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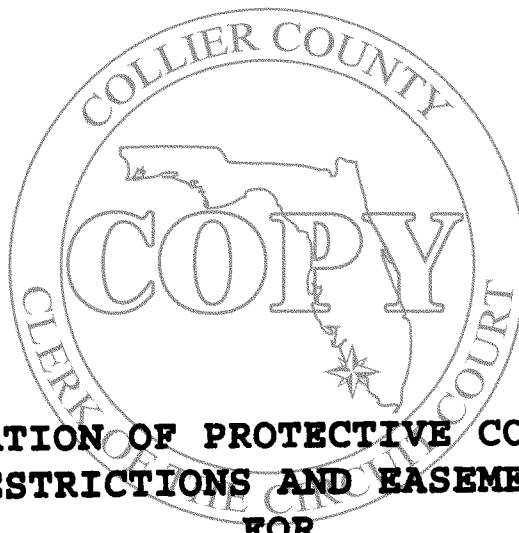
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**DECLARATION OF PROTECTIVE COVENANTS,
RESTRICTIONS AND EASEMENTS
FOR
CRESTVIEW VILLAS
AT HERITAGE GREENS**

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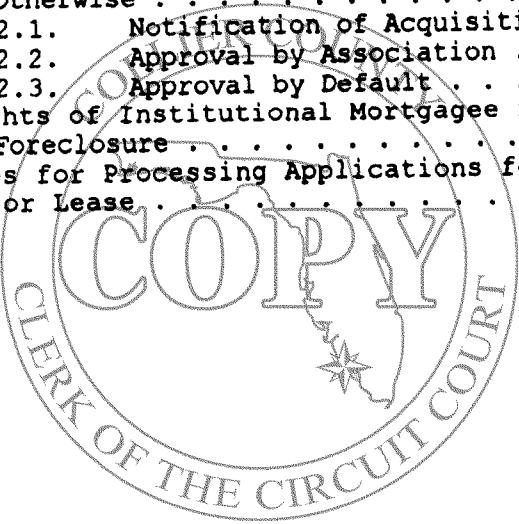
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Return to: (enclose self-addressed stamped envelope)

Name:

Address:

This Instrument Prepared by:

Stephen D. McCann, P.A.
5811 Pelican Bay Boulevard, Suite 210
Naples, FL 34108

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**DECLARATION OF PROTECTIVE COVENANTS,
RESTRICTIONS AND EASEMENTS
FOR
CRESTVIEW VILLAS
AT HERITAGE GREENS**

THIS DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS FOR CRESTVIEW VILLAS AT HERITAGE GREENS (hereinafter referred to as the "Declaration") is made this 12th day of December, 1997 by Heritage Greens Construction Limited Partnership, a Delaware limited partnership, its successors and assigns, whose principal office is located at 3185 Horseshoe Drive South, Naples, Florida 34104 ("Developer"), and is joined in by CRESTVIEW VILLAS AT HERITAGE GREENS ASSOCIATION, INC., a Florida corporation not for profit ("Association").

WHEREAS, Developer is the owner in fee simple of the "Subject Property" which presently includes only the "Phase 1 Land" more particularly described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, Developer desires to develop a community on the "Subject Property" to be known as "Crestview Villas at Heritage Greens" (as hereinafter defined), as hereinafter set forth; and

WHEREAS, Crestview Villas at Heritage Greens and the term "Subject Property" shall also include the land in additional "Phases" 2 through 52 (as hereinafter defined) if, as and when added to Crestview Villas at Heritage Greens pursuant to an amendment to this Declaration in accordance with Paragraph 2 hereof; and

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

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

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

1. DEFINITIONS

1.1. "Articles" means the Articles of Incorporation of the Association, a copy of which is attached hereto and made a part hereof as Exhibit D, and any amendments thereto.

1.2. "Assessments" means the assessments for which all Owners are obligated to the Association and includes "Individual Lot Assessments," "Guaranteed Assessments" and "Special Assessments" (as such terms are defined in Article 6 hereof) and any and all other assessments which are levied by the Association in accordance with the Documents.

1.3. "Association" means Crestview Villas at Heritage Greens Association, Inc., a Florida corporation not for profit. The Association is a Neighborhood Association.

1.4. "Board" means the Board of Directors of the Association.

1.5. "Building" means each building on the Subject Property containing Dwelling Units.

1.6. "Bylaws" means the Bylaws of the Association, a copy of which is attached hereto and made a part hereof as Exhibit E, and any amendments thereto.

1.7. "Common Structural Elements" means certain elements, features or parts contained in a Building which are structural elements of more than one (1) Dwelling Unit contained therein as more particularly set forth in Paragraph 4.3.1. hereof.

1.8. "Community Association" means Heritage Greens Community Association, Inc., a Florida corporation not for profit, organized to administer the "Common Areas" (as defined in the Covenants) and having as its members the owners of lots and dwelling units within Heritage Greens.

1.9. "Completed Lot" means any Lot on which a Dwelling Unit has been constructed and for which a certificate of occupancy or an equivalent thereof has been issued by the appropriate government agency.

1.10. "Completed Lot Owner" means the Owner of a Completed Lot.

1.11. "County" means Collier County, Florida.

1.12. "Covenants" means the Declaration of Covenants, Conditions and Restrictions for Heritage Greens recorded in Official Record Book 2337 Page 619 of the Public Records, and any amendments thereto.

1.13. "Crestview Condominium Association" means Crestview Condominium at Heritage Greens Association, Inc. which is the condominium association responsible for administering Crestview Condominium at Heritage Greens. Crestview Condominium Association is a Neighborhood Association.

1.14. "Crestview Condominium at Heritage Greens" or "Crestview Condominium" means the residential condominium planned for development upon all or a portion of Lots 13 through 32, Block A of the Plat. Crestview Condominium is one of the Neighborhoods planned for Heritage Greens.

1.15. "Crestview at Heritage Greens" or "Crestview" means Lots 1 through 124, Block A and Tract X of the Plat. Crestview at Heritage Greens as presently planned includes two Neighborhoods, Crestview Villas at Heritage Greens and Crestview Condominium at Heritage Greens.

1.16. "Crestview Owner" means the owner of a dwelling unit located in Crestview.

1.17. "Crestview Recreation Area" means real property which the Developer will convey to the Association and specifically Tract X of the Plat and any other property designated as such by the Developer in an amendment to this Declaration. The Crestview Recreation Area is to be used by Crestview Owners and their lessees and their family members, guests and invitees.

1.18. "Crestview Recreation Area Expenses" means the expenses for the operation, maintenance, repair or replacement of the Crestview Recreation Area, including but not limited to taxes and insurance incurred by the Association. Crestview Recreation Area Expenses shall not include reserves for capital expenditure and/or deferred maintenance.

1.19. "Crestview Villas at Heritage Greens" or "Crestview Villas" means the residential community planned for development upon the Subject Property committed to land use under this Declaration. Crestview Villas is intended to include up to one hundred four (104) Dwelling Units

and the Crestview Recreation Area. Crestview Villas is one of the Neighborhoods located within Heritage Greens.

1.20. "Declaration" means this document and any amendments hereto. This Declaration together with its Exhibits are Neighborhood Covenants.

1.21. "Developer" means Heritage Greens Construction Limited Partnership, a Delaware limited partnership, its successors, grantees and assigns. A purchaser shall not, solely by the purchase of a Dwelling Unit or Lot, be deemed a successor, grantee or assign of Developer, or the rights of Developer under this Declaration or any other Document, unless such purchaser is specifically so designated a successor, grantee or assign of such rights in the respective instrument of conveyance or any other instrument executed by Developer.

1.22. "Director" means a member of the Board.

1.23. "District" means the Heritage Greens Community Development District, created pursuant to Chapter 190, Florida Statutes, to administer and operate all or portions of Heritage Greens to the extent permitted by Florida law.

1.24. "Documents" means in the aggregate this Declaration, the Plat, the Articles, the Bylaws, the Rules and Regulations of the Association, the Covenants, Articles of Incorporation, Bylaws and Rules and Regulations of the Community Association and all of the instruments and documents referred to therein, including, but not limited to, amendments to any of the foregoing, as applicable.

1.25. "Dwelling Unit" means a residential dwelling unit intended as an abode for one family constructed on the Subject Property.

1.26. "Heritage Greens" means the planned residential development being developed in accordance with the "Plan for Development" set forth in Paragraph 2 of the Covenants.

1.27. "Institutional Mortgagee" means any lending institution owning a first mortgage covering a Dwelling Unit or Lot, including any of the following institutions:

- (i) Any federal or state savings and loan or a building and loan association, or commercial bank or bank or real estate investment trust, or mortgage banking company or any subsidiary thereof; or
- (ii) 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 institution as the Board shall hereafter approve in writing; or
- (iii) Any pension or profit-sharing funds qualified under the Internal Revenue Code; or
- (iv) Any and all investing or lending institutions, or the successors and assigns of such lenders ("Lenders"), which have loaned money to Developer and which hold a mortgage upon any portion of the Subject Property securing such loans; or
- (v) Such other institutional lenders as the Board shall hereafter approve in writing as an Institutional Mortgagee which have acquired a mortgage upon any portion of the Subject Property; or
- (vi) Developer, if Developer holds a mortgage on any portion of the Subject Property and the transferee of any mortgage encumbering any portion of the Subject Property which was originally held by Developer; or
- (vii) Any life insurance company; or
- (viii) The Veterans Administration or the Federal Housing Administration or the Department of Housing and Urban Development.

1.28. "Interest" means the maximum nonusurious interest rate allowed by law on the subject debt or obligation, and if no such rate is designated by law, then eighteen percent (18%) per annum.

1.29. "Legal Fees" means reasonable fees for attorney and paralegal services incurred in connection with:

- (i) negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post-judgment proceedings;
- (ii) collection of past due Assessments, including, but not limited to, preparation of notices, liens and release of liens; and
- (iii) court costs through and including all trial and appellate levels and post-judgment proceedings.

1.30. "Lot" means one of the numbered parcels of land described on the Plat and included in the Subject Property upon which a Dwelling Unit is permitted to be or has been constructed and is part of the "Residential Property" (as hereinafter defined). For purposes of Individual Lot Assessments, a Lot is a Completed Lot, a Partially Completed Lot, or an Uncompleted Lot.

1.31. "Member" means a member of the Association.

1.32. "Neighborhood" means a residential condominium, or a group of single family homes or villas, or any other residential sub-area development within Heritage Greens, where all the lots and dwelling units are subject to a single common recorded declaration of Neighborhood Covenants.

1.33. "Neighborhood Association" means a condominium association, an incorporated homeowners association as defined in Section 617.301, Florida Statutes (1997), or any other incorporated mandatory membership property owners association operating a Neighborhood or Neighborhoods or facilities or property serving two or more Neighborhoods.

1.34. "Neighborhood Covenants" are any and all covenants, conditions, restrictions and other provisions imposed by recorded declaration of covenants, declaration of condominium or other similar instrument, that are applicable to one or more specific Neighborhoods to the exclusion of all others. The term also includes the recorded Articles of Incorporation and Bylaws of the Neighborhood Association as amended from time to time.

1.35. "Neighborhood Expenses" means the expenses for which Owners are liable to the Association as described in this Declaration and any other Document and include, but are not limited to, the costs and expenses incurred by the Association in administering, operating, maintaining or repairing, the Common Structural Elements or any portion thereof and improvements thereon and the landscaping on the Lots, the Association's share of the Crestview Recreation Expenses and all costs and expenses incurred by the Association in carrying out its powers and duties hereunder or under any other Document including, but not limited to, the cost of any Reserves and any other expenses designated to be Neighborhood Expenses by the Board.

1.36. "Owner" means the owner of the fee simple title to a Lot and includes Developer for so long as Developer is the owner of the fee simple title to a Lot.

1.37. "Partially Completed Lot" means any Lot within the Subject Property which has received a building permit or its equivalent from the appropriate governmental agency for the Dwelling Unit(s) proposed for such Lot(s), but has not yet received for such Dwelling Unit(s) a certificate of occupancy or its equivalent from the appropriate governmental agency.

1.38. "Partially Completed Lot Owner" means the owner of a Partially Completed Lot.

1.39. "Phase" means certain land and improvements which may become a portion of Crestview Villas at Heritage Greens as more particularly described in Paragraph 2 hereof.

1.40. "Phase 1" means the Phase 1 Land and any improvements thereon and constitutes the initial Phase of Crestview Villas at Heritage Greens.

1.41. "Phase 1 Land" means the Subject Property included in Crestview Villas at Heritage Greens pursuant to this Declaration as more particularly described in Exhibit A attached hereto and made a part hereof.

1.42. "Plat" means the plat of Heritage Greens, as recorded in Plat Book 28 Pages 78-94 of the Public Records of the County.

1.43. "Public Records" means the Public Records of the County.

1.44. "Reserves" means the funds necessary to establish an adequate reserve fund as more particularly defined in Paragraph 8.11 hereof.

1.45. "Subject Property" means the Phase 1 Land and shall also include the land within an additional Phase, if as and when such additional Phase is added to Crestview Villas at Heritage Greens pursuant to an amendment to this Declaration in accordance with Paragraph 2 hereof.

1.46. "Turnover Date" means the date on which Developer relinquishes control of the Association, as more particularly described in Paragraph X.C of the Articles.

1.47. "Uncompleted Lot" means any Lot within the Subject Property for which neither a building permit or its equivalent nor a certificate of occupancy or its equivalent has been issued by the appropriate government agency.

1.48. "Uncompleted Lot Owner" means the Owner of an Uncompleted Lot.

2. DESCRIPTION OF IMPROVEMENTS IN PHASES 1 THROUGH 52; PHASE DEVELOPMENT

2.1. Improvements in Phase 1

2.1.1. The Phase 1 Land and improvements being included in Crestview Villas pursuant to this Declaration are described on the "Phase 1 Sketch" (as hereinafter defined). The Phase 1 Land includes Lots 11 and 12, Block A and Tract X of the Plat. The improvements intended to be constructed on the Phase 1 Land include one (1) Building ("Building 1") containing, in addition to the Common Structural Elements therein, two (2) Dwelling Units. Each Dwelling Unit within Building 1 shall be located on its own Lot. The types of Dwelling Units in Phase 1 are subject to variation as more particularly described in Paragraph 2.3 hereof.

2.1.2. Recreational amenities will be constructed upon a portion of the Phase 1 Land known as Tract X of the Plat which is the Crestview Recreation Area. The Crestview Recreation Area will serve all of Crestview. Crestview as presently planned includes 104 villa dwelling units on Lots 1 through 12 inclusive and Lots 33 through 124 inclusive all of Block A of the Plat and 80 condominium dwelling units on Lots 13 through 32, Block A of the Plat. Therefore, based on present plans the Crestview Recreation Area will serve 184 dwelling units.

2.1.3. Annexed hereto as Exhibit B and made a part hereof is a sketch of the Phase 1 Land and a graphic description of the improvements thereon hereinafter referred to as the "Phase 1 Sketch," which Phase 1 Sketch identifies, among other things, each Dwelling Unit and the recreational amenities located upon the Phase 1 Land.

2.2. Improvements in Phases 2 through 52

The Developer is developing Crestview Villas in Phases. In addition to the Phase 1 Land being included in Crestview Villas pursuant to this Declaration, the Developer contemplates that additional Lots and improvements may, by amendment hereto, be added to Crestview Villas as additional Phases 2 through 52 (as hereinafter more particularly described). Exhibit C hereto sets forth the Lots included in each Phase. Notwithstanding the numerical sequence of the Phases or any inference that can be drawn therefrom, Developer hereby reserves the right to add Phases subsequent to Phase 1 to Crestview Villas in any sequence. If additional Phases are added to Crestview Villas, Crestview Villas shall be enlarged and expanded so as to encompass and include the real property and the

improvements thereon which are included in Crestview Villas as such additional Phase or Phases. However, Developer hereby reserves the right to alter the architectural design of any and all Dwelling Units, Buildings, Common Structural Elements or landscaping of such additional Phase or Phases.

The types of Dwelling Units in additional Phases are subject to variation as more particularly described in Paragraph 2.3 hereof.

An additional Phase, if added to Crestview Villas by an Amendment to this Declaration, shall consist of the two Lots described in the Amendment. There shall be attached to an Amendment hereto adding an additional Phase to Crestview Villas, a sketch of the two Lots and improvements for such Phase. The improvements within each such Phase shall include one (1) Building, which shall contain two (2) Dwelling Units.

Each Dwelling Unit in any such Phase will be identified by the Lot on which it is located.

2.3. Developer's Right to Change Descriptions

The descriptions relating to Phases in this Paragraph 2 or Exhibits hereto, including, but not limited to, legal, graphic, numerical, narrative and the like, are approximations. Developer reserves the right to change such descriptions as to a Phase and the location of the Building, or Common Structural Elements and other improvements shown on the applicable sketch of improvements (i.e. the Phase 1 Sketch attached as Exhibit B hereto, the Sketches for Phases 2 through 52 attached to Amendments to this Declaration) and to change the Dwelling Unit type, the Building type, or Common Structural Elements in a Phase to the extent described herein by recording an amendment hereto, including the amendment adding such Phase to Crestview Villas, until such time as Developer conveys a Dwelling Unit in such Phase to an Owner. Such an amendment shall not require the execution thereof by Owners other than Developer or the execution thereof by the Association, an Institutional Lender or any other person(s) or entity. Developer may make nonmaterial changes in the legal description of a Phase.

2.4. Plan of Phase Development

Developer is developing Crestview Villas as a phase project as set forth in this Paragraph 2. The Phase 1 Land and improvements thereon, as described on the Phase 1 Sketch, constitute the initial phase of Crestview Villas at Heritage Greens. Developer anticipates that the land in each additional Phase (Phases 2 through 52) and any improvements now or hereafter located thereon may become part of Crestview Villas by recordation of an amendment ("Amendment") to this Declaration. The Amendment shall be executed by Developer alone and shall be recorded amongst the Public Records. Attached to the Amendment shall be the Phase Sketch for the Phase being added. If and when an additional Phase is added to Crestview Villas, Crestview Villas shall be enlarged and expanded so as to encompass and include the land in the additional Phase and the improvements thereon including the Dwelling Units and the Common Structural Elements. Upon the recording of an Amendment to this Declaration adding a Phase to Crestview Villas, such Phase shall be deemed part of the Subject Property as if it were originally included therein and shall be subject to this Declaration.

If an additional Phase is not added as part of Crestview Villas by the recording of an Amendment to this Declaration, no portion of such Phase shall become a part of Crestview Villas.

2.5. Phase 1 Only

If only Phase 1 is included in Crestview Villas pursuant to this Declaration, there will be two (2) Dwelling Units and the Crestview Recreation Area.

2.6. Phases 1 through 52

If Phases 1 through 52 are included in Crestview Villas pursuant to this Declaration and amendments hereto, there will be a total of one hundred four (104) Dwelling Units and the Crestview Recreation Area.

