Board may, if it so determines, include a co paragraph contingency or other general fund in the Association's annual budget.

The Board may, if it so determines, include reserves for replacements, capital expenditures, deferred maintenance and other items in the Association's annual budget; however, reserves are not part of, and are specifically excluded from, Operating Expenses and are therefore payable only by Completed Lot Owners. Notwithstanding anything to the contrary in the Governing Documents, and unless otherwise prohibited or limited by the HOA Act, Declarant shall be exempt from the payment or funding of any reserves, if any, established by the Board. In addition, the Board may levy Special Assessments, in accordance with Article VII, Section 3 hereof, for any expense of the Association, including Operating Expenses any expense which is required by the Declaration to be the matter of Special Assessment shall not be deemed to be an Operating Expense. In addition to Operating Expenses, Special Assessments may be levied for any Association expense, which are required to be the matter of Special Assessment include, by way of example but not by way of limitation, the following: the cost of reconstructing, replacing or improving the Association Property or any portion thereof or Improvements thereon; any casualty loss affecting the Association or the Association Property to the extent such loss exceeds the insurance proceeds, if any, receivable by the Association as a result of such loss; any Judgment against the Association (or against a Director or Directors if and to the extent such Director is, or such Directors are, entitled to be indemnified by the Association therefor pursuant to the Articles) to the extent such judgment exceeds the insurance proceeds, if any, received by the Association as a result of such judgment, or an agreement by the Association (or such Director or Directors to whom indemnification is owed) to pay an amount in settlement of a lawsuit against it (or such Director or Directors) to the extent such settlement exceeds the insurance proceeds, if any, received by the Association as a result of such settlement agreement; and Legal Fees incurred by the Association in connection with litigation (whether incurred for the preparation, filing, prosecution, or settlement thereof or otherwise), except Legal Fees incurred by the Association in

connection with the collection of Assessments or other charges which Owners are obligated to pay pursuant to the Governing Documents or the enforcement of the use and occupancy restrictions contained in the Governing Documents, except Legal Fees incurred for lawsuits not approved pursuant to Article XIV, Section 12 below. Notwithstanding the foregoing, any expense that may be the subject of a Special Assessment or any other Operating Expense, may also be funded through a loan or line of credit, subject to Article IV, Section 1(D) hereof, or through the Working Capital Fund in accordance with Article VI, Section 9 hereof.

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

Item 4: Article VI of the Declaration shall be amended by the creation of a new Section 9 as follows:

Section 9. WORKING CAPITAL CONTRIBUTION. The Association shall establish a Working Capital Fund for the operation of the Association, which shall be collected from each Lot purchaser, and any other Owner acquiring title to a Lot, including all Lots purchased by resale, at the time of conveyance of each Lot to such purchaser in the amount of two (2) quarters of the then-current annual Individual Lot Assessments for such Lot. The Working Capital Contribution shall be collected and transferred to the Association at the time of closing of the sale or transfer of title of each Lot. The Working Capital Fund may be used for any proper expense of the Association, whether or not such expense is defined as an Operating Expense of the Association or otherwise. However, if used for an alteration or Improvement which would otherwise require a membership vote pursuant to Article IX, Section 1(K) of this Declaration, then the use of the Working Capital Fund for such alteration or Improvement shall be conditioned on obtaining such membership vote. Amounts paid into the fund are not to be considered as advance payments of regular assessments. However, such working capital contribution identified herein shall be collectible as an assessment with full collection rights pursuant to this Declaration, including, but not limited to, the authority to file a claim of lien for the collection thereof. The working capital fund shall not apply to the Association, in the event the Association takes title to a Lot as a result of foreclosure, deed in lieu of foreclosure or otherwise. Notwithstanding the foregoing, the Association shall not be required to charge a Working Capital Contribution where title to a Lot is conveyed to an immediate family member of an Owner, which shall be defined as the grandparents, parents,

spouse, children, siblings or grandchildren of an Owner, and shall also include where a Lot is conveyed to a family trust for the benefit of such immediate family members or where the Lot has been transferred or otherwise conveyed to a trust or otherwise conveyed for bona fide estate planning purposes or pursuant to a bona fide estate planning device. In addition, the Association shall not be required to charge a Working Capital Contribution where title is acquired by one spouse from another spouse through a judgment or decree of divorce.

Item 5: Article VII, Section 3 of the Declaration shall be amended as follows:

Section 3. SPECIAL ASSESSMENTS. "Special Assessments" include, in addition to other assessments designated as Special Assessments in the Governing Documents and whether or not for a fee, cost or expense which is included within the definition of Operating Expenses, those assessments which are levied for capital improvements which include the fees, costs and expenses (weather in whole or in part) (a) constructing or of acquiring Improvements for, or on, the Association Property, (b) of reconstructing or replacing such Improvements, and/or other Association Property, and/or (c) needed to supplement reconstruction, repair or replacement expenses not covered by insurance. In addition, Special Assessments may be levied against particular Lots and/or Owners to the exclusion of others based on the purpose of the Special Assessment and the benefits bestowed in fulfilling such purpose. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Individual Assessment and/or Special Service Assessment. Any Special Assessments assessed against Lots and the Owners thereof shall be paid by such Owners in addition to any other Assessments and shall be assessed in the same manner and using the same 20:1 ratio as the Individual Assessment, subject to the Board's right to levy Special Assessments against only certain Lots or Owners as provided above. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Special Assessment after the Turnover Date shall require the affirmative consent of at least two-thirds (2/3) of ~~at~~ the Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws for all Special Assessments, except only any Special Assessment for: (a) repair, reconstruction or replacement of damaged or destroyed Improvements previously existing on Association Property (including, without limitation, landscaping) which shall be assessed in accordance with Article XII below, (b) capital improvements