2.7. Right of Developer to Add or Not Add an Additional Phase

Nothing in this Declaration shall require Developer to add an additional Phase to Crestview Villas. Developer reserves the absolute right, in its sole discretion, to decide whether or not to add an additional Phase as part of Crestview Villas. Therefore, notwithstanding anything contained in this Declaration to the contrary, no portion of an additional Phase shall be affected or encumbered by this Declaration unless and until such Phase is added to Crestview Villas by the recording of an Amendment to this Declaration amongst the Public Records. Notwithstanding that the foregoing portion of this Paragraph 2.7 is self-operative, in the event that Developer decides not to add an additional Phase to Crestview Villas, there shall be filed amongst the Public Records, a statement that Developer has decided not to add such Phase to Crestview Villas ("Phase Withdrawal Statement"). The effect of filing a Phase Withdrawal Statement shall be that such Phase shall not be part of Crestview Villas.

2.8. Plan of Development for an Additional Phase if Not Added to Crestview Villas

2.8.1. If the Developer does not add a Phase as part of Crestview Villas and the Developer files amongst the Public Records a Phase Withdrawal Statement for such Phase, then any villa project on such Phase, unless otherwise determined by Developer, shall be administered by the Association in accordance with the declaration of covenants for such villa project and the Articles and Bylaws of the Association.

2.8.2. Notwithstanding anything contained herein to the contrary, in the event Developer records a Phase Withdrawal Statement amongst the Public Records, then Developer shall have all rights permissible by law with respect to the ownership and development of such Phase. The Developer hereby reserves the right to use the name "Crestview Villas at Heritage Greens" as part of the designation of such development. Nothing contained herein shall be construed as obligating Developer to construct any future Phases or to construct such Phases according to the present plan of development.

2.9 Modification of the Phase Plan to Include Additional Phases Beyond Phase 52.

Developer's present plans are to include not more than 104 Dwelling Units (52 Phases) in Crestview Villas and to develop Lots 13 through 32, Block A of the Plat with up to 80 condominium units ("Additional Property"). Developer reserves the right to include all or a portion of the Additional Property in Crestview Villas if Developer elects not to construct condominium units thereon. If all or a portion of the Additional Property will be included in Crestview Villas, Developer may add such portions of the Additional Property to Crestview Villas by recording an amendment hereto describing the additional Phases (Phase 53, 54, etc.) that Developer may add to Crestview Villas ("Phase Plan Amendment").

3. CRESTVIEW RECREATION AREA

3.1. Title to the Crestview Recreation Area

The Crestview Recreation Area shall be for the joint and several use in common of Crestview Owners and their lessees and their family members, guests and invitees as established by this Declaration and/or one or more easements granted or to be granted by the Developer. Each such owner or the Neighborhood Association of which such owner is a member shall be responsible for a pro rata share of the costs and expenses of the Crestview Recreation Area. When title to all of the Crestview lots and dwelling units has been conveyed to purchasers who are not assignees of the Developer, or earlier, at Developer's option exercisable from time to time, Developer shall convey and transfer to the Association, by quit claim deed, the fee simple title to the Crestview Recreation Area and the Association shall accept such conveyance. Such conveyance shall be subject to the use rights of Crestview Owners and their lessees and their family members, guests and invitees any real estate taxes and assessments for the year in which this Declaration is recorded and subsequent years; any agreements, easements, covenants, conditions, restrictions, reservations and limitations then of record; any zoning ordinances then applicable; the Covenants; and this Declaration. The Association is obligated to accept at any time any and all conveyances by Developer of fee simple title, easements or leases to all or portions of the Subject Property.

The Association shall accept the conveyance of the Crestview Recreation Area. The conveyance shall not, however, impair in any way Developer's rights and easements as set forth in this Declaration.

Commencing upon the date this Declaration is recorded, the Association shall be responsible for the maintenance of the Crestview Recreation Area in a continuous and satisfactory manner. The Association shall be responsible for the payment of real estate taxes and assessments, if any, levied against the Crestview Recreation Area, including taxes and assessments on any improvements and any personal property thereon accruing from and after the date this Declaration is recorded. However, the Association shall be reimbursed for a pro rata share of the expenses of the Crestview Recreation Area by the other Neighborhood Associations based on the formula set forth in Paragraph 7.9 hereof.

The Owners of Lots (including Developer as to Lots owned by it) shall have no personal liability for any damages for which the Association is legally liable or arising out of or connected with the existence or use of the Crestview Recreation Area.

Subject to the foregoing, Developer may mortgage any or all portions of the Crestview Recreation Area to finance construction and development expenses, provided that the mortgagee recognizes the rights of Owners under this Declaration and neither the Association nor any Owner is personally liable for paying the mortgage, and provided further that the mortgagee releases its lien against the Crestview Recreation Area at the time it is conveyed to the Association. In such event, Owners of Lots upon the Subject Property shall not be required to join in or be entitled to consent to such mortgage. Notwithstanding any provisions in this Declaration to the contrary, the Crestview Recreation Area cannot be conveyed except to the Association and except for easement(s) contemplated by this Declaration or mortgaged except by Developer as set forth above without the consent of two-thirds (2/3) of all Owners of Lots (excluding Developer as to Lots owned by it) and the prior written consent of the other Neighborhood Associations administering dwelling units in Crestview.

3.2 Designation of Additional Crestview Recreation Area

Developer has no plans to designate any real property in addition to Tract X of the Plat as Crestview Recreation Area. However, Developer reserves the right to do so. Developer may, from time to time, by recording an amendment to this Declaration in the Public Records, designate portions of the then existing Subject Property owned by it or part of a Phase being added to Crestview Villas to be additional Crestview Recreation Area.

4. RESIDENTIAL PROPERTY; CRESTVIEW RECREATION AREA; COMMON STRUCTURAL ELEMENTS; RULES AND REGULATIONS

4.1 Residential Property

"Residential Property" means those portions of the Subject Property which may be developed with Dwelling Units and/or residential facilities to serve such Dwelling Units and shall be for residential use only. All portions of the Subject Property, unless designated as Crestview Recreation Area or for other designated uses in an amendment to this Declaration, shall constitute Residential Property.

4.2 Crestview Recreation Area

The Crestview Recreation Area shall be for the joint and several use in common of all Crestview Owners and their lessees and their family members, guests and invitees as established by this Declaration and/or one or more easements granted or to be granted by the Developer. The Crestview Recreation Area shall be used by the Association and Crestview Owners and their lessees and their family members, guests and invitees in accordance with the Documents. The Crestview Recreation Area is to be maintained by the Association.

The Crestview Recreation Area shall be used for recreational and social purposes in accordance with the improvement thereof made by Developer, and shall be improved by Developer in accordance with Developer's plan for beautification of Crestview Villas and thereafter kept and maintained by the Association substantially in accordance with the improvements thereon made by Developer or the requirements of the applicable government agencies. Developer, for so long as Developer shall

own any portion of the Subject Property or shall have the right to add a Phase to Crestview Villas, and thereafter the Association with prior written consent of the other Crestview Neighborhood Associations, shall have the absolute right, in its sole discretion, to modify its plan for beautification of Crestview Villas, specifically to modify the appearance and amenities of the Crestview Recreation Area.

DEVELOPER AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL FOR THE CRESTVIEW RECREATION AREA, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS. ANY INDIVIDUAL USING THE CRESTVIEW RECREATION AREA SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DEVELOPER AND THE ASSOCIATION HARMLESS FROM AND AGAINST CLAIM OR LOSS ARISING FROM SUCH USE.

The Crestview Recreation Area shall be kept and maintained for use in a manner consistent with the nature of improvements located, or to be located thereon.

4.3 Common Structural Elements

4.3.1. Each Building shall contain Common Structural Elements which include, but are not limited to, the following:

- (a) Utility Lines. All utility lines, ducts, conduits, pipes, wires and other utility fixtures and appurtenances which are located on or within the Building and which directly or indirectly in any way service more than one (1) Dwelling Unit in the Building.
- (b) Roofing. The entire roof of the Building, any and all roof support structures, and any and all appurtenances to such roof and roof support structures, including, without limitation, the roof covering, roof trim and roof drainage fixtures, all of which are collectively referred to herein as the "Roofing."
- (c) Bearing Walls. Any and all walls or columns necessary to support the roof structure, all of which are collectively referred to herein as "Bearing Walls." Bearing Walls may be Party Walls as set forth in Paragraph 4.4 hereof.
- (d) Exterior Finish. Any and all siding, finish, trim, exterior sheathings and other exterior materials and appurtenances on the exterior of the Building, all of which are collectively referred to herein as the "Exterior Finish."
- (e) Flooring. The entire concrete floor slab or wood floor system if utilized in lieu thereof and all foundational and support structures and appurtenances thereto, all of which are collectively referred to as the "Flooring."
- (f) Privacy Walls. The walls (other than "Party Walls" as defined hereinbelow) or fences erected or which may be erected along the Lot lines of the Lots or on the Lots and all foundational and support structures with respect thereto.

4.3.2. Should the Common Structural Elements or a part thereof extend beyond the Lot, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Common Structural Elements as same shall be constructed are hereby imposed.

4.3.3. Notwithstanding any provision in this Declaration to the contrary, in the event any Common Structural Element or part thereof located within a Dwelling Unit or Lot requires maintenance, repair or replacement and the Board determines that the necessity for such maintenance, repair or replacement was not due to any act or failure to act on the part of the Owner of the Dwelling Unit in question and the cost of such maintenance, repair or replacement would result in an inequitable and unfair burden upon any particular Dwelling Unit, then upon such determination by the Board, the cost of such maintenance, repair or replacement shall be determined to be the subject of a Special Assessment and shared equally by the Dwelling Units comprising the Building.

4.4. Party Walls

The common walls between two (2) Dwelling Units located upon the Lot line between said Dwelling Units ("Party Walls"), shall be owned by the Owners of the Dwelling Units adjacent thereto as tenants in common,

notwithstanding that such wall is found to be not on the Lot line. Party Walls shall be for the perpetual benefit of and use by each Owner, including such Owner's heirs, assigns, successors and grantees, of each such adjacent Dwelling Unit. Each Owner shall have the right to the full use of said Party Wall for whatever purpose he or she chooses to employ, subject to the limitation that such use shall not infringe on the rights of the Owner of the adjoining Dwelling Unit or his or her enjoyment of the Party Wall or in any manner impair the value of said Party Wall. No opening of any kind or windows shall be permitted in any Party Wall. If a Party Wall or Privacy Wall is destroyed or damaged by fire or other casualty, any Owner ("Repairing Owner") adjacent thereto may restore it in accordance with the provisions of this Declaration, and the Owner ("Non-Repairing Owner") of the adjoining Lot shall reimburse the Repairing Owner for one-half (1/2) of the cost of restoration thereof ("Contribution Amount") without prejudice, however, to the right of the Repairing Owner to call for a larger contribution from the Non-Repairing Owner or for the Non-Repairing Owner to call for a lesser contribution under any rule of law regarding liability for negligent or willful acts or omission.

Notwithstanding any other provision of this Declaration, an Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

The right of a Repairing Owner to the Contribution Amount from the Non-Repairing Owner under this Paragraph 4.4 shall be appurtenant to the Repairing Owner's Lot and shall pass to the Repairing Owner's successors in title and shall constitute a lien on the Non-Repairing Owner's Lot which lien is subject to the same terms and provisions as the lien described in Paragraph 6 hereof except that the Repairing Owner instead of the Association executes and records the claim of lien and forecloses it. The claim of lien shall also secure Interest and Legal Fees. The Non-Repairing Owner shall be personally liable to the Repairing Owner for the Contribution Amount under this paragraph 4.4 plus Interest and Legal Fees.

Whenever a Party Wall or Privacy Wall or any part thereof shall be rebuilt, it shall be reconstructed in the same manner and be of the same size and of the same or similar materials, of like quality, and at the same location where it was initially constructed; provided, however, if such maintenance, repair or construction is brought about solely by the neglect or the willful misconduct of one (1) Owner, including such Owner's family members, guests, invitees and lessees, any expense incidental thereto shall be borne solely by such wrongdoer. If any Owner shall refuse to pay his or her share, all or part of such cost in the case of negligence or willful misconduct, the adjoining Owner may have such Party Wall or Privacy Wall repaired or reconstructed and shall be entitled to a lien on the Lot and Dwelling Unit of the Owner so failing to pay for the amount of such defaulting Owner's share of the repair or replacement. If an Owner shall give or shall have given a mortgage or mortgages upon such Owner's Dwelling Unit, then the mortgagee shall have the full right at its option to exercise the right to add to the outstanding balance of such mortgage any amounts paid by the mortgagee for repair or replacement of the Party Wall. If an Owner shall cease to use the wall as a Party Wall, such Owner shall be deemed to have abandoned all rights thereto, and the wall shall become the property of the adjacent Owner, who shall have an easement upon the Subject Property under the wall so long as the wall shall be used by such Owner. Any Owner removing his or her improvements from the Party Wall or making any use of the Party Wall shall do so in such manner as to preserve all rights of the adjacent Owner in the Party Wall, and shall save the adjacent Owner harmless from all damage caused thereby to improvements then existing. In the event repairs or reconstruction shall be necessary, all necessary entries on the adjacent Dwelling Unit shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a workmanlike manner, and consent is hereby deemed given to enter on the adjacent Dwelling Unit and Lot to effect necessary repairs and reconstruction.

4.5. Rules and Regulations

The Association may, from time to time, impose rules and regulations regulating the use and enjoyment of the Crestview Recreation Area and the Residential Property. The rules and regulations so promulgated shall, in all respects, be consistent with the provisions of the Documents.

5. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; BOARD; COMMUNITY ASSOCIATION

5.1. Membership and Voting Rights

Membership in the Association shall be established and terminated as set forth in the Articles. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Documents. The voting rights of the Members shall be as set forth in the Articles.

5.2. 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.

5.3. Community Association

The Owners shall also be members of the Community Association. The Community Association has been organized for the purpose of administering the covenants and obligations relating to the Common Areas as set forth in the Covenants. As members of the Community Association, all Owners acquire the benefits as to the use of the Common Areas and the obligation to pay assessments to the Community Association.

6. COVENANT TO PAY ASSESSMENTS FOR NEIGHBORHOOD EXPENSES; ESTABLISHMENT OF LIENS; COLLECTION OF ASSESSMENTS; COLLECTION BY DEVELOPER; CERTAIN RIGHTS OF DEVELOPER AND INSTITUTIONAL MORTGAGEES

6.1. Affirmative Covenant to Pay Assessments for Neighborhood Expenses

In order to:

- (i) fulfill the terms, provisions, covenants and conditions contained in the Documents; and
- (ii) maintain, operate and preserve the Crestview Recreation Area and Common Structural Elements for the use, safety, welfare and benefit of the Owners and their family members, guests, invitees and lessees, there is hereby imposed upon each Lot and each Owner the affirmative covenant and obligation to pay to the Association (in the manner herein set forth) all Assessments including, but not limited to, the Individual Lot Assessments, Guaranteed Assessments and Special Assessments.

This obligation commences for Lots in Phase 1 as of the recordation in the Public Records of the Declaration and commences for Lots in a subsequent Phase as of the recordation in the Public Records of the Amendment including such subsequent Phase in Crestview Villas at Heritage Greens. Each Owner by acceptance of a deed or other instrument of conveyance conveying a Lot within the Subject 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 Documents.

6.2. Establishment of Liens

Any and all Assessments made by the Association in accordance with the provisions of the Documents with Interest thereon and costs of collection including, but not limited to, Legal Fees, are hereby declared to be a charge and continuing lien upon each Lot against which each such Assessment is made. Each Assessment against a Lot, together with Interest thereon including, but not limited to, Legal Fees, shall be the personal obligation of the Owner of such Lot. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. The claim of lien secures all unpaid assessments and charges coming due prior to a final judgment of foreclosure. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, where an Institutional Mortgagee of record obtains title to a Lot as a result of foreclosure of its mortgage or deed in lieu of foreclosure, such acquiror of title, its successors or assigns, shall not be liable for the share of Assessments pertaining to such Lot or

chargeable to the former Owner thereof which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment against the Lot in question is secured by a claim of lien for assessments that is recorded prior to the recordation of the mortgage which was foreclosed or with respect to which a deed in lieu of foreclosure was given.

6.3. 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:

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

6.3.2. To advance on behalf of the Owner(s) in default funds to accomplish the needs of the Association, up to and including the full amount for which such Owner(s) is 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 and such advance by the Association shall not waive the default.

6.3.3. To file an action in equity to foreclose its lien at any time after the effective date thereof. 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.

6.3.4. To file an action at law to collect said Assessment plus Interest and Legal Fees, without waiving any lien rights or rights of foreclosure in the Association.

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

6.4. Collection by Developer

In the event for any reason the Association shall fail to collect the Assessments, then, in that event, Developer 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 Developer; using the remedies available to the Association against an Owner as set forth in Paragraph 6.3, which remedies (including, but not limited to, recovery of Legal Fees) are hereby declared to be available to Developer.

6.5. Rights of Developer and Institutional Mortgagees to Pay Assessments and Receive Reimbursement

Developer and any Institutional Mortgagees shall have the right, but not the obligation, jointly or severally, 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. Notwithstanding the foregoing, any Institutional Mortgagee who takes title to any Lot(s) shall pay any and all Assessments pursuant to Section 7 from and after the date of such acquisition. Further, Developer and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singularly, and, at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Neighborhood Expenses on behalf of the Association where the same are overdue and where lapses in policies or services may occur. Developer and any Institutional Mortgagees paying overdue Neighborhood Expenses on behalf of the Association will be entitled to immediate reimbursement from the Association plus Interest and any costs of collection including, but not limited to, Legal Fees, and the Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee

who is so entitled to reimbursement and to Developer if Developer is entitled to reimbursement.

6.6. Developer Exemption

Notwithstanding anything herein to the contrary, Developer shall not be liable for any Assessments as long as Developer pays all deficits in operation of the Association above the Assessments received from other Owners in accordance in paragraph 7.5 below. In calculating such deficit, only actual expenses and Reserves for the Common Structural Elements (other than Reserves for the Crestview Recreation Area and capital expenses) shall be included.

7. METHOD OF DETERMINING ASSESSMENTS AND ALLOCATION OF ASSESSMENTS

7.1. Determining Amount of Assessments

The total anticipated Neighborhood Expenses for each calendar year shall be the sum necessary for the maintenance and operation of the Common Structural Elements and landscaping on the Lots and the Association's share of the Crestview Recreation Area Expenses as set forth in the budget prepared by the Board as required under the Documents. The Budget shall include projected receipts from other Crestview Neighborhood Associations for their pro rata share of the Crestview Recreation Area Expenses as set forth in Paragraph 7.9. hereof. Each Completed Lot, each Partially Completed Lot, and each Uncompleted Lot shall be assessed its pro rata portion of the Neighborhood Expenses, which shall be the "Individual Lot Assessment" as to each Lot. The Individual Lot Assessment shall be based upon the level of service and state of the Lot's development, as follows:

- (i) a Completed Lot Owner shall pay on a one hundred to one (100:1) ratio as compared to an Uncompleted Lot Owner; and
- (ii) a Partially Completed Lot Owner shall pay on a ten to one (10:1) ratio as compared to an Uncompleted Lot Owner.

Therefore, the Neighborhood Expenses shall be divided by the total of the number of Completed Lots multiplied by one hundred (100), plus the number of Partially Completed Lots multiplied by ten (10), plus the number of Uncompleted Lots multiplied by one (1). The quotient thus arrived at shall constitute the "Individual Lot Assessment" for an Uncompleted Lot, said quotient multiplied by ten (10) shall be the Individual Lot Assessment for a Partially Completed Lot, and said quotient multiplied by one hundred (100) shall be the Individual Lot Assessment for a Completed Lot. The number of Completed Lots, Partially Completed Lots, and Uncompleted Lots shall be adjusted quarterly, as needed, as hereinafter set forth. At such time as Developer has completed all of the Dwelling Units, each Lot shall be a Completed Lot and the Individual Lot Assessment shall be equal for each Lot. Notwithstanding anything in the Documents to the contrary, any assessment for legal expenses incurred by the Association to begin legal proceedings against Developer shall be deemed a Neighborhood Expense which is the subject of a Special Assessment only, requiring the vote of the Members (as set forth in Paragraph 13.14 hereof) and not the subject of a regular Individual Lot Assessment.

7.2. Assessment Payments

The Individual Lot Assessments shall be payable monthly or quarterly, in advance, on the first day of each month or quarter of each year as determined by the Board. The Individual Lot Assessments, and the monthly or quarterly installments thereof, as well as all Assessments provided for herein and all installments thereof, shall be adjusted from time to time by the Board to reflect changes in the number and status of the Lots as to the number of Completed Lots, Partially Completed Lots, and Uncompleted Lots or changes in the budget or in the event that the Board determines that the Assessments or any installment thereof is either less than or more than the amount actually required.

When a Lot is added to Crestview Villas at Heritage Greens and made subject to this Declaration by recording an Amendment hereto amongst the Public Records during a period with respect to which an Assessment or installment thereof has already been assessed, such Lot shall be deemed assessed the amount of such Assessment or installment thereof which was assessed against Uncompleted Lots, Partially Completed Lots or Completed Lots, as applicable, in existence at the time of such Assessment, prorated from the date the Lot became subject to this Declaration pursuant to an

Amendment hereto 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 subject to this Declaration pursuant to an Amendment hereto, said prorated amount thereof shall be immediately due and payable.

When a Lot becomes a Partially Completed Lot or a Completed Lot during a period with respect to which an Assessment or installment thereof has already been assessed, such Partially Completed Lot or Completed Lot shall be deemed assessed the amount of such Assessment or installment thereof which was assessed against Partially Completed Lots or Completed Lots, as applicable, in existence at the time of such Assessment, prorated from the date the Lot became a Partially Completed Lot through the end of the period in question, or from the date the Partially Completed Lot became a Completed Lot through the end of the period in question, as applicable. If the payment of such assessment or installment thereof was due at the time the Lot became a Partially Completed Lot, Completed Lot or prior thereto, said prorated amount thereof shall be immediately due and payable. Likewise, the amount paid with respect to such Partially Completed Lot or Completed Lot based upon the Lot's status as an Uncompleted Lot or Partially Completed Lot, prorated from the date the Uncompleted Lot became a Partially Completed Lot or the Partially Completed Lot became a Completed Lot to the end of the period in question, shall be credited against such amount owed as a Partially Completed Lot or a Completed Lot.

7.3. Special Assessments

"Special Assessments" include, in addition to other Assessments designated as Special Assessments in the Documents, those Assessments which are levied for capital improvements which include the Association's share of the costs of constructing or acquiring improvements for, or on, the Crestview Recreation Area or the cost of reconstructing or replacing such improvements. 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 Guaranteed Assessment under any of the Documents and any such Special Assessments assessed against Lots and Owners thereof shall be paid by such Owners in addition to any such Guaranteed Assessments. Special Assessments shall be assessed in the same manner as the Individual Lot Assessment; provided, however, a Special Assessment for capital improvements may not be assessed to Developer or against Lots owned by Developer without the consent of Developer; and provided, however, a Special Assessment may be levied against only a single Lot if elsewhere provided for herein. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. The Board, in its sole discretion, may levy a Special Assessment in an amount up to Five Hundred Dollars (\$500.00) per Lot in any calendar year without a vote of the Owners. The levying of any Special Assessment in an amount in excess of Five Hundred Dollars (\$500.00) per Lot shall require the affirmative vote of at least two-thirds (2/3) of the Owners, represented in person or by proxy at a meeting called and held in accordance with the Bylaws, however, this requirement shall not apply in the following instances:

- (i) if the Special Assessment is against an Owner for failure to maintain such Owner's Lot or Dwelling Unit or for failure to perform such Owner's maintenance responsibilities or for failure to reconstruct such Owner's Dwelling Unit;
- (ii) with respect to Special Assessments against Developer; and
- (iii) with respect to a Special Assessment for the replacement or repair of a previously existing improvement on the Crestview Recreation Area which was destroyed or damaged.

7.4. Liability of Owners for Individual Lot Assessments

By the acceptance of a deed or other instrument of conveyance of a Lot in the Subject Property, each Owner thereof acknowledges that each Lot and the Owners thereof are jointly and severally liable for their own Individual Lot Assessment and their applicable portion of any Special Assessments as well as for all Assessments for which they are liable as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Lots for the Neighborhood Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessments and the limitations on the liability of

Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Owner who is or becomes an Owner, for himself and herself and such Owner's heirs, executors, successors and assigns, that in the event Owners fail or refuse to pay their Individual Lot Assessments or any portion thereof or their respective portions of any Special Assessments or any other Assessments, then the other Owners may be responsible for increased Individual Lot Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owners, and such increased Individual Lot Assessment or Special Assessment or other Assessment can and may be enforced by the Association and Developer in the same manner as all other Assessments hereunder as provided in the Documents.

7.5. Guaranteed Assessment During Guarantee Period

Developer covenants and agrees with the Association and the Owners that for the period commencing with the date of recordation of this Declaration and ending upon the sooner to occur of the following:

- (i) the Turnover Date; or
- (ii) December 31, 1998 ("Guarantee Period"),

that the annual Individual Lot Assessment not including any Reserves for the Crestview Recreation Area will not exceed the amount set forth in the initial operating budget of the Association ("Guaranteed Assessment"), which budget will be based on full build out of all proposed Phases, and that Developer will pay the difference, if any, between the Neighborhood Expenses incurred by the Association during the Guarantee Period (other than those Neighborhood Expenses which are properly the subject of a Special Assessment and Neighborhood Expenses which may be incurred for "Cable Service" and/or "Monitored Alarm Service" as hereinafter defined and described) and the amounts assessed as Guaranteed Assessments against Lots. Thus, during the Guarantee Period, Owners shall not be obligated to pay Assessments to the Association other than the Guaranteed Assessment, Special Assessments, and Assessments for Neighborhood Expenses for Cable Service and/or Monitored Alarm Service, if any. Developer hereby reserves the right to amend this Declaration from time to time, at Developer's sole election, to extend the Guarantee Period to a date ending no later than the Turnover Date and to increase the dollar amount of the Guaranteed Assessment during any such extended Guarantee Period. The Guaranteed Assessment does not include assessments levied by the Community Association.

After the Guarantee Period terminates, each Owner shall be obligated to pay Assessments as set forth in Paragraph 7.1 hereof.

7.6. Developer's Guaranteed Assessment Not the Obligation of Institutional Mortgagees

Notwithstanding anything to the contrary herein contained, it is specifically understood and declared and each Owner by the acceptance of a deed or other instrument of conveyance of a Lot within the Subject Property shall be deemed to have acknowledged and agreed that no Institutional Mortgagee (other than Developer) or any successors or assigns of such Institutional Mortgagee, or any person acquiring title to any part of the Subject Property by reason of the foreclosure by an Institutional Mortgagee or deed taken in lieu of such foreclosure shall be deemed to have made, assumed or otherwise undertaken any covenants or obligations of Developer:

- (i) to guarantee the level and/or duration of any Guaranteed Assessments provided for under any of the Documents; or
- (ii) to pay the difference between the actual Neighborhood Expenses and the Guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Guarantee Period as may be provided for in any of the Documents; provided, however, that an Institutional Mortgagee may, at its option, determine to continue the obligation of Developer to guarantee the amount of the Assessments as herein provided.

7.7. Working Fund Contribution

Each Owner who purchases a Lot from Developer shall pay to the Association at the time title is conveyed to such Owner a "Capital Contribution" in the amount of \$200. The purpose of the Capital

Contribution is to ensure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment and services deemed necessary or desirable by the Board. Capital Contributions are not advance payments of Individual Lot Assessments and shall have no effect on future Individual Lot Assessments. Developer has the right to cause the Association to use the Capital Contributions to defray Neighborhood Expenses during the Guarantee Period.

7.8. Exempt Property

Any and all Lots or other portions of the Subject Property which may from time to time be withdrawn from the provisions of this Declaration by Developer shall be exempt from assessment under the provisions hereof.

7.9. Crestview Recreation Area

The Board shall project in the Budget the Crestview Recreation Area Expenses. The Crestview Recreation Area Expenses shall be allocated by the Board amongst the Crestview Neighborhood Associations by multiplying the amount of such expenses by a fraction with respect to each Crestview Neighborhood Association, the numerator of which is the number of dwelling units for which certificates of occupancy have been issued administered by the Crestview Neighborhood Association to which such expenses are being allocated and the denominator of which is the total number of dwelling units administered by all Crestview Neighborhood Associations for which certificates of occupancy have been issued.

8. NEIGHBORHOOD EXPENSES; CERTAIN ASSESSMENT CLASSIFICATIONS

The following expenses of the Common Structural Elements and of the Association and the Association's share of the following expenses of the Crestview Recreation Area are hereby declared to be Neighborhood 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 Documents.

8.1. Taxes

Any and all taxes, charges, impositions or special assessments levied or assessed at any and all times upon the Crestview Recreation Area and against any and all personal property and improvements, which are now or which hereafter may be placed thereon, by any and all taxing authorities, including any interest, penalties and other charges which may accrue thereon.

8.2. Utility Charges

All charges levied for utilities providing services for the Crestview Recreation Area or providing services for the Lots or Dwelling Units but not separately metered to such Lots or Dwelling Units, whether supplied by a private or public firm, including, without limitation, all charges for water, gas, electricity, telephone, sewer and any other type of utility or any other type of service charge.

8.3. Insurance

The premiums on any policy or policies of insurance required to be maintained under the Documents and the premiums on any policy or policies of insurance which the Association determines to maintain even if not required to be maintained under the Documents.

8.4. Maintenance and Repair

Any and all expenses necessary to:

- (i) maintain and preserve the Crestview Recreation Area;
- (ii) maintain and repair the Common Structural Elements;
- (iii) keep, maintain, operate and repair any and all buildings, improvements, personal property and furniture owned by the Association, and fixtures and equipment upon the Crestview Recreation Area in a manner consistent with the development of the Subject Property and in accordance with the covenants and restrictions contained herein and in the Documents, and in conformity with all applicable

federal, state, County or municipal laws, statutes, ordinances, orders, rulings and regulations; and

- (iv) maintain and repair the portions of the Subject Property which are the responsibility of the Association as provided for in the Documents.

8.5. Administrative and Operational Expenses

The costs of administration for the Association in the performance of its functions and duties under the Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses. In addition, the Association may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate or an otherwise-related entity of Developer) to assist in the operation of the Crestview Recreation Area, or portions thereof, and to perform or assist in the performance of certain obligations of the Association under the Documents and the fees or costs of any management company or contractor so retained shall be deemed to be part of the Crestview Recreation Area Expenses and/or Neighborhood Expenses as determined by the Board.

8.6. Compliance with Laws

The Association shall take such action as it determines necessary or appropriate in order for the Crestview Recreation Area and Common Structural Elements and the improvements thereon to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards, and the cost and expense of such action taken by the Association shall be a Crestview Recreation Area Expense and/or Neighborhood Expense as determined by the Board.

8.7. Indemnification

The Association covenants and agrees that from and after the date hereof it will indemnify and hold harmless Developer, its shareholders, officers and directors from and against any and all claims, suits, actions, causes of action and/or damages arising from any personal injury, loss of life and/or damage to property sustained on or about the Crestview Recreation Area and improvements thereof and thereon, and from and against all costs, expenses, Legal Fees and liabilities incurred by Developer arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments and/or decrees which may be entered thereon. The Association shall also indemnify Developer for any expense Developer may incur in bringing any suit or action for the purpose of enforcing the rights of Developer under any of the Documents or of compelling the specific enforcement of the terms, conditions and covenants contained in any of the Documents to be kept or performed by the Association or the Owners. The costs and expense of fulfilling this covenant of indemnification set forth in this Paragraph shall be a Neighborhood Expense.

8.8. Failure or Refusal of Owners to Pay Assessments

Funds needed for Neighborhood Expenses due to the failure or refusal of Owners to pay Assessments levied shall, themselves, be deemed to be Neighborhood Expenses and properly the subject of an Assessment; provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Owners to pay a Special Assessment shall, itself, be deemed to be a Special Assessment subject to the limitations thereon.

8.9. Extraordinary Items

Extraordinary items of expense under the Documents such as expenses due to casualty losses and other extraordinary circumstances shall be the subject of a Special Assessment subject to the limitations thereon.

8.10. Matters of Special Assessments Generally

Amounts needed for capital improvements, as hereinbefore set forth, or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which are not inconsistent with the terms

of any of the Documents and subject to the limitations set forth in Paragraph 7.3 hereof.

8.11. Costs of Reserves

The funds necessary to establish an adequate reserve fund ("Reserves") for periodic maintenance and repair of the Common Structural Elements and the Association's pro rata share of the capital expenditures and deferred maintenance for the Crestview Recreation Area in amounts determined sufficient and appropriate by the Board from time to time may be included as a Neighborhood Expense by the Board, if it so determines, in the Association's annual budget. The term Crestview Recreation Area Expenses shall not include any Reserves. The Reserves shall be deposited in a separate account. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association and no Owner shall have any interest, claim or right to such reserves or any fund composed of same. Developer shall not be subject to any assessment for Reserves without its prior written consent. Notwithstanding the foregoing, nothing contained herein shall require the Board to collect Reserves from the Owners.

8.12. Cable Television System

Any and all costs and expenses incurred by the Association under or pursuant to any agreement(s) ("Cable Agreement") entered into by the Association pursuant to which cable television service ("Cable Service") will be provided to all of the Dwelling Units on the Subject Property and whether or not the Cable Service includes features in addition to television reception such as, but not limited to, a smoke/heat detection system or other features; provided that notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Cable Agreement shall be apportioned equally but only amongst those Dwelling Units with respect to which the Association is being charged under or pursuant to the Cable Agreement except to the extent, if any, that any Owner elects to receive an "Optional Service" (being a service not automatically received by all Owners entitled to receive Cable Service pursuant to the Cable Agreement). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs thereof. The foregoing shall in no way obligate Developer or the Association to enter into a Cable Agreement.

8.13. Monitored Alarm System

Any and all costs and expenses incurred by the Association under or pursuant to any agreement(s) ("Monitored Alarm Agreement") entered into by the Association pursuant to which monitored alarm service ("Monitored Alarm Service") will be provided to all of the Dwelling Units on the Subject Property and whether or not the Monitored Alarm Service includes features in addition to perimeter monitored alarm services such as, but not limited to, a smoke/heat detection system, push button panels for emergency calls or other features; provided that notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Monitored Alarm Agreement shall be apportioned equally but only amongst those Dwelling Units with respect to which the Association is being charged under or pursuant to the Monitored Alarm Agreement except to the extent, if any, that any Owner elects to receive an "Optional Service" (being a service not automatically received by all Owners entitled to receive Monitored Alarm Service pursuant to the Monitored Alarm Agreement). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs thereof. The foregoing shall in no way obligate Developer or the Association to enter into a Monitored Alarm Agreement.

8.14. Miscellaneous Expenses

Any item of cost or expense pertaining to or for the benefit of the Owners, the Association or the Crestview Recreation Area, or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Neighborhood Expense by the Board shall be a Neighborhood Expense.

9. INSURANCE AND CONDEMNATION

9.1. Insurance to be purchased by each Owner

Each Owner shall purchase and maintain the following coverages for his Lot and Dwelling Unit at his own expense:

9.1.1. Homeowners Insurance

Each Owner shall purchase homeowners insurance insuring his Dwelling Unit and Lot (including, but not limited to, the Common Structural Elements which are a part thereof) at not less than the full "Replacement Value" thereof. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, items of personal property and other items normally excluded from coverage. Such insurance shall afford protection against at least the following:

1. loss or damage by fire and other hazards covered by the standard extended coverage endorsement and by cost of debris removal and demolition, vandalism, malicious mischief, windstorm and water damage; and

2. Such other risks as shall customarily be covered with respect to structures similar to the Dwelling Units in developments similar to Crestview Villas in construction, location and use.

Such insurance shall also include comprehensive liability insurance in an amount not less than \$300,000.00 per occurrence for personal injury and property damage. Each such Owner shall pay for the foregoing insurance with respect to his Dwelling Unit and shall supply to the Association a certificate showing such insurance to be in effect and the premium for such insurance to have been paid for the then forthcoming year.

9.1.2. Flood Insurance

Each Owner shall also obtain and pay for the flood insurance sponsored by the federal government with respect to his Dwelling Unit, provided same is available.

9.1.3. Liability Insurance

Each Owner is required to purchase his own liability insurance for any accidents occurring on his Lot.

9.1.4. Casualty Insurance for Personal Property

Each Owner shall also be responsible for the purchase of casualty insurance for all of such Owner's personal property.

9.1.5. Failure of an Owner to Obtain Insurance

If any Owner ("Delinquent Owner") shall fail to obtain such insurance as is required by Sections 9.1.1, 9.1.2 and 9.1.3 hereof or shall fail to supply satisfactory evidence to the Association that such insurance is in full force and effect, the Association shall have the right, but not the obligation, to obtain such insurance and obtain a reimbursement from the Delinquent Owner for the premium together with Interest. The Association is hereby irrevocably appointed agent for each Delinquent Owner for purposes of the Association obtaining such insurance. The cost of such premiums together with Interest thereon and the expenses of collection (if any), including Legal Fees shall become a lien upon the Lot of the Delinquent Owner. The Delinquent Owner shall be personally liable to the Association for the foregoing amounts advanced by the Association. In the event the Delinquent Owner does not pay same within twenty (20) days of notice thereof, the Association may proceed to enforce and collect such amounts from the Delinquent Owner in any manner provided for by laws of the State of Florida, including foreclosure and sale of the Lot. Said lien shall be effective only from and after time of recordation amongst the Public Records of a written, acknowledged statement signed by an authorized agent of the Association setting forth the amount due. All sums expended shall earn Interest. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable Satisfaction of Lien.

Any proceeds paid under any such policy as a result of damage to or destruction of a Dwelling Unit shall be utilized, to the extent necessary, toward the restoration of such Dwelling Unit and, if such proceeds are insufficient therefor, the Owner in question shall be responsible for such additional sums as are necessary to so restore the Dwelling Unit in question. In the event the Owner fails to repair his Dwelling Unit within a reasonable period of time from the date of casualty as determined by the Association, then the Owner shall be a "Defaulting Owner" as defined in Paragraph 12.1.5 hereof and the Association and the Developer shall have the right to proceed in accordance with Paragraph 12.1.5 hereof. Any repair, rebuilding or reconstruction shall be in accordance with the provisions of Paragraph 9.1.6 hereof.