necessary or desirable for the sole purpose of preservation of, or prevention of damage to Association Property, or (c) upgrading or removing any fallen or dislodged trees as set forth in Article IX, Section 1.G below ; or (d) any maintenance or repairs to the Association Property that are of an emergency nature or necessary to preserve and protect the Association Property in the reasonable discretion of the Board, which shall not require such affirmative consent of at least two-thirds (2/3) of ~~all~~ such members. Prior to the Turnover Date, but subject to any affirming vote of the Members if and to the extent required by the HOA Act, a Declarant-controlled Board may levy a Special Assessment. Special assessments are not included in the guarantee set forth in section 5.B below. Notwithstanding the foregoing, any expense that may be the subject of a Special Assessment or any other Operating Expense, may also be funded through a loan or line of credit, subject to Article IV, Section 1(D) hereof, or through the Working Capital Fund in accordance with Article VI, Section 9 hereof.

Item 6: Article IX, Section 1(K) of the Declaration, shall be amended as follows:

K. The Association, by action of its Board, may make minor and insubstantial alterations and Improvements to the Association Property having a cost (individually or in the aggregate with others) not in excess of Twenty-Five Thousand Dollars (\$25000). The Board shall have the authority to make up to three (3) unrelated alterations or Improvements to the Association Property, each up to Twenty-Five Thousand (\$25,000) Dollars without the need for a membership vote as identified below. All other alterations and Improvements (either an individual project in excess of \$25,000 or more than 3 such independent projects) must first be approved by at least two-thirds (2/3) vote of all the Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws. No alteration or improvement may be made to the Association Property which materially and adversely affects the rights of the Owner of any Lot to the enjoyment of such Owner's Lot or The Association Property unless the Owner and all mortgagees holding recorded mortgages on such Lot consent thereto in writing.

Item 7: Article IX, Section 2(A) of the Declaration shall be amended as follows:

- A. Except only for the Home Landscaping Services to be performed by the Association as provided in Article IX, Section 1.G above, the Owner of each Lot must keep and maintain the Lot and the Improvements thereon, including equipment and appurtenances, in good order, condition and

repair, and must perform promptly all maintenance and repair work within, upon and outside of such Owner's Home which, if omitted, could adversely affect Valencia Sound, the other Owners or the Association and its Members. The Owner of each Lot shall be responsible for any damages caused by a failure to so maintain such Lot, Improvements and Home. The Owners' responsibility for maintenance, repair and replacement shall include, but not be limited to, all of the physical structures constructed in, upon, above or below the Lot, and physical items attached or connected to such structures that run beyond the boundary line of the Lot which exclusively service or benefit the Lot and Home. Without limiting the generality of the foregoing, the Owner of each Lot shall keep all drainage structures (such as catch basins, if any) located on the Owner's Lot clear of dirt, grass, leaves and other debris. Additionally, the painting, caulking and maintenance of the exterior surface of all walls (including, without limitation, any masonry walls extended from the rear of the Home), doors, windows and roof of the physical structure of the Home shall be performed by the Owner (except for periodic roof cleaning and painting performed by the Association as provided below), and the exterior surface of such walls, doors, windows and roof shall at all times be maintained in a good and serviceable condition with no damage or other defect therein by the Owner. The Owner of a Lot shall also maintain the stain tank located on the Lot, if any, in good order, condition and repair, and keep the stain tank adequately filled with the appropriate type, amount and mixture of chemicals and properly operate the stain tank so as to minimize any rusting or oxidation to walls, fences, sidewalks or other structures caused by irrigation water. The Owner of a Lot further agrees to timely pay for all utilities (including, without limitation, those provided by the Community Systems), such as telephone, cable or satellite television, water (including water associated with irrigation), sewer, sanitation, electric, etc., that may be separately billed or charged to each Home. The Owner of each Lot shall be responsible for insect and pest control within the Home and the Lot. Whenever the maintenance, repair and replacement of any items which an Owner is obligated to maintain, repair or replace at such Owner's own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, reduce the amount of the insurance proceeds applicable to such maintenance, repair or

replacement. Notwithstanding the foregoing, the Association shall have the authority to conduct periodic painting of the exteriors of the Homes within Valencia Sound, which painting shall be performed on a schedule, time and manner as determined by the Board of Directors from time to time, and which shall be considered a proper Operating Expense of the Association. Should an Owner wish to paint his or her Home in between the scheduled Association paintings, Owners shall have a right to do so at their own cost and expense, but subject to obtaining Association approval as required by this Declaration, and subject to any and all applicable guidelines and specifications adopted by the Board of Directors from time to time. In addition, the Association shall have the authority to periodically clean the roofs of the Homes within Valencia Sound, and such roof cleaning shall also be performed on a schedule, time and manner as determined by the Board of Directors from time to time, which shall further be a proper Operating Expense of the Association. Any Owner wishing to clean his or her roof in between the scheduled Association roof cleanings shall have the authority to do so at such Owner's own cost and expense and further subject to any applicable guidelines or specifications adopted by the Board of Directors from time to time. In addition to the foregoing, the Board shall have the authority to establish reserve funds for the funding of such periodic exterior painting and roof cleaning identified above.

NOT A CERTIFICATE