9.1.6. Repair of Damaged Property. Any repair, rebuilding or reconstruction of damaged property shall be substantially in accordance with architectural plans and specifications for Crestview Villas:

- (i) as originally constructed;
- (ii) as reconstructed; or
- (iii) approved by the Board and the Architectural Review Board of the Community Association; provided, however, any material or substantial change in plans and specifications approved by the Board and the Architectural Review Board of the Community Association from the plans and specifications of Crestview Villas as previously constructed shall require approval by the Lead Mortgagee which approval shall not be unreasonably withheld. The Architectural Review Board of the Community Association and the Association make no representations or warranties regarding the approval of new plans and specifications and, thus, assume no liability in this regard.

9.2. Insurance to be Purchased by the Association

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 Neighborhood Expenses:

9.2.1. Public Liability Insurance

A comprehensive policy or policies of general liability insurance naming the Association and, for so long as Developer owns any Lot, Developer as named insured thereof and including the Owners as insureds thereunder insuring against any and all claims or demands made by any person or persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Crestview Recreation Area and any improvements and buildings located thereon and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000) for bodily injury and One Hundred Thousand Dollars (\$100,000) for property damage for any single occurrence. Such coverage shall include as appropriate, without limitation, protection against any legal liability that results from lawsuits related to employment contracts in which the Association is a party; bodily injury and property damage liability that results from the operation, maintenance or use of the Crestview Recreation Area and Common Structural Elements; water damage liability; liability for non-owned and hired automobiles; liability for property of others and such other risks as are customarily covered with respect to areas similar to the Crestview Recreation Area in developments similar to Crestview Villas in construction, location and use. The insurance purchased shall contain a "Severability of Interest endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of an Owner because of the negligent acts of either the Association, Developer or any other Owners or deny the claim of either Developer or Association because of negligent acts of the other, or the negligent acts of an Owner. All liability insurance shall contain cross liability endorsements to cover liabilities of the Owners as a group to an Owner. Each Owner shall be responsible for the purchasing of liability insurance for accidents occurring on his or her own Lot and, if the Owner so determines, for supplementing any insurance purchased by the Association. Notwithstanding the foregoing, in the event the Board determines that the cost of public liability insurance is economically unwarranted, the Board may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage.

9.2.2. Hazard Insurance

The Association shall obtain casualty insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing casualty insurance coverage for all insurable property and improvements within the Crestview Recreation Area, including Fire and Extended Coverage, Vandalism and Malicious Mischief Insurance, all of which insurance shall insure all of the insurable improvements on or within the Crestview Recreation Area, including personal property owned by the Association, in and for the interest of the Association, with a company (or companies) acceptable to the standards set by the Board. The Association shall purchase insurance for all buildings or equipment now located or which may hereafter be located, built or placed on the Crestview Recreation Area in an amount equal to one hundred percent (100%) of the "Replacement Value" thereof. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, items of personal property and other items normally excluded from coverage as determined annually by the Board. The Board may determine the kind of coverage and proper and adequate amount of insurance. The casualty insurance shall contain an "agreed amount endorsement" or its equivalent, "inflation guard endorsement," and, if determined necessary, an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" or a "demolition endorsement" or the equivalent. The casualty insurance shall insure the building from loss or damage caused by or resulting from at least the following: fire and other hazards covered by the standard extended coverage endorsement and by sprinkler leakage, windstorm, vandalism, malicious mischief, debris removal and demolition, and such other risks as shall customarily be covered with respect to projects or developments similar in construction, location and use.

9.2.3. Flood Insurance

If determined appropriate by the Board or if required by an Institutional Mortgagee, a policy of flood insurance covering the Crestview Recreation Area, if available, under the National Flood Insurance Program, or other flood program acceptable to the Board, 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.

9.2.4. Fidelity Coverage

Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Directors and all others who handle and are responsible for handling funds of the Association (whether or not they receive compensation), such coverage to be in the form of fidelity bonds which meet the following requirements:

9.2.4.1. Such bonds shall name the Association as an obligee and premiums therefor shall be paid by the Association;

9.2.4.2. Such bonds shall be written in an amount equal to at least the sum of one-quarter (1/4) of the annual Assessments on all Lots, plus the Reserves, if any, but in no event less than Ten Thousand Dollars (\$10,000) for each such person; and

9.2.4.3. Such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Notwithstanding the foregoing, in the event the Association determines that the cost of such insurance is economically unwarranted or is not obtainable, the Association may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage.

9.2.5. Director's and Officer's Liability Coverage

In addition to the other insurance required under this Section 9, the Board shall obtain directors' and officers' liability insurance, if reasonably available.

9.2.6. Cancellation or Modification

All insurance policies purchased by the Association shall provide that they may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10) days prior written notice to the Association.

9.3. Insurance Amounts.

Notwithstanding anything in this Section 9 to the contrary, Owners or the Association, as the case may be, may purchase insurance in excess of the amounts set forth herein. The amounts set forth do not constitute a representation or warranty of any kind by Developer or the Association as to the proper amount or kinds of insurance required.

9.4. Insurance Proceeds

All mortgagees acknowledge that any proceeds paid under any insurance policy as a result of damage to or destruction of a Dwelling Unit shall be utilized, to the extent necessary, toward the restoration of such Dwelling Unit and if such proceeds are insufficient therefor, the Owner in question may be responsible for such additional sums as are necessary to so restore the Dwelling Unit in question or may be subject to a Special Assessment therefor. Any repair, rebuilding or reconstruction shall be in accordance with the provisions of Paragraph 9.1.6. hereof.

9.5. Condemnation

In the event the Association receives any award or payment arising from the taking of the Crestview Recreation Area 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 the portion not taken and improvements thereon to the extent deemed advisable by the Association and approved by Owners owning at least two-thirds (2/3) of the Lots, and the remaining balance thereof, if any, shall then be divided between the Crestview Neighborhood Associations using the same fraction for each Crestview Neighborhood Association as described in Paragraph 7.9. hereof.

10. EASEMENTS

10.1. Recognition of Existing Easements

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

10.2. Grant and Reservation of Easements

Developer hereby reserves and grants the following perpetual easements over and across the Subject Property as covenants running with the Subject Property for the benefit of the Owners, the Association, the Community Association and Developer as hereinafter specified for the following purposes:

10.2.1. Utility and Services Easements

Easements are hereby granted to provide for installation, service, repair and maintenance of the equipment required to provide utility services including, but not limited to, power, electric transmission, television cable, monitored alarm systems, light, telephone, gas, water, sewer, drainage and irrigation, and governmental services including reasonable rights of access for persons and equipment necessary for such purpose for the benefit of the appropriate utility companies, agencies, franchises or governmental agencies and the Association, the Community Association and the Developer; provided that all facilities for any of the foregoing shall be subject to the limitations set forth in Paragraph 10.4 hereof and shall be installed underground except those above ground facilities as shall be permitted in writing by the Association.

10.2.2. Easement for Encroachment

An easement is hereby granted for encroachment in favor of an Owner in the event any portion of his or her Dwelling Unit or Common Structural Elements or appurtenant improvements such as a fence now or hereafter encroaches upon any of the Lots as a result of inaccuracies in

survey, construction or due to settlement or movement or caused by changes in the building design or site plan, provided such changes have been approved by the appropriate governmental authorities. Such encroaching improvements installed by Developer shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching improvements in favor of the Owner thereof or his or her designees.

10.2.3. Easement to Enter Upon Lots and Subject Property

- (a) An easement is hereby granted for ingress and egress in favor of the Association, including the Board or the designees of the Board, to enter upon the Lots for the purpose of fulfilling its duties and responsibilities of ownership, maintenance and/or repair in accordance with the Documents, including, but not limited to, ingress, egress, pest control, lawn maintenance and irrigation and the making of such repair, maintenance or reconstruction to prevent damage or risk of loss to other Owners.
- (b) Developer shall have the right, but not the obligation, to conduct inspections of and tests on, from time to time, all or any part of the Subject Property and improvements thereon in order to ascertain the physical condition of the Subject Property and improvements thereon and to determine whether maintenance, repair or replacement of the Subject Property or improvements thereon is indicated. If Developer conducts any such tests or inspections, it shall pay all costs thereof, restore the affected portion of the Subject Property to its condition immediately prior to the inspections and tests, and shall indemnify the Association and the Owner(s) of any affected Dwelling Unit(s) within the Subject Property from any damages resulting therefrom. Developer hereby reserves the right of entry on, over, under, across and through the Subject Property as may be reasonably necessary for the foregoing purposes.

10.2.4. Easement Over the Crestview Recreation Area

A nonexclusive easement of enjoyment is hereby granted in favor of all Owners, their family members, guests, invitees and lessees in and to the Crestview Recreation Area which shall be appurtenant to and shall pass with title to every Lot, subject to the following:

- (a) the right of the Association to suspend rights to use the Crestview Recreation Area of any Owner for any period during which Assessments against his or her Lot(s) remain unpaid;
- (b) the right of the Association to grant permits, licenses and easements over the Crestview Recreation Area for utilities and other purposes reasonably necessary or useful for the proper maintenance or operating of the Subject Property;
- (c) the nonexclusive easement or easements of enjoyment granted or to be granted by Developer to the owners of any dwelling units in Crestview not included in the Subject Property and their lessees and their family members, guests and invitees; and
- (d) all provisions set forth in the Documents.

10.2.5. Drainage Easement Over Subject Property

An easement is hereby granted for drainage and flowage over and upon the Subject Property benefitting any contiguous lands owned by Developer, including, but not limited to, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair underground water drainage and flowage pipes.

10.2.6. Structural Cross Easements

Cross easements of support and use over, upon, across, under, through and into the Common Structural Elements are hereby granted in favor of the Association, the Owners or their designees for the continued use,

benefit and enjoyment and continued support, service, maintenance, repair and design of all Dwelling Units and Common Structural Elements within any portion of the Subject Property.

10.3. Assignments

The easements reserved hereunder may be assigned by Developer or the Association in whole or in part to the Community Association or any City, County or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Developer. The Owners hereby authorize Developer and/or the Association to execute, on their behalf and without further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Subject Property or portions thereof in accordance with the provisions of this Declaration subject to the limitations set forth in Paragraph 10.4 hereof.

10.4. Limitation of Easements

No such easements shall be permitted or deemed to exist which cause any buildings, permanent structures or other permanent facilities within the Subject Property which have been constructed:

- (i) in accordance with the Documents; and
- (ii) prior to the use of such an easement; to be materially altered or detrimentally affected thereby nor shall any such easements be granted or deemed to exist under any such structures or buildings so built in accordance with the Documents prior to the actual use of such easement.

The foregoing shall not preclude such easements under then-existing improvements other than buildings or structures (such as, but not limited to, a fence or driveway) provided that the use and enjoyment of the easement and installation of the facilities in connection therewith would not result in other than minor, temporary alterations to such improvements other than a building or structure (including, but not limited to, temporary alteration or removal of a fence or a temporary excavation within a driveway) and provided that same is repaired and/or restored, as the case may be, by the one making use of such easement at its expense and within a reasonable time thereafter.

Notwithstanding anything in this Declaration to the contrary, all easement rights reserved or granted to Developer shall terminate ten (10) years after Developer no longer has the right to add any Phase to the Subject Property by recording an amendment hereto and no longer owns any Lots or Dwelling Units on the Subject Property, except for the easement right of Developer set forth in Paragraph 10.2.5 hereof. In addition, the easement rights granted or reserved by Developer hereunder are not to be construed as creating an affirmative obligation to act on the part of Developer.

11. OCCUPANCY AND USE RESTRICTIONS

11.1. Occupancy and Use Restrictions.

For purposes of this Article 11, unless the context otherwise requires, Owner shall also include the family, invitees, guests, licensees, lessees and sublessees of any Owner, and any other permitted occupants of a Dwelling Unit.

11.1.1. Single-Family Use

The Dwelling Units shall be the only dwellings constructed on the Residential Property. Each Dwelling Unit shall be occupied by only one family at any time as a residence and for no other purpose.

No business, commercial activity or profession may be conducted from any Dwelling Unit, nor may the name of Crestview Villas or the address of any Dwelling Unit be publicly advertised as the location of any business. The use of a Dwelling Unit as a public lodging establishment shall be deemed a business or commercial use. This restriction shall not be construed to prohibit any Owner from maintaining a personal or professional library, from keeping his personal, business or professional records in his Dwelling Unit, or from handling his personal, business or professional telephone calls or written correspondence in and from his

Dwelling Unit. Such uses are expressly declared customarily incident to residential use. This Paragraph 11.1.1. is, however, intended to prohibit commercial or business activity by an Owner which would unreasonably disrupt the residential ambiance of the Crestview Villas, or make it obvious that a business is being conducted, such as by regular or frequent traffic in and out of Crestview Villas by persons making deliveries or pick-ups, by employees or other business associates, or by customers and clients.

No Dwelling Unit may be rented for a term of less than thirty (30) consecutive days, except a lease for the entire month of February shall be deemed a lease for thirty (30) consecutive days. No Dwelling Unit shall be leased more than six (6) times in any twelve (12) month period; provided, however, if a tenant defaults, then such Dwelling Unit may be leased one additional time if the prior written approval of the Board is obtained. No portion of a Dwelling Unit (other than an entire Dwelling Unit) may be rented. All leases of Dwelling Units shall provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of the Documents, or of any other agreement or instrument governing the Dwelling Units. The Owner of a leased Dwelling Unit shall be jointly and severally liable with his or her tenant to the Community Association and to the Association to pay any claim for injury or damage to property caused by the negligence of the tenant. Notwithstanding that an Owner has leased his Dwelling Unit, the Owner shall remain obligated to comply with all the provisions of the Documents. Every lease of a Dwelling Unit shall be subordinated to any lien filed by the Community Association or the Association whether before or after such lease was entered into. Rules, whether adopted by the Association, or otherwise, shall not further limit the rental of Dwelling Units.

No Dwelling Unit shall be made subject to any type of timesharing, fraction-sharing, interval ownership or similar program whereby the right to exclusive use of the Dwelling Unit rotates among members of the program on a fixed or floating time schedule.

11.1.2. Maintenance of Property

The Lot and improvements thereon shall be kept in a good, safe, clean, neat and attractive condition. No refuse or unsightly objects shall be allowed to be placed or permitted to remain anywhere thereon. During construction of a Dwelling Unit or other improvement upon any portion of the Subject Property, the Owner thereof shall be required to maintain said property in a clean condition and to provide receptacles for the disposal of trash and rubbish as well as other construction debris. All such construction debris, refuse, unsightly objects and waste on a portion of the Subject Property must be removed within thirty (30) days after the completion of construction of the improvement on such portion of the Subject Property, as evidenced by issuance of a certificate of occupancy, if applicable.

11.1.3. Swales

No Owner shall plant any trees or shrubs or the like in or on a swale area, nor shall any Owner alter the slope of the swales or take any other action which may impede the drainage system and the flowage of water without the prior written consent of the Association, the Community Association and the District.

11.1.4. Temporary Buildings, Etc.

No tents, trailers, shacks or other temporary buildings or structures shall be constructed or otherwise placed upon the Subject Property except in connection with construction, development, leasing or sales activities permitted under the Documents. No temporary structure may be used as a Dwelling Unit.

11.1.5. Vehicles

A. Commercial vehicles other than construction or service vehicles temporarily present on business may not be parked on or in front of Crestview Villas unless parked inside a garage.

B. No boat, trailer, semitrailer, or house trailer of any kind, camper, motor home, bus, truck camper, or disabled, inoperative or unlicensed motor vehicle of any kind may be parked or kept on or in front of Crestview Villas unless it is kept inside a garage. Buses, motor homes, campers, and the like are permitted to be parked on or in front of

Crestview Villas temporarily for loading and unloading purposes only, and then for a maximum of twelve (12) hours. Parking for longer periods of time may be permitted only with the prior written approval of the Board of Directors of the Community Association.

C. The following vehicles shall not be placed, parked or stored in front of or on Crestview Villas for a period of more than four (4) hours except in a garage concealed from public view:

- (1) motorcycles, motorscooters, mopeds, all terrain vehicles, golf carts and tractors;
- (2) vehicles which are not described in Paragraphs A or B hereof with a tire size more than 34 inches high to the top of the tire (either recommended by the manufacturer or installed);
- (3) vehicles in serious need of body work as determined by the Board (unpainted surfaces, missing or damaged components, body perforated from rust, etc.); and
- (4) vehicles with materials and equipment not screened from view (lumber, cement blocks, fill, sand, gravel, construction debris, racks, ladders, pipe, tools, etc.) other than a utility or tool box and/or bed liner in the bed of a truck.

D. A police vehicle may be parked outside of a garage, if it is a type of vehicle which would normally be permitted to be parked in Crestview Villas outside of a garage.

Rules, whether adopted by the Association, or otherwise shall not further limit the size, weight, type and place and manner of storage and/or operation of such vehicles in Crestview Villas.

No repair of vehicles, except for emergency repairs, shall be made on or in front of a Lot unless in an Owner's garage. Vehicles on a Lot necessary for the actual construction or repair of a structure or for grounds maintenance on the Lot shall be exempt from the provisions of this Paragraph 11.1.5. The Association shall have the right to tow any vehicle parked on or in front of the Subject Property in violation of the requirements of the Documents at the expense of the owner of such vehicle.

11.1.6. Garages

Each Dwelling Unit shall have an attached garage. No garage shall be erected which is separate from the Dwelling Unit. No portion of a garage originally intended for the parking of a vehicle shall be permanently enclosed and/or converted into a living space or storage area. Each garage shall remain usable for parking two vehicles. No individual air conditioning units which are visible from outside the Dwelling Unit shall be permitted in a garage.

11.1.7. Signs

Owners, other than Developer, shall not display any sign, advertisement or notice of any type in Crestview Villas.

11.1.8. Animals and Pets

Only common household pets (i.e., dogs other than pit bulls, cats, birds, tropical fish, turtles, iguanas, hamsters or gerbils in reasonable numbers) may be kept in Crestview Villas. No more than two (2) dogs per Dwelling Unit will be permitted. Pets may not be kept for the purpose of breeding or for any commercial purposes whatsoever. Pets may not be kept in violation of zoning or any other restrictions of the County or other governmental authority. No other animals, livestock or poultry of any kind shall be kept, raised, bred or maintained. Under no circumstances may a pit bull dog be permitted. The term "pit bull dog" as used within this paragraph shall refer to any dog which exhibits those distinguishing characteristics which (A) substantially conform to the standards established by the American Kennel Club for American Staffordshire Terriers or Staffordshire Bull Terriers; or (B) substantially conform to the standards established by the United Kennel Club for American Pit Bull Terriers. Permitted pets shall only be kept subject to and in

accordance with such rules and regulations as shall be promulgated from time to time by the Association. Any pet must be carried or kept on a leash when outside of a Dwelling Unit or fenced-in area.

Any pet must not be an unreasonable nuisance or annoyance. A determination by the Board that a pet creates a nuisance shall be conclusive and binding upon the Owner and the pet shall be immediately removed from the Subject Property. All Owners shall immediately pick up and remove any solid animal waste deposited by his or her pet. If any pet interferes with the Association's maintenance responsibility, the applicable pet owner will be required to assume the obligations for such maintenance, without reduction in Assessments for Neighborhood Expenses.

Each Owner who determines to keep a pet thereby agrees to indemnify the Association and Developer, and hold them harmless against any loss or liability of any kind or character whatsoever arising from or growing out of the Owner's having any animal on the Subject Property.

11.1.9. Additions and Alterations

No Dwelling Unit shall be enlarged by any addition thereto or to any part thereof, and no Owner shall make any improvement, addition or alteration to the exterior of his or her Dwelling Unit, including, without limitation, the painting, staining or varnishing of the exterior of the Dwelling Unit and the addition of screens or screen doors or enclosures, except in accordance with guidelines previously established by the Board or with the prior written approval of the Association and the Architectural Review Board of the Community Association, which approval may be withheld for purely aesthetic reasons.

11.1.10. Barbecues

Owners shall be permitted to locate and use barbecues only upon their respective Lots behind their respective Dwelling Units; provided, however, that such barbecues shall be placed so as not to interfere with lawn maintenance and that barbecuing shall be subject to such rules and regulations as may be promulgated from time to time by the Board. Any barbecue which would be a permanent installation must also be approved in writing by the Association and the Architectural Review Board of the Community Association.

11.1.11. Increase in Insurance Rates

No Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering or with respect to any portion of the Subject Property.

11.1.12. Water Supply

No wells or individual water supplies shall be permitted for drinking purposes or household use.

11.1.13. Mailboxes

Mailboxes shall not be installed by Owners except in accordance with guidelines previously established by the Board or with the prior written consent of the Association and the Architectural Review Board of the Community Association, which consent may be withheld based on purely aesthetic reasons.

11.1.14. Clotheslines

Outdoor clothes drying areas are allowed on a Lot only in locations not visible from outside the Lot in accordance with guidelines previously established by the Board or with the prior written approval of the Board and the Architectural Review Board of the Community Association.

11.1.15. Fencing

No fencing other than the fencing installed by Developer, and any replacement thereof, may be placed on the Subject Property, including the Lots, without the prior written approval of the Association and the Architectural Review Board of the Community Association, which may be withheld for purely aesthetic reasons.

11.1.16. Landscaping

No landscaping by an Owner which materially alters the exterior appearance of any Lot shall be permitted unless in accordance with guidelines previously established by the Board or with the written permission of the Association and the Architectural Review Board of the Community Association. Further, Owners shall not be permitted to plant shrubbery and flowering plants ("Plantings") within existing flower beds unless in accordance with guidelines previously established by the Board or with the prior written consent of the Association. Plantings which have been approved by the Association shall be maintained by the Owners.

11.1.17. Basketball Equipment, Play Equipment, Strollers, etc.

Basketball hoops and backboards shall be permitted on a Dwelling Unit if installed in accordance with guidelines previously established by the Board or approved in writing by the Association and the Architectural Review Board of the Community Association prior to installation. All bicycles, tricycles, scooters, skateboards, and other play equipment, wading pools, baby strollers and similar items shall be stored so as not to be visible from streets or property adjacent to the Lot. Swing sets shall be located in the backyard portion of a Lot.

11.1.18. Storm Precautions.

No hurricane or storm shutters shall be permanently installed on any structure or Dwelling Unit unless first approved by the Board and the Architectural Review Board of the Community Association. Hurricane or storm shutters may be installed temporarily, and other storm precautions may be taken to protect structures or Dwelling Units, while the threat of a hurricane or similar storm is imminent; provided, all such shutters and other exterior alterations or additions made as a storm precaution shall be promptly removed once the storm or imminent threat of the storm has passed.

11.1.19. Compliance with the Covenants.

An Owner shall also comply with the Covenants, including the general covenants and use restrictions set forth in Paragraph 5 of the Covenants.

11.1.20. Nuisances.

No Owner shall use his Lot, or permit it to be used, in any manner that is unreasonably disturbing, detrimental or a nuisance to the occupants of another Lot, or which would not be consistent with the maintenance of the highest standards for a first class residential neighborhood, nor permit the Lot to be used in a disorderly or unlawful way. The use of each Lot shall be consistent with existing laws and the Documents and occupants shall at all times conduct themselves in a peaceful and orderly manner.

11.1.21. Litter.

In order to preserve the beauty of Crestview Villas, no garbage, trash refuse or rubbish shall be deposited, dumped or kept within Crestview Villas except in closed containers or in proper-sized closed plastic bags deemed suitable by the Board. No odor shall be permitted to arise from any such containers so as to render the Subject Property or any portion thereof unsanitary, unsightly or offensive to any other property in the vicinity thereof or to its occupants. All containers and plastic bags shall be kept in an Owner's garage, unless determined otherwise by the Board, except for curbside refuse pick up. All trash containers must be put out for pick up either on the night before or the morning of pick up, and no earlier. All empty trash containers must be retrieved by the Owner on the same day as pick up. All refuse shall be regularly removed and not allowed to accumulate.

11.1.22. Pest Control.

Each Owner is responsible for obtaining his own pest control services at his expense for inside his Dwelling Unit. However, if the Board determines that pest control services must be provided to the entire Building, then the Association has the right to supply pest control services for the entire Building and inside of each Dwelling Unit with the

cost thereof being part of the Neighborhood Expenses, in which event the Owner thereof must permit the Association's pest control company to enter his Lot and Dwelling Unit at such times as determined to be necessary by the Association.

11.1.23. Antennae and Aerials

No antennae or aerials shall be placed upon any Lot, unless completely inside a Dwelling Unit, without the prior written consent of the Board and the Architectural Review Board of the Community Association, except that this prohibition shall not apply to those satellite dishes that are one meter (39 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 Tele-communications Act of 1996, as amended from time to time. However, the Association and the Community Association may adopt and enforce reasonable rules limiting installation of permissible dishes or antennae to side or rear yard locations, not visible from the street or neighboring properties and integrated with the Building, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules.

11.1.24. Quiet Enjoyment.

It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy or unkept condition on his Lot. No portion of any Lot shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of any Lot that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Lots.

There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Lots. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Subject Property or adjacent thereto.

No hazardous or toxic substances, chemicals, pesticides, fertilizers or any other matter shall be dumped on any portion of the Subject Property or into any lake or canal which is within or abuts the Subject Property or surface water management system of the Subject Property. Fertilizers and pesticides shall be used on Lots only in a reasonable manner and only for the purpose for which such products are intended. Owners shall take strict precautions to prevent fertilizers and pesticides from entering any lake or canal which is within or abuts the Subject Property or surface water management system of the Subject Property.

11.2. Certain Rights of Developer

The provisions, restrictions, terms and conditions of this Section 11 shall not apply to Developer as an Owner.

12. MAINTENANCE AND REPAIR OF THE SUBJECT PROPERTY

In order to further establish and preserve the Subject Property, each Owner covenants and shall be obligated at all times to maintain portions of his or her Dwelling Unit (including, but not limited to, cleaning, repairing and replacing all glass and screens in windows and doors) in a neat, aesthetically pleasing manner, in proper condition and good repair.

12.1. By Owners

The responsibility of an Owner is as follows:

12.1.1. Maintenance and Repair

Owners shall be responsible for maintaining, repairing and replacing at such Owner's expense, portions of such Owner's Dwelling Unit and improvements thereon, including any screening, all window panes, doors, garage doors and all interior surfaces within the Dwelling Unit (such as the surfaces of the walls, ceilings and floors); and maintain and repair the fixtures therein, including the air conditioning equipment serving the

Dwelling Unit; and pay for any utilities which are separately metered to such Owner's Dwelling Unit. Every Owner must promptly perform all maintenance and repair work in a good and workmanlike manner within such Owner's Dwelling Unit, as aforesaid, which if not performed would affect any other portion of Crestview Villas or a Dwelling Unit or Lot belonging to another Owner, including but not limited to repair and replacement of damaged glass and screens in windows and doors which detract from the overall appearance of Crestview Villas. Each Owner shall be expressly responsible for the damages and liabilities that such Owner's failure to perform the above-mentioned responsibilities may engender. Said Dwelling Unit shall be maintained and repaired in accordance with the building plans and specifications utilized by Developer, except for changes or alterations approved by the Association and the Architectural Review Board of the Community Association as provided in this Declaration.

12.1.2. Alterations

Owners shall obtain the written consent of the Association and the Architectural Review Board of the Community Association prior to:

- (i) making any alterations in any improvement within the Subject Property;
- (ii) removing any portion of an improvement within the Subject Property or making any additions thereto; or
- (iii) doing anything which would or might jeopardize or impair the safety or soundness of the Subject Property or which, in the sole opinion of the Association, would detrimentally affect the architectural design of a Building within the Subject Property.

12.1.3. Painting and Association Approval

Owners shall not paint, refurbish, stain, alter, decorate, repair, replace or change the improvements on the Subject Property (except for painting, staining or decorating inside the Dwelling Units or other nonstructural changes inside the Dwelling Units or replacing window panes or screening), etc. without the prior written approval of the Association and the Architectural Review Board of the Community Association. Owners shall not have any exterior lighting fixtures, window screens, screen doors, awnings, hurricane shutters, hardware or similar items installed which are not consistent with the general architecture of the Dwelling Unit as determined by the Association without first obtaining specific written approval of the Association and the Architectural Review Board of the Community Association. The Association shall not grant approval if, in its opinion, the effect of any of the items mentioned herein will be unsightly.

12.1.4. Duty to Report

Owners shall promptly report to the Association or its agents any defect or need for repairs, the responsibility for the remedying of which lies with the Association.

12.1.5. Failure of Owners to Perform Maintenance and/or Repairs

In the event any Owner fails to properly maintain and/or repair such Owner's Lot and/or Dwelling Unit pursuant to this Declaration ("Defaulting Owner"), the Association or Developer shall have the right but not the obligation, upon fifteen (15) days written notice to the Defaulting Owner, to enter the property of the Defaulting Owner for the purpose of performing the maintenance and/or repairs referred to, set forth and described in the notice. The determination of whether an Owner is failing to properly maintain and/or repair property for which he or she has maintenance responsibility shall be determined in the sole discretion of the Association or Developer. The cost of performing such maintenance and/or repairs ("Remedial Maintenance Fee") and the expenses of collection including but not limited to, Legal Fees, shall be assessed against the Defaulting Owner.

Any Remedial Maintenance Fee, including Interest thereon, and costs of collection, including Legal Fees as herein provided, are hereby declared to be a charge and shall be a continuing lien upon the Lot and improvements thereon against which the Remedial Maintenance Fee is

assessed. A Defaulting Owner shall also be personally liable to the Association or Developer, as the case may be, for the payment of the Remedial Maintenance Fee assessed such Owner plus Interest and Legal Fees. In the event the amounts assessed against a Defaulting Owner are not paid within twenty (20) days of the date of the assessment, the Association or Developer, as the case may be, may proceed to enforce and collect said assessments against such Defaulting Owner in any manner provided for by the laws of the State of Florida, including foreclosure and sale of a Defaulting Owner's Lot and improvements thereon. The lien created hereby shall be effective only from and after the time of recordation amongst the Public Records, of a written, acknowledged statement signed by an authorized agent of the Association or Developer setting forth the amount due. All sums expended shall earn Interest. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien.

Notwithstanding the foregoing, the provisions of this Section 12 may also be enforced in accordance with the provisions of Section 6 hereof.

12.1.6. Liability for Actions

An Owner shall be liable for the expense incurred by the Association for any maintenance, repair or replacement of any real or personal property within Crestview Villas rendered necessary by such Owner's act, neglect or carelessness, or by that of such Owner's lessee or any member of their families, or their guests, employees or agents (normal wear and tear excepted) but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. An Owner shall also be liable for any personal injuries caused by such Owner's negligent acts or those of such Owner's lessee or any member of their families, or their guests, employees or agents. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

12.2. By the Association

The responsibility of the Association is as follows:

12.2.1. Maintenance and Repair

The Association shall repair, maintain and replace any and all improvements and facilities located upon the Crestview Recreation Area, and the Common Structural Elements and all landscaping on the Subject Property except as otherwise provided herein. Maintenance includes, but is not limited to, the following: irrigation, landscape care and replacement, lawn care, chemical treatment and other services for the Subject Property and the swales between the edge of pavement and the Subject Property, and also painting and structural upkeep of the Crestview Recreation Area and the exteriors of the Dwelling Units, including but not limited to Roofing, sidewalks and driveways within the Subject Property. Driveways shall be maintained by the Association in accordance with Paragraph 5.10 of the Covenants, including the portion thereof between the Lot line and the edge of pavement for the adjacent roadway. The Association may, to the extent permitted by the appropriate government authority or the Community Association, also provide maintenance of all County, District or municipal properties or Community Association properties which are located within or in a reasonable proximity to the Subject Property to the extent that their deterioration or unkempt appearance would adversely affect the appearance of the Subject Property.

12.2.2. Maintenance of Landscaping

The Association shall maintain and care for any lawns and all landscaping which are encompassed within the Lot and between the Lot line and the edge of pavement. "Maintenance and care" within the meaning of this subparagraph shall include irrigation, routine fertilizing and spraying of lawns and landscaping, mowing, and edging of sod and landscaping so that at a minimum the initial landscaping for the Lot shall be maintained in good condition in accordance with Paragraph 5.5. of the Covenants.

13. GENERAL PROVISIONS

13.1. Conflict with Other Documents

In the event of any conflict between the provisions hereof and the provisions of the Articles and/or Bylaws and/or rules and regulations promulgated by the Association, the provisions of this Declaration shall control. In the event of a conflict between the provisions hereof and the provisions of the Covenants, the provisions of the Covenants shall control; provided, however that this Declaration may establish restrictions on subjects related to use and occupancy, such as pets, parking, architectural controls, leasing, guest occupancy, sales and other transfers, that are more restrictive than those set forth in the Covenants and such provisions will be deemed not to conflict.

13.2. 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) any 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 Dwelling Unit owned by such Owner;
- (ii) the Association, certified mail, return receipt requested, at 3185 Horseshoe Drive South, Naples, Florida 34104, or such other address as the Association shall hereinafter notify Developer and the Owners of in writing; and
- (iii) Developer, certified mail, return receipt requested, at 3185 Horseshoe Drive South, Naples, Florida 34104, or such other address or addresses as Developer shall hereafter notify the Association of in writing, any such notice to the Association of a change in Developer's address being deemed notice to the Owners.

Upon request of an Owner, the Association shall furnish to such Owner the then current address for Developer as reflected by the Association records.

13.3. Enforcement

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

13.4. Captions, Headings and Titles

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.

13.5. Context

Whenever the context so requires or admits, 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.

13.6. 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.

13.7. Certain Rights of Developer

Notwithstanding anything herein to the contrary, Developer shall have the unqualified right to sell, lease, mortgage or otherwise transfer or encumber any Lot owned by Developer without prior offer to or approval by the Association and the Developer as an Owner is exempt from the provisions of Paragraph 14 hereof. Notwithstanding anything to the contrary herein contained, no improvements constructed or installed by Developer shall be subject to the approval of the Association or the provisions and requirements of this Declaration, although it is the intent of Developer to create a community with a common scheme of development. Notwithstanding the other provisions of this Declaration, Developer reserves and Developer and its nominees shall have the right to enter into and transact on the Subject Property any business necessary to consummate the sale, lease or encumbrance of Dwelling Units or real property in Crestview Villas or in any other community being developed by Developer now or in the future, including, but not limited to, the right to maintain models and a sales and/or leasing office, place signs, employ sales and leasing personnel, use the Crestview Recreation Area and show Dwelling Units, and Developer reserves and shall have the right to make repairs to the Crestview Recreation Area and to carry on construction activity for the benefit of the Subject Property. Developer and its nominees may exercise the foregoing rights without notifying the Association. Any such models, sales and/or leasing office, signs and any other items pertaining to such sales or leasing efforts shall not be considered a part of the Crestview Recreation Area and shall remain the property of Developer. This Paragraph 13.7 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 Developer. This right of use and transaction of business as set forth herein, and the other rights reserved by Developer in the Documents, may be assigned in writing by Developer in whole or in part. For the purposes of this Paragraph 13.7, the term "Developer" shall include any "Lender" which has loaned money to Developer to acquire or construct improvements upon the Subject Property if such Lender or its successors or assigns acquires title to any portion of the Subject Property as a result of the foreclosure of any mortgage encumbering any portion of the Subject Property securing any such loan to Developer or acquires title thereto by deed in lieu of foreclosure. Notwithstanding any provisions in the Documents to the contrary in the event Developer shall own any Lot, whether by reacquisition or otherwise, Developer shall have the absolute right to sell, convey, transfer, mortgage or encumber in any way any such Lot upon any terms and conditions as it shall deem to be in its own best interests. The rights and privileges of Developer as set forth in this Paragraph 13.7, which are in addition to, and are no way a limit on, any other rights or privileges of Developer under any of the Documents, shall terminate upon Developer no longer having the right to add a Phase to the Subject Property by recording an amendment to this Declaration and no longer owning any portion of the Subject Property or any equitable or legal interest therein or upon such earlier date as Developer shall notify the Association in writing of Developer's voluntary election to relinquish the aforesaid rights and privileges.

13.8. Disputes as to Use

In the event there is any dispute as to whether the use of the Subject Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be

final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Developer of the Subject Property or any parts thereof in accordance with Paragraph 13.7 shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Board.

13.9. Amendment and Modification

The process of amending or modifying this Declaration shall be as follows:

13.9.1. This Declaration may be amended by:

- (i) the consent of the Owners owning two-thirds (2/3) of all Lots, together with
- (ii) the approval or ratification of a majority of the Board. The aforementioned consent of two-thirds (2/3) of the Owners 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 evidenced by a certificate of the Secretary or an Assistant Secretary of the Association.

13.9.2. Notwithstanding anything to the contrary contained herein, Developer reserves the right to amend the Declaration and any exhibits thereto so as to correct any scrivener's or other errors or omissions not affecting the rights of Owners, lienors or mortgagees. Such amendment need be executed and acknowledged only by Developer and need not be approved by the Association, Owners, lienors or mortgagees, whether or not elsewhere required for amendment. Such right shall pass to the Board after Developer no longer owns any portion of the Subject Property and no longer has the right to add any Phase to the Subject Property by recording an amendment to this Declaration.

13.9.3. Notwithstanding anything to the contrary contained herein, an Amendment adding an additional Phase to Crestview Villas shall neither require the execution of such Amendment by any Owner other than Developer or the execution thereof by the Association, any Institutional Lender, or any other person, persons or entity.

13.9.4. Notwithstanding anything to the contrary herein contained, no amendment or supplement to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Developer, the Association or of any Institutional Mortgagee under the Documents without the specific written approval of Developer, the Association and/or Institutional Mortgagee affected thereby. Notwithstanding anything to the contrary contained herein, an amendment to this Declaration which shall eliminate or modify the provisions of Paragraph 13.14 hereof shall be deemed to impair and prejudice the rights of Developer hereunder and shall not be effective without Developer's specific written approval.

Notwithstanding anything contained herein to the contrary until the Turnover Date, the following actions require the prior approval of FHA and/or VA if Crestview Villas is a project approved by FHA and/or VA: annexation of additional properties other than the addition of Phases 2 through 52 inclusive to Crestview Villas and the Additional Property as contemplated by this Declaration, dedication of common area, mergers and consolidations, dissolution and amendment to the Articles.

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

13.9.6. Any amendment to this Declaration which would affect surface water management on the Subject Property must be joined in and

consented to by the District and the South Florida Water Management District (or its successor) in order to be effective.

13.9.7. A true copy of any amendment to this Declaration other than an Amendment only adding a Phase or Phases to Crestview Villas as contemplated by this Declaration shall be sent certified mail by the Association to Developer and to all Institutional Mortgagees holding a mortgage on any portion of the Subject Property requesting notice. The amendment shall become effective upon the recording of a Certificate of Amendment to this Declaration setting forth the amendment or modification amongst the Public Records.

13.9.8. Notwithstanding anything to the contrary herein contained, no amendment or supplement to this Declaration shall change the method of allocating the expenses of the Crestview Recreation Area between the Crestview Neighborhood Associations or attempt to restrict the rights of Crestview Owners and their lessees and their family members, guests and invitees to use the Crestview Recreation Area without the written consent of all the Crestview Neighborhood Associations and, for so long as the Developer shall own or have the right to acquire any lot or dwelling unit in Crestview, the Developer.

13.10. 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 Developer.

13.11. Term

This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the Subject Property and inure to the benefit of Developer, the Association, Owners, and their respective legal representatives, heirs, successors and assigns for a term of ninety-nine (99) 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 ninety-nine (99)-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 ninety-nine (99)-year term or the ten (10)-year extension during which such instrument was recorded.

13.12. Rights of Mortgagees

13.12.1. Right to Inspect Books, Records and Financial Statements

The Association shall make available for inspection and/or photocopying within ten (10) business days of written request therefor, during normal business hours or under reasonable circumstances, the 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 Subject Property and to any other Neighborhood Association administering dwelling units in Crestview, including but not limited to Crestview Condominium Association. Any photocopies requested shall be made available for the costs of copying. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Dwelling Unit upon written request to the Association.

13.12.2. 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:

- (a) Any condemnation, loss or casualty loss which affects any material portion of the Crestview Recreation Area;
- (b) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (c) Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Lot; and
- (d) Any failure by an Owner owning a Lot encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform his or her obligations under the 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.

13.12.3. Right of Listed Mortgagee to Receive Financial Statement

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

13.13. Security

The Association may, but shall not be obligated to, maintain or support certain activities within Crestview Villas designed to make Crestview Villas safer than it otherwise might be. Developer shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than Developer. Additionally, NEITHER DEVELOPER NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL OWNERS AGREE TO HOLD DEVELOPER AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION NOR DEVELOPER SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN CRESTVIEW VILLAS. NEITHER THE ASSOCIATION NOR DEVELOPER SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL OWNERS AND OCCUPANTS OF ANY DWELLING UNIT, AND TENANTS, GUESTS AND INVITEES OF AN OWNER, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD AND DEVELOPER DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DEVELOPER OR THE ASSOCIATION, MAY NOT BE COMPROMISED OR CIRCUMVENTED AND THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION AND ITS BOARD AND DEVELOPER ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ASSUME ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLING UNITS AND TO THE CONTENTS OF DWELLING UNITS AND FURTHER ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD AND DEVELOPER HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OR OCCUPANT OF ANY DWELLING UNIT, OR ANY TENANT, GUEST OR INVITEE OF AN OWNER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN CRESTVIEW VILLAS, IF ANY.

13.14. Approval of Association Lawsuits by Owners

Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of the Owners of two-thirds (2/3) of all Lots (at a duly called meeting of the Owners at which a quorum is present) prior to the payment of legal or other fees to persons or entities engaged by the Association 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; or
- (b) the collection of other charges which Owners are obligated to pay pursuant to the Documents; or
- (c) the enforcement of the use and occupancy restrictions contained in the Documents; or
- (d) in an emergency where waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Crestview Recreation Area or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of two-thirds [2/3] of the Owners);
- (e) filing a compulsory counterclaim; or
- (f) collection from a Crestview Neighborhood Association of its share of the Crestview Recreation Area Expenses.

13.15. Compliance with Provisions

Each Owner, by acceptance of a deed or other instrument of conveyance for any portion of the Subject Property, agrees to be bound by and to comply with the provisions of the Declaration.

14. SALES, LEASES AND CONVEYANCES

In order to assure a community of congenial and responsible residents and thus protect the value of the Lots, the sale, leasing and transfer of Lots shall be subject to the following provisions:

14.1. Sale, Lease or Transfer

No Owner may sell, lease or transfer (except to the spouse, parents or children of such Owner) his Lot without approval of the Association, which approval shall be obtained in the following manner:

14.1.1. Notice to Association.

Each and every time an Owner ("Offeror") intends to sell, lease or transfer his Lot or any interest therein ("Offering"), he shall give written notice to the Association of such intention ("Transfer Notice") together with the name and address of the intended purchaser, lessee or transferee, the terms of such purchase, lease or transfer, together with a copy of the purchase agreement or lease and such other information as the Association may reasonably require on forms supplied by the Association. The giving of the Transfer Notice shall constitute a warranty and representation by the Offeror to the Association and any purchaser, lessee or transferee, produced by the Association, as hereinafter provided, that the Offering is a bona fide offer in all respects. The Transfer Notice shall be given by certified mail, return receipt requested, or delivered by hand to the Secretary of the Association who shall give a receipt therefor.

14.1.2. Association's Election.

Within thirty (30) days after receipt of the Transfer Notice, the Association shall either approve the Offering ("Approval") or, except as provided below to the contrary, furnish a purchaser, lessee or transferee approved by the Association and give notice thereof to the Offeror who will accept the sale, lease or transfer to the substitute purchaser, lessee or transferee furnished by the Association upon terms as favorable to the Offeror as the terms stated in the Transfer Notice; except that the purchaser, lessee or transferee furnished by the Association may not have less than thirty (30) days subsequent to the date of his approval within which to complete the sale or lease of Offeror's Lot. Offeror shall be bound to consummate the transaction with such purchaser, lessee or transferee as may be approved and furnished by the Association. If the Association approves the Offering, such Approval shall be in writing and in recordable form, signed by any two (2) officers of the Association, and shall be delivered to the purchaser, lessee or transferee of the Offeror. Notwithstanding anything contained herein to the contrary, in the event the Offeror does not wish to consummate the proposed Offering with any purchaser, lessee or transferee other than the purchaser, lessee or transferee named in the Transfer Notice, then the Offeror shall state such

in the Transfer Notice ("Restricted Transfer Notice") and the Association, within thirty (30) days after receipt of the Restricted Transfer Notice, shall either grant approval in the manner set forth above or deny approval by furnishing notice of such denial to the Offeror, of the purchaser, lessee or transferee named in the Restricted Transfer Notice. In the event the Association denies approval of the purchaser, lessee or transferee named in the Restricted Transfer Notice, then the Offering shall not be consummated unless and until the Offeror submits another Transfer Notice or Restricted Transfer Notice to the Association and the new proposed purchaser, lessee or transferee is approved by the Association or, if not restricted by the Offeror in such Transfer Notice, the Association furnishes a substitute purchaser, lessee or transferee in the manner set forth above. In the case of a Transfer Notice which is not a Restricted Transfer Notice, failure of the Association to grant Approval or to furnish a substitute purchaser, lessee or transferee within thirty (30) days after receipt of the Transfer Notice; or, in the case of a Restricted Transfer Notice, failure of the Association to grant Approval or to deny Approval within thirty (30) days after the Restricted Transfer Notice is received, shall constitute Approval; and the Association shall be required to prepare and deliver to the purchaser, lessee or transferee named in the Transfer Notice or the Restricted Transfer Notice, as the case may be, a written Approval in recordable form signed by two (2) officers of the Association. If the Transfer Notice is not given to the Association, then at any time after receiving knowledge of the sale, lease or transfer, the Association may, at its election, approve or disapprove the sale, lease or transfer. The Association shall proceed as if it had been given the required Transfer Notice on the date of receiving such knowledge except that if the sale or other transfer of title has closed, then the Association shall proceed as set forth in Section 14.2.1. hereof.

14.1.3. Security Deposits.

The Association shall not require a security deposit as a condition to the leasing of a Lot.

14.2. Acquisition by Gift, Devise, Inheritance or Otherwise.

14.2.1. Notification of Acquisition.

Any person(s) (except the spouse, parents or children of an Owner) who has obtained a Lot by gift, devise, inheritance or by any other method not heretofore considered or by sale or transfer for which no Transfer Notice was provided to the Association in accordance with Paragraph 14.1 hereof shall give to the Association notice ("Acquisition Notice") of the fact of obtaining such Lot, together with:

- (i) such information concerning the person(s) obtaining the Lot as may be reasonably required by the Association; and
- (ii) a certified copy of the instrument by which the Lot was obtained.

If the Acquisition Notice is not given to the Association, then at any time after receiving knowledge of the gift, devise, inheritance or other transaction, the Association may, at its election, approve or disapprove the transaction or ownership. The Association shall proceed as if it had been given the required Acquisition Notice on the date of receiving such knowledge.

14.2.2. Approval by Association.

Within thirty (30) days after receipt of the aforementioned Acquisition Notice and information, the Association must either approve or disapprove the transfer of title by gift, devise, inheritance or otherwise to the person(s) receiving the same. The approval of the Association shall be in recordable form signed by any two (2) officers of the Association and delivered to the person (or any of them if there is more than one (1) person) obtaining title. Failure of the Association to act within such thirty (30) day period shall be deemed to constitute approval, following which the Association, through two (2) officers, shall prepare and deliver written approval in recordable form as aforesaid. If the Association shall disapprove, the matter shall be disposed of by the Association advising the person (or any of them if there is more than one (1) person) obtaining title by gift, devise, inheritance or otherwise in writing, of a purchaser or purchasers who will buy said Lot at its fair market value. The fair market value shall be determined by any of the following methods:

- (i) by three (3) appraisers, one (1) of whom shall be selected by the purchaser, one (1) by the person(s) holding title and one (1) by the two (2) appraisers just appointed;
- (ii) upon mutual agreement by the purchaser and person(s) holding title; or
- (iii) by one (1) appraiser mutually agreed upon by the purchaser and the person(s) holding title.

Costs for appraisal shall be paid by the purchaser. The purchase price shall be paid in cash and the sale closed within thirty (30) days after determination of the purchase price. Simultaneously with notification to the person (or any of them if there is more than one (1) person) holding title that the Association has furnished a purchaser, there shall be submitted a signed contract by said purchaser or purchasers providing for the acquisition of the Lot in accordance with the terms of this Declaration.

14.2.3. Approval by Default.

If the Association shall fail to provide a purchaser within thirty (30) days from receipt of the aforementioned Acquisition Notice and information, or if the purchaser furnished by the Association shall default in his acquisition, then the Association shall be required to approve the passage of title by gift, devise, inheritance or other transaction and shall evidence the same by an instrument in writing in recordable form signed by two (2) officers of the Association.

14.3. Rights of Institutional Mortgagee in Event of Foreclosure

Upon becoming the owner of a Lot through foreclosure or by deed in lieu of foreclosure, an Institutional Mortgagee, or whomsoever shall acquire title to a Lot as the result of a foreclosure sale by an Institutional Mortgagee, shall not require the approval of the Association as to its ownership of such Lot and shall have the unqualified right to sell, lease, mortgage or otherwise transfer or encumber said Lot, including the fee ownership thereof, without prior offer to or approval by the Association, and the provisions of Paragraphs 14.1 and 14.2 of this Article 14 shall not apply to such persons. It is the intent hereof to provide that an Institutional Mortgagee, upon becoming the Owner of a Lot under the conditions set forth in the preceding sentence, is not required to have its ownership in a Lot approved by the Association and that it is also free from the other restrictions of Paragraphs 14.1 and 14.2 of this Article 14.

14.4. Fees for Processing Applications for Approval to Purchase or Lease.

Whenever herein the Association's approval is required to allow the sale, lease or other transfer of an interest in a Lot, the Association may charge the Owner a fee for processing the application, such fee not to exceed \$50.00 per applicant, said fee to be paid upon submission of the application for approval. No fee may be charged for approval of the renewal or extension of a lease with the same tenant.

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

WITNESSES:

DEVELOPER:

HERITAGE GREENS CONSTRUCTION LIMITED
PARTNERSHIP, a Delaware limited
partnership

By: RENTO CONSTRUCTION NAPLES, INC., a
Florida corporation, as a general
partner of Heritage Greens
Construction Limited Partnership

Shirley Calhoun
Printed Name: *Shirley Calhoun*

By: *A. Jack Solomon*
A. Jack Solomon, President

Loraine D. Gause
Printed Name: *LORAIN D. GAUSE*

Dated: *12/12/97*

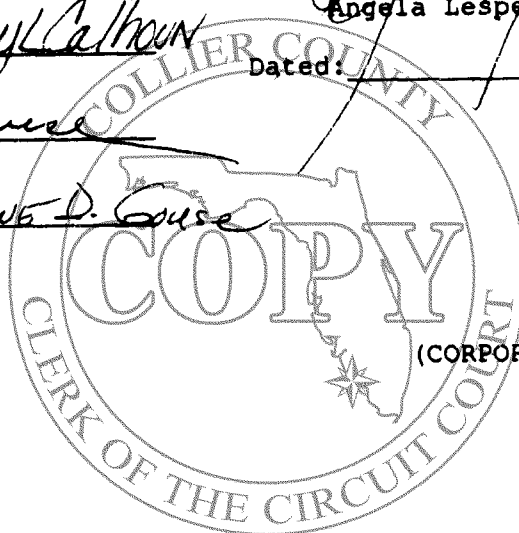
CRESTVIEW VILLAS AT HERITAGE GREENS
ASSOCIATION, INC.

Shirley Calhoun
Printed Name: *Shirley Calhoun*

By: *Angela Lesperance*
Angela Lesperance, President

Loraine D. Gause
Printed Name: *LORAIN D. GAUSE*

Dated: *12/12/97*



(CORPORATE SEAL)

STATE OF FLORIDA)
) SS:
COUNTY OF COLLIER)

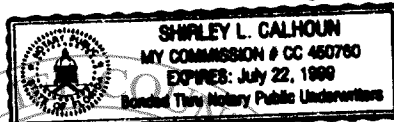
I HEREBY CERTIFY that on this day, personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, A. Jack Solomon, as President of RONTO CONSTRUCTION NAPLES, INC., a general partner of HERITAGE GREENS CONSTRUCTION LIMITED PARTNERSHIP, to me well known to be the person described in and who executed the foregoing instrument, and acknowledged before me that he executed same freely and voluntarily on behalf of said corporation as a general partner of HERITAGE GREENS CONSTRUCTION LIMITED PARTNERSHIP, for the purposes therein expressed. A. Jack Solomon is personally known to me or produced n/a as identification.

IN WITNESS WHEREOF, I hereunto set my hand and official seal in the County and State aforesaid this 12th day of December, 1997.

Shirley L. Calhoun
Notary Public
State of Florida at Large

SEAL

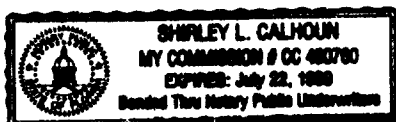
My Commission Expires:



STATE OF FLORIDA)
) SS:
COUNTY OF COLLIER)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Angela Lesperance, the President of CRESTVIEW VILLAS AT HERITAGE GREENS ASSOCIATION, INC., a Florida corporation not for profit, freely and voluntarily under authority duly vested in her by said corporation and that the seal affixed thereto is the true corporate seal of said corporation. She is personally known to me or has produced n/a as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 12th day of December, 1997.



Shirley L. Calhoun
Notary Public, State of Florida at Large

Typed, printed or stamped name of Notary

My Commission Expires:

SCHEDULE OF EXHIBITS

EXHIBIT A	Legal Description of Phase 1 Land
EXHIBIT B	Phase 1 Sketch
EXHIBIT C	Lots includes in each Phase
EXHIBIT D	Articles of Incorporation of Crestview Villas at Heritage Greens Association, Inc.
EXHIBIT E	Bylaws of Crestview Villas at Heritage Greens Association, Inc.

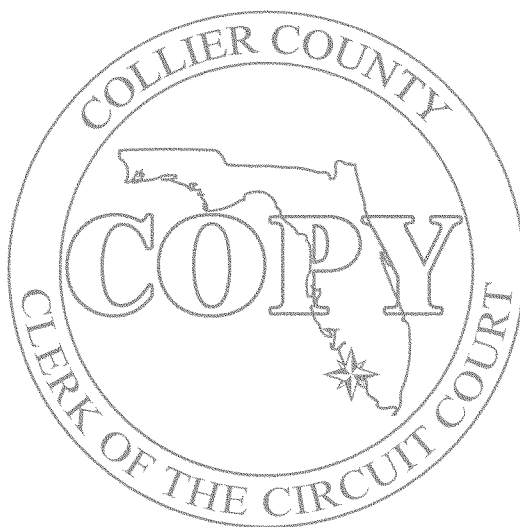


EXHIBIT A

Legal Description of Phase 1 Land

Lots 11 and 12, Block A and Tract X of Heritage Greens,
according to the Plat thereof recorded in Plat Book 28, Pages
78-94 of the Public Records of Collier County, Florida.

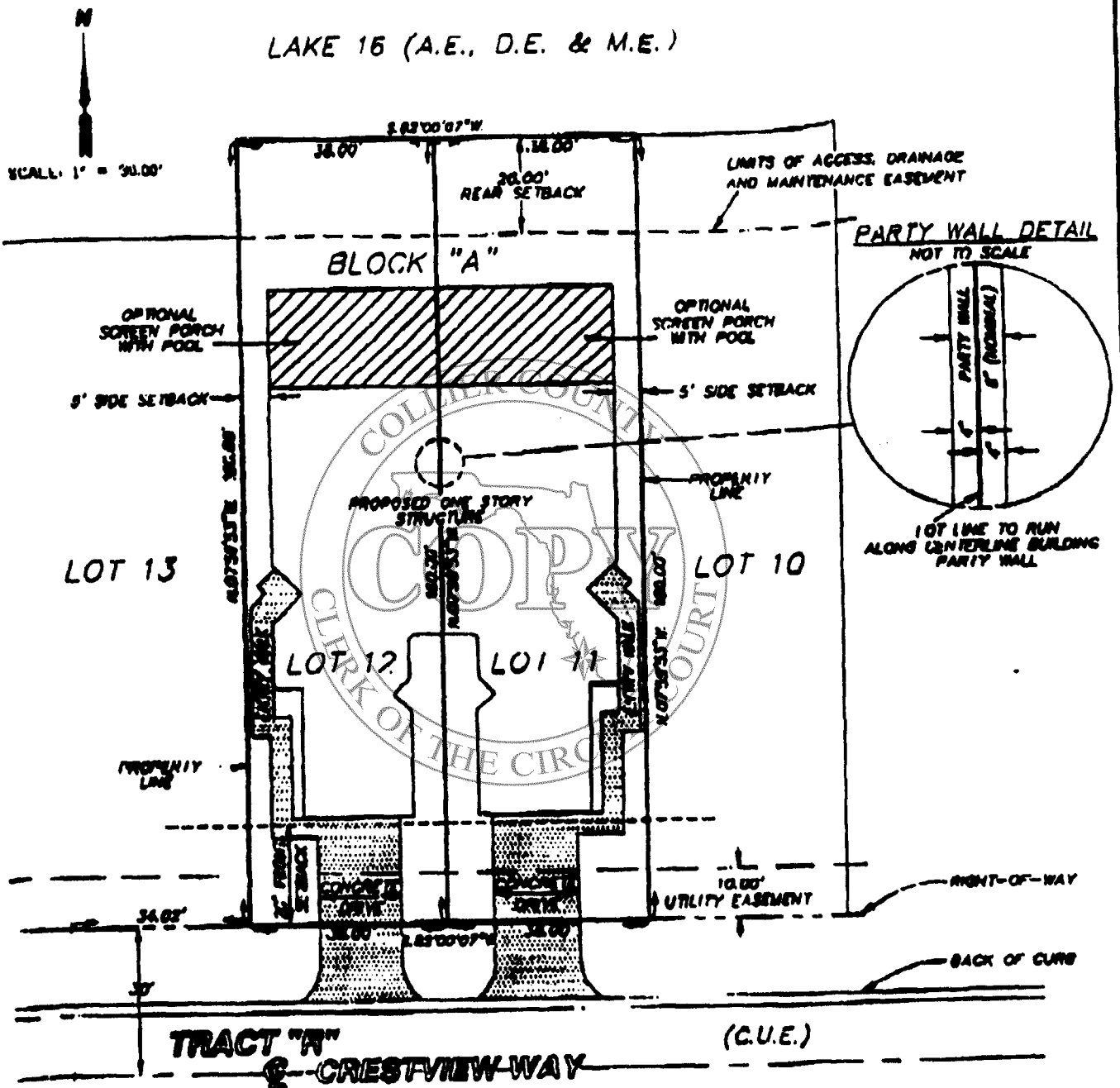


EXHIBIT B

Phase 1 Sketch

NOT TO SCALE

(Sheet 1 of 2)



THIS IS NOT A SURVEY

<p>SITE PLAN VILLA 11 & 12 HERITAGE GREENS SECTION 28, TOWNSHIP 48 SOUTH, RANGE 28 EAST, COLLIER COUNTY, FLORIDA</p>	<p>DELS SURVEYORS & MAPPERS INC. 14000 OLD 41, SUITE 04 NAPLES, FLORIDA 34118 (841) 557-1316</p>
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0000066

(Sheet 2 of 2)

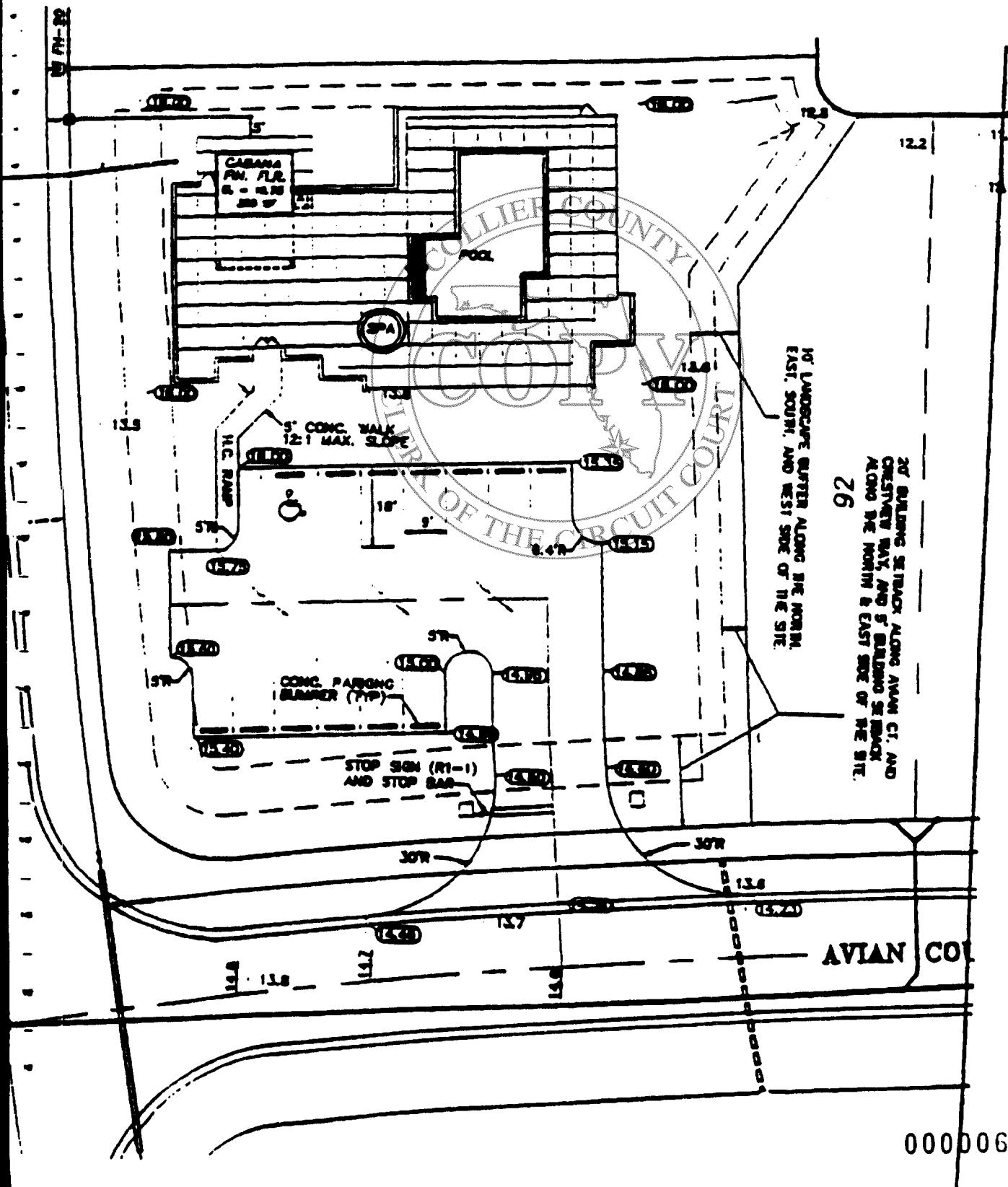
Crestview Recreation Area

NOT TO SCALE

CRESTVIEW SATELLITE POOL

AT
HERITAGE GREENS
September 19, 1997

NORTH

0000067

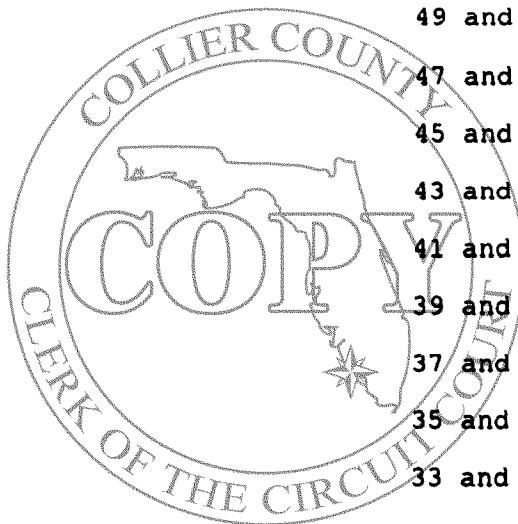
EXHIBIT C

Lots included in each Phase of Crestview Villas at Heritage Greens*

<u>Phase</u>	<u>Lots</u>
1	11 and 12**
2	9 and 10
3	7 and 8
4	5 and 6
5	3 and 4
6	1 and 2
7	123 and 124
8	121 and 122
9	119 and 120
10	117 and 118
11	115 and 116
12	113 and 114
13	111 and 112
14	109 and 110
15	107 and 108
16	105 and 106
17	103 and 104
18	101 and 102
19	99 and 100
20	97 and 98
21	95 and 96
22	93 and 94
23	91 and 92
24	89 and 90
25	87 and 88
26	85 and 86
27	83 and 84
28	81 and 82
29	79 and 80
30	77 and 78
31	75 and 76

EXHIBIT C**Page 2**

32	73 and 74
33	71 and 72
34	69 and 70
35	67 and 68
36	65 and 66
37	63 and 64
38	61 and 62
39	59 and 60
40	57 and 58
41	55 and 56
42	53 and 54
43	51 and 52
44	49 and 50
45	47 and 48
46	45 and 46
47	43 and 44
48	41 and 42
49	39 and 40
50	37 and 38
51	35 and 36
52	33 and 34

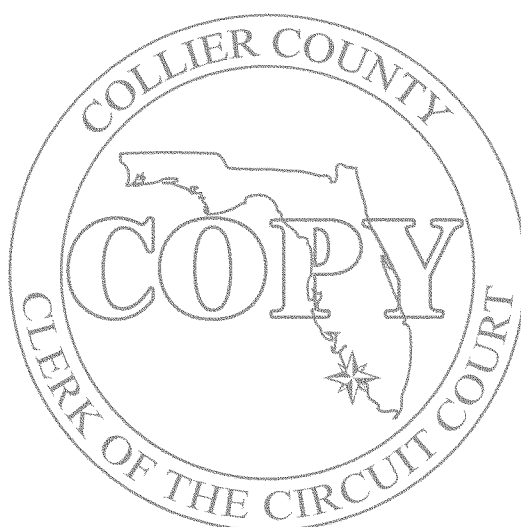


* All Lots are located within Block A of Heritage Greens, according to the Plat thereof recorded in Plat Book 28, Pages 78-94, of the Public Records of Collier County, Florida.

** Phase 1 also includes Tract X of Heritage Greens, according to the Plat thereof recorded in Plat Book 28, Pages 78-94, of the Public Records of Collier County, Florida.

EXHIBIT D

Articles of Incorporation of Crestview Villas at Heritage Greens Association, Inc.





Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of CRESTVIEW VILLAS AT HERITAGE GREENS ASSOCIATION, INC., a Florida corporation, filed on November 7, 1997, as shown by the records of this office.

The document number of this corporation is N97000006307.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Seventh day of November, 1997



CR2EO22 (2-95)

Sandra B. Northam

Sandra B. Northam
Secretary of State

**ARTICLES OF INCORPORATION
OF
CRESTVIEW VILLAS AT HERITAGE GREENS ASSOCIATION, INC.
(A Florida Corporation Not For Profit)**

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

**ARTICLE I
DEFINITIONS**

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

1. "Articles" means these Articles of Incorporation of the Association and any amendments hereto.
2. "Association" means Crestview Villas at Heritage Greens Association, Inc., a Florida corporation not for profit, which is NOT a condominium association, and which has been organized to own, maintain and administer the Crestview Recreation Area and to maintain the Common Structural Elements and other portions of each Villa Project in accordance with its Declaration.
3. "Board" means the Board of Directors of the Association.
4. "Bylaws" means the Bylaws of the Association and any amendments thereto.
5. "Common Structural Elements" means certain elements, features or parts contained in a "Building" (as defined in a Declaration) which are structural elements of more than one (1) Dwelling Unit contained therein, as more particularly described in a Declaration.
6. "Community Association" means Heritage Greens Community Association, Inc., a Florida corporation not for profit organized to administer the "Common Areas" (as defined in the Covenants) and having among its members the Owners.
7. "County" means Collier County, Florida.
8. "Covenants" means the Declaration of Covenants, Conditions and Restrictions for Heritage Greens, which has been recorded at O.R. Book 2337, Page 619, of the Public Records of the County and any amendments thereto.
9. "Crestview at Heritage Greens" or "Crestview" means Lots 1 through 124, Block A and Tract X of the Plat. Crestview at Heritage Greens as presently planned includes two Neighborhoods, Crestview Villas at Heritage Greens and Crestview Condominium at Heritage Greens.
10. "Crestview Owner" means the owner of a dwelling unit located in Crestview.
11. "Crestview Recreation Area" means Tract X of the Plat and any other property designated as such by Developer in a Declaration.

12. "Crestview Recreation Area Expenses" means the expenses for the operation, maintenance, repair or replacement of the Crestview Recreation Area, including but not limited to taxes and insurance incurred by the Association. Crestview Recreation Area Expenses shall not include reserves for capital expenditure and/or deferred maintenance.

13. "Declaration" means the Declaration of Protective Covenants, Restrictions and Easements by which Developer establishes a non condominium villa project in Crestview at Heritage Greens and any amendments thereto.

14. "Developer" means Heritage Greens Construction Limited Partnership, a Delaware limited partnership, its successors and assigns; provided, however, that a purchaser of a Lot shall not be deemed a successor or assign of Developer unless such purchaser is specifically so designated as such in writing by Developer.

15. "Director" means a member of the Board.

16. "Documents" means in the aggregate each Declaration, these Articles, the Bylaws, the Rules and Regulations of the Association, the Covenants, the Articles of Incorporation, Bylaws and Rules and Regulations of the Community Association, and all of the instruments and documents referred to therein or referred to herein, including, but not limited to, amendments to any of the foregoing, as applicable.

17. "Dwelling Unit" means a residential dwelling unit intended as an abode for one family constructed on a Lot.

18. "Heritage Greens" means the name given to the planned residential development being developed in the County in accordance with the "Plan for Development" described in the Covenants.

19. "Institutional Mortgagee" means any lending institution owning a first mortgage covering a Dwelling Unit or Lot, including any of the following institutions:

(a) Any federal or state savings and loan or a building and loan association, or commercial bank or bank or real estate investment trust, or mortgage banking company or any subsidiary thereof; or

(b) 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 institution as the Board shall hereafter approve in writing; or

(c) Any pension or profit-sharing funds qualified under the Internal Revenue Code; or

(d) Any and all investing or lending institutions, or the successors and assigns of such lenders ("Lenders"), which have loaned money to Developer and which hold a mortgage upon any portion of a Villa Project securing such loans; or

(e) Such other institutional lenders as the Board shall hereafter approve in writing as an Institutional Mortgagee which have acquired a mortgage upon any portion of a Villa Project; or

(f) Developer, if Developer holds a mortgage on any portion of a Villa Project and the transferee of any mortgage encumbering any portion of a Villa Project which was originally held by Developer; or

(g) Any life insurance company; or

(h) The Veterans Administration or the Federal Housing Administration or the Department of Housing and Urban Development.

20. "Legal Fees" means: (a) reasonable fees for attorney and paralegal services incurred in negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post-judgment proceedings; and (b) court costs through and including all trial and appellate levels and post-judgment proceedings.

21. "Lot" means a platted Lot included in a Villa Project and upon which a Dwelling Unit is permitted to be constructed.

22. "Member" means a member of the Association.

23. "Neighborhood" means a residential condominium, or a group of single family homes or villas, or any other residential sub-area development within Heritage Greens, where all the lots and dwelling units are subject to a single common recorded declaration of Neighborhood Covenants.

24. "Neighborhood Association" means a condominium association, an incorporated homeowners association as defined in Section 617.301, Florida Statutes (1997), or any other incorporated mandatory membership property owners association operating a Neighborhood or Neighborhoods or facilities or property serving two or more Neighborhoods.

25. "Neighborhood Covenants" are any and all covenants, conditions, restrictions and other provisions imposed by a recorded declaration of covenants, declaration of condominium or other similar instrument, that are applicable to one or more specific Neighborhoods to the exclusion of all others. The term also includes the recorded Articles of Incorporation and Bylaws of the Neighborhood Association as amended from time to time.

26. "Neighborhood Expenses" means the expenses for which Owners are liable to the Association as described in the Documents and include, but are not limited to, the costs and expenses incurred by the Association in administering, operating, reconstructing, maintaining, financing, repairing, replacing or improving the Common Structural Elements or any portion thereof and improvements thereon, the Association's share of the Crestview Recreation Area Expenses and all costs and expenses incurred by the Association in carrying out its powers and duties under the Documents.

26. "Owner" means the owner(s) of the fee simple title to a Lot and includes Developer for so long as it is the owner of the fee simple title to a Lot.

27. "Phase" means certain land and improvements which may become a portion of a Villa Project.

28. "Plat" means the Plat of Heritage Greens which has been recorded in Plat Book 28 at Pages 78-94 of the Public Records of the County.

29. "Total Lots" means the number of Lots planned to be contained in the Villa Projects to be administered by the Association.

30. "Villa Project" means the real property subjected to a Declaration and any amendments thereto which is to be administered by the Association.

ARTICLE II
NAME

The name of this corporation shall be CRESTVIEW VILLAS AT HERITAGE GREENS ASSOCIATION, INC., a Florida corporation not for profit. For convenience, the corporation shall be herein referred to as the Association, whose principal address is 277 North Collier Boulevard, Marco Island, Florida 34145.

ARTICLE III
PLAN OF DEVELOPMENT AND PURPOSE OF ASSOCIATION

A. Developer intends to develop Crestview Villas at Heritage Greens ("Villa Project I") on property it owns or will acquire in the County which is more particularly described on Exhibits "A" and "C" to the Declaration of Protective Covenants, Restrictions and Easements for Villa Project I. Developer intends to develop Villa Project I as a "phase project" as contemplated by Paragraph 2 of said Declaration which is planned to consist of "Phase 1" and "Phases 2 through 52" if, as and when amendments adding Phases 2 through 52 to Villa Project I are recorded by Developer. Developer also has reserved the right to add one or more of additional Phases 53 through 72 to Villa Project I.

1. To the extent that any portion of the land for additional Phases is not added to Villa Project I but is submitted as a separate Villa Project, it is intended that this Association shall be responsible for operating any and all such Villa Projects in addition to Villa Project I and that each Owner of a Dwelling Unit therein shall be a Member of this Association unless provided otherwise by Developer in the Declaration for such Villa Project.

2. Each Villa Project administered by this Association shall be administered in accordance with the applicable Declaration, these Articles and the Bylaws.

B. The purpose for which this Association is organized is to take title to, operate, administer, manage, lease and maintain the Crestview Recreation Area in accordance with the terms of, and purposes set forth in the Documents, to maintain the Common Structural Elements and other portions of the Villa Projects, and to carry out the covenants and enforce the provisions of the Documents. The Association is a Neighborhood Association as contemplated by the Covenants.

ARTICLE IV
POWERS

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

A. The Association shall have all of the common law and statutory powers of a corporation not for profit.

B. The Association shall have all of the powers to be granted to the Association in the Documents.

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 Documents.

2. To make, establish, amend and enforce reasonable rules and regulations governing the Villa Projects and the use of the Crestview Recreation Area.

3. To make, levy and collect assessments for the purpose of obtaining funds from its Members to pay Neighborhood Expenses and costs of collection, including the operational expenses of the Association and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association.

4. To administer, manage and operate the Villa Projects and to maintain, repair, replace and operate the Crestview Recreation Area and the Common Structural Elements in accordance with the Documents.

5. To enforce by legal means the obligations of the Members and the provisions of the Documents.

6. To employ personnel, retain independent contractors and professional personnel and enter into service contracts to provide for the maintenance, operation, administration and management of the Crestview Recreation Area and the Common Structural Elements 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 Crestview Recreation Area and the Common Structural Elements and to delegate to such professional management certain powers and duties of the Association.

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

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

9. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of two-thirds (2/3) of all Members (at a duly called meeting of the Members at which a quorum is present) prior to the payment of legal or other fees to persons or entities engaged by the Association 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; or
- (b) the collection of other charges which Owners are obligated to pay pursuant to the Documents; or
- (c) the enforcement of any applicable use and occupancy restrictions contained in the Documents; or
- (d) in an emergency where waiting to obtain the approval of the Members creates a substantial risk of irreparable injury to the Crestview Recreation Area or to the Common Structural Elements or to Member(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of two-thirds [2/3] of the owners); or
- (e) filing a compulsory counterclaim; or

(f) collection from a Crestview Neighborhood Association of its share of the Crestview Recreation Area Expenses.

10. To appoint, at least annually, one Member of the Association to serve as the Association's voting representative to the Community Association.

11. To collect from the other Crestview Neighborhood Associations their share of the Crestview Recreation Area Expenses.

12. To carry out the Association's duties and obligations under the Covenants.

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 Developer to an Owner is recorded amongst the Public Records of the County ("First Conveyance"), the membership of the Association shall be comprised solely of Developer. Developer shall be entitled to cast one (1) vote on all matters requiring a vote of the membership.

B. Upon the First Conveyance, Developer 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 Developer as to Lots owned by Developer, shall be Members and exercise all of the rights and privileges of Members.

C. Membership in the Association for owners other than Developer shall be established by the acquisition of ownership of fee 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 Developer by means of sale, gift, inheritance, devise, judicial decree or otherwise, the person, persons or entity thereby acquiring such Lot shall not be a Member unless or until such Owner shall deliver a true copy of a deed or other instrument of acquisition of title to the Association.

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

E. If, as and when a Villa Project other than Villa Project I is created by recording its own Declaration indicating the Owners shall be Members of the Association, membership in this Association shall be divided into classes, with the Owners in each Villa Project constituting a separate class ("Class") designated by a numeral denoting the sequence in which the Villa Project was created. For example, the Owners of the first Villa Project created through recordation of a Declaration would be "Class 1 Members."

F. The following provisions shall govern the right of each Member to vote and the manner of exercising such right:

1. There shall be only one (1) vote for each Lot, which shall be exercised and cast in accordance with the Documents, and if there is more than one (1) Owner with respect to a Lot as a result of the fee interest in such Lot being held by more than one (1) person, such Owners, collectively, shall be entitled to only one (1) vote in the manner set forth in Paragraph V. H hereof.

2. All of the Members of this Association shall vote thereon as one body, without distinction as to Class on matters which pertain to all of the Villa Projects.

3. On matters pertaining exclusively to a Villa Project or Class of Members, only the affected Class shall vote thereon.

4. On matters which pertain to one or more Classes of Members but not to all of such Classes, or which pertain to each Class of Members, but to each such Class in a different degree or different manner, then each Class of Members affected thereby shall vote separately as a Class thereon.

5. Subject to the provisions of Paragraphs F.1, 2, 3 and 4 hereof, the Board shall determine whether a matter which is subject to a vote of the Members shall be voted on by Classes or by the entire Membership of this Association as a whole. In the event of a deadlock on the Board, application shall be made to a court of competent jurisdiction to resolve the deadlock.

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

H. There shall be only one (1) vote for each Lot. If there is more than one Member with respect to a Lot as a result of the fee interest in such Lot being held by more than one person, such Members collectively shall be entitled to only one (1) vote. The vote of the Owners of a Lot owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named in a certificate signed by all of the Owners of the Lot, or, if appropriate, by properly designated officers, partners or principals of the respective legal entity, and filed with the Secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate.

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. Where 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 subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

2. Where 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.

3. Where neither spouse is present, the person designated in a "Proxy" (as defined in the Bylaws) signed by either spouse may cast the Lot vote, 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.

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.

ARTICLE VII
INCORPORATOR

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

A. Jack Solomon
277 North Collier Boulevard
Marco Island, Florida 34145

ARTICLE VIII
OFFICERS

The affairs of the Association shall be managed by the President of the Association, assisted by one or more Vice President(s), Secretary and Treasurer, and, if any, by the Assistant Secretary(ies) and Assistant Treasurer(s), subject to the directions of the Board. The Board may employ a managing agent and/or such other managerial and supervisory personnel or entities as the Board deems necessary to administer or assist in the administration of the operation or management of the Association and Developer shall have the right to be reimbursed for expenses incurred by Developer on behalf of the Association in managing the Association.

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

ARTICLE IX
FIRST OFFICERS

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

President	-	Angela E. Lesperance
Vice President	-	Mark S. Taylor
Secretary	-	Karen Welks
Treasurer	-	Karen Welks

ARTICLE X
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors of the Association ("First Board") and the "Initial Elected Board" (as hereinafter defined) shall be three (3). The number of Directors elected by the Members and the number of Directors which shall comprise the Board subsequent to the "Developer's Resignation Event" (as hereinafter defined) shall be determined by the Board prior to each meeting at which Directors are to be elected; provided, however, the number of Directors shall always be an odd number, and shall not be less than three (3). Except for Developer-appointed Directors, Directors must be Members or the parents, children or spouses of Members. There shall be only one (1) vote for each Director.

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

<u>NAMES</u>	<u>ADDRESSES</u>
Angela E. Lesperance	277 North Collier Boulevard Marco Island, Florida 34145
Mark S. Taylor	277 North Collier Boulevard Marco Island, Florida 34145
Karen Welks	277 North Collier Boulevard Marco Island, Florida 34145

Developer 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. The "Turnover Date" shall be the earlier to occur of the following events:

(i) Three (3) months after the conveyance by Developer to Members other than Developer ("Purchaser Members") of ninety percent (90%) of the Total Lots as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County; or

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

D. Upon the Turnover Date, 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. At the Initial Election Meeting, Purchaser Members shall elect two (2) of the Directors in accordance with the procedures set forth in the Bylaws for election of Directors, and Developer, until Developer's Resignation Event, shall be entitled to designate one (1) Director (same constituting the "Initial Elected Board"). Developer reserves and shall have the right, until Developer's Resignation Event, to name the successor, if any, to any Director it has so designated.

F. The Board shall continue to be so designated and elected, as described in Paragraph E above, at each subsequent "Annual Members' Meeting" (as defined in the Bylaws), until the Annual Members' Meeting following Developer's Resignation Event.

A Director (other than a Developer-appointed Director) may be removed from office upon the affirmative vote of a majority of Owners, for any reason deemed to be in the best interests of the Owners. A meeting of the Owners to so remove a Director (other than a Developer-appointed Director) shall be held upon the written request of ten percent (10%) of the Owners.

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

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

1. When Developer no longer has the right to create a Villa Project by recording a Declaration or add a Phase to a Villa Project by recording an amendment to a Declaration and no longer holds at least five percent (5%) of the Total Lots for sale in the ordinary course of business and all Lots sold by Developer 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 Developer causes the voluntary resignation of all of the Directors designated by Developer and does not designate replacement Directors.

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

I. At each Annual Members' Meeting held subsequent to Developer'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 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 most 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.

J. To the extent permitted by law, the resignation of a Director who has been designated by Developer or the resignation of an officer of the Association who has been elected by the First Board shall remise, release, acquit, satisfy and forever discharge such officer or Director 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 officer or Director for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of such resignation.

ARTICLE XI INDEMNIFICATION

Every Director and every officer of the Association shall be indemnified by the Association against all costs, expenses and liabilities, including Legal Fees reasonably incurred by or imposed upon him or her in connection with any negotiations, proceeding, arbitration, litigation or settlement in which he or she may be a party, or in which he or she may become involved by reason of his or her being or having been a Director or officer of the Association, whether or not such person is a Director or officer at the time such cost, expense or liability is incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification provided in this Article XI shall be in addition to and not exclusive of any and all right to which such Director or officer of the Association may be entitled under statute or common law.

ARTICLE XII BYLAWS

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

ARTICLE XIII AMENDMENTS

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

B. After the First Conveyance, these Articles may 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 of Members.

3. At such meeting, a vote of the Members shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted upon receiving the affirmative vote of a majority of the votes of all the Members entitled to cast votes thereon.

C. These Articles may not be amended without the written consent of a majority of the members of the Board.

D. No amendment may be made to the Articles which shall in any manner reduce, amend, affect or modify the provisions and obligations set forth in a Declaration or any amendments thereto.

E. A copy of each amendment shall be certified by the Secretary of State of Florida.

F. Notwithstanding any provisions of this Article XIII to the contrary, these Articles shall not be amended in any manner which shall prejudice the rights of: (i) Developer, without the prior written consent thereto by Developer, for so long as Developer has the right to create a Villa Project by recording a Declaration or to add an additional Phase to a Villa Project by recording an amendment to a Declaration and/or holds at least one (1) Lot for sale in the ordinary course of business; and (ii) any "Institutional Mortgagee" (as such term is defined in a Declaration) without the prior written consent of such Institutional Mortgagee.


G. Any instrument amending these Articles shall identify the particular article or articles being amended and shall provide a reasonable method to identify the amendment being made. A certified copy of each of such amendment shall be attached to any certified copy of these Articles.

H. Notwithstanding the foregoing provisions, prior to the Turnover Date, the following actions require the prior approval of the Federal Housing Administration ("FHA") and/or Veteran's Administration ("VA") if a Villa Project is a project approved by FHA and/or VA: annexation of additional properties other than an additional Phase as contemplated by a Declaration, mergers and consolidations, mortgaging of common area, dedication of common area, dissolution of the Association and amendment of this Paragraph XIII. H of these Articles.

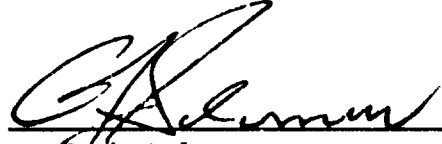
ARTICLE XIV REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 277 North Collier Boulevard, Marco Island, Florida 34145, and the initial registered agent of the Association at that address shall be A. Jack Solomon.

IN WITNESS WHEREOF, the Incorporator has hereunto affixed his signature, this 5th day of November 1997.


A. Jack Solomon

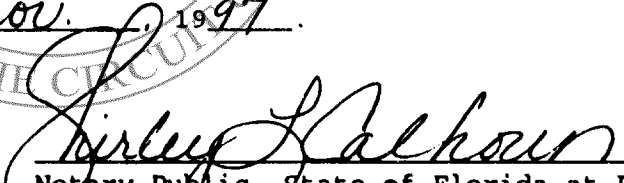
The undersigned hereby accepts the Designation of Registered Agent as set forth in Article XIV of these Articles of Incorporation, and acknowledges that he is familiar with, and accepts the obligations imposed upon registered agents under the Florida Not-For-Profit Corporate Act.


A. Jack Solomon
Dated: 11-5-97

STATE OF FLORIDA)
) SS:
COUNTY OF COLLIER)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, appeared A. JACK SOLOMON, to me known to be the person described as Incorporator and Registered Agent of CRESTVIEW VILLAS AT HERITAGE GREENS ASSOCIATION, INC., and he acknowledged before me that he executed the same for purposes therein expressed. He is personally known to me or has produced n/a as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 5th day of Nov., 1997.


Notary Public, State of Florida at Large

Typed, printed or stamped name of Notary

My Commission Expires:

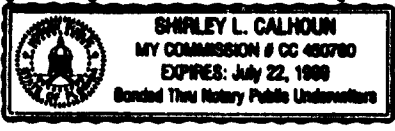


EXHIBIT E

Bylaws of Crestview Villas at Heritage Greens Association, Inc.



HERITAGE\VILLAS\Declarat..226
2/26/98

**BYLAWS
OF
CRESTVIEW VILLAS AT HERITAGE GREENS ASSOCIATION, INC.**

Section 1. IDENTIFICATION OF ASSOCIATION

These are the Bylaws of Crestview Villas at Heritage Greens Association, Inc. ("Association") as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapter 617, Florida Statutes, for the purpose of managing, operating, and administering Crestview Villas at Heritage Greens ("Villa Project I") and any other "Villa Project" constructed on one or more of the additional "Phases" unless provided otherwise by "Developer" in the "Declaration" for such Villa Project within the community known as Heritage Greens in Collier County ("County"), Florida (as such terms are defined in the Articles of Incorporation of the Association).

1.1. The office of the Association shall be for the present at 3185 Horseshoe Drive South, Naples, Florida 34104, and thereafter may be located at any place designated by the Board.

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

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

Section 2. EXPLANATION OF TERMINOLOGY

The terms defined in the Articles of Incorporation of the Association ("Articles") 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 or Class of Members, as the case may be, 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 the 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 of the Members or Class of Members, as the case may be.

3.4. Except as otherwise provided in the Articles, a written notice of all Members' meetings, whether the Annual Members' Meeting or a special meeting of the Members or Class of Members (collectively "Meeting"), shall be given to each Member entitled to vote thereat at his or her last known address as it appears on the books of the Association and shall be mailed to the said address not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the Meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any notice given hereunder shall state the time and place of the Meeting and the purposes for which the Meeting is called. The notice of all Annual Members' Meetings shall, in addition, specify the number of Directors of

the Association to be designated by Developer and the number of Directors to be elected by the Members, if applicable. Notice of any special meeting shall include a description of the purpose or purposes for which the meeting is being called. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member or by the person entitled to vote for such Member by signing a document setting forth the waiver of such notice.

3.5. The Members or a Class of Members may, at the discretion of the Board, act by written response in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or Class of Members or duly waived in accordance with the provisions of these Bylaws. Unless some greater number is required under the Documents 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 Members or Class of Members as to the matter or matters to be agreed or voted upon shall be binding on the Members or Class of Members, provided a quorum is either present at such Meeting or submits a response if action is taken by written response in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written responses must be received by the Association.

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

"Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of the person or authorized representative of an entity entitled to vote. Proxies shall be in writing and shall state the date, time and place of the meeting for which it was given and shall be signed and dated by the person or authorized representative of an entity giving the same and shall be valid only for the particular Meeting designated therein and any adjournments thereof, provided, however, any proxy automatically expires ninety (90) days after the date of the meeting for which it was originally given. A proxy must be filed with the Secretary of the Association before the appointed time of the Meeting in order to be valid. Any proxy may be revoked prior to the time a vote is cast according to such proxy.

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

3.7. At any Annual Members' Meeting when elections of Directors are to occur, written ballots are to be supplied to Members for such purposes. Furthermore, at any Annual Members' Meeting at which Directors are to be elected, the "Chairperson" (as defined in Paragraph 7.2 hereof) 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 to 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.

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

3.9. 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 at least seven (7) years subsequent to the date of the Meeting the minutes reflect.

3.10. Voting rights of Members shall be as stated in the Articles with respect to the election of all Boards other than the First Board. Such votes may be cast in person or by written ballot.

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.

3.12. In accordance with the requirements of Section 11.6 of the Covenants and Sections 2.3 and 3.6 of the Bylaws of the Community Association, the Board shall, at least annually, appoint one Member of the Association, who need not be a Director or officer, as the Association's voting representative ("Voting Representative") to the Community Association. The Association shall give written notice of the appointment to the Community Association. The Voting Representative shall attend the meetings of the members of the Community Association, and shall cast, in a block, all votes of the Members of the Association on any and all questions which may arise, except the election of Directors of the Community Association. The votes shall be cast in the manner directed by the Board, or absent such direction, in the manner determined by the Voting Representative. The Voting Representative shall also perform the other duties specified in Section 3.6 of the Bylaws of the Community Association. The Voting Representative shall serve at the pleasure of the Board.

3.13. To the extent feasible and practical, the Association shall poll its Members on questions to be decided by a vote of the members of the Community Association, so that this Association's votes are more likely to be cast in the manner preferred by the majority of the Members. If such a poll is conducted, the Board shall instruct its Voting Representative to cast all votes of the Association in a block, supporting the point of view preferred by the majority of the Members who responded to the poll. The Voting Representative may not vote by proxy at Community Association meetings, but the Board may designate in writing an alternate representative to substitute if the Voting Representative cannot attend any meeting of the members of the Community Association.

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 the Articles. Except for Developer-appointed Directors, Directors must be Members or the spouses, parents or children of Members.

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

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

4.4. The organizational meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. Provided the organizational meeting is held directly following the Annual Members' Meeting, no further notice of the organizational meeting shall be necessary. Otherwise, notice of the organizational meeting shall be given in accordance with Section 617.303(2), Florida Statutes.

4.5. Regular meetings of the Board may be held at such times and places in the County as shall be determined from time to time by a majority of Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least one-third

(1/3) of the Directors. Such special meeting may be held in the County at such time and place as determined by the Directors requesting such meeting or in such other place as all Directors shall agree upon.

4.6. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director. Notice of all Board meetings shall be posted in a conspicuous place in each Villa Project at least forty-eight (48) hours before a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in each Villa Project, notice of each Board meeting must be mailed or delivered to each Member at least seven (7) days before the meeting, except in an emergency. Notwithstanding the general notice requirement set forth above, if and when the Association has more than 100 Members, the Board may give the required notice of each Board meeting by publication of notice or a schedule of Board meetings in a publication mailed or delivered to all Members at least seven (7) days prior to the Board meeting or the first Board meeting on the schedule, as the case may be, or by mailing or delivering a schedule of Board meetings to each Member at least seven (7) days prior to the first Board meeting on the schedule. Notice of any meeting where assessments against Members are to be considered for any reason shall state that assessments will be considered and the nature of any such assessments.

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

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

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

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

4.11. Minutes of all meetings of the Board shall be kept in a businesslike manner and in accordance with Section 617.303(3), Florida Statutes, and shall be available for inspection by Members and Directors at all reasonable times.

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

4.13. Meetings of the Board shall be open to all Members on such terms as the Board may determine. The Board may also hold closed meetings with its attorney where the purpose(s) of the meeting is to discuss proposed or pending litigation where the contents of the discussion would otherwise be governed by attorney-client privilege. If open, unless a Member serves as a Director or unless he or she has been specifically invited by the Directors to participate in the meeting, the Members shall not be entitled to participate in the meeting, but shall only be entitled to act as observers. In the event a Member not serving as a Director or not otherwise invited by the Directors to participate in the meeting attempts to become more than a mere observer at the meeting or conducts

himself 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, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he 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 appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Committee meetings shall be noticed and conducted in the same manner as provided for Board meetings in Sections 4.6, 4.7, 4.8 and 4.13 hereof.

Section 5. POWERS AND DUTIES OF THE BOARD

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

Section 6. LATE FEES

A Member who fails to timely pay any assessment shall be charged a late charge by the Association for such late assessment in an amount set forth in the Rules and Regulations. Members shall be responsible to pay all Legal Fees incurred in connection with the collection of late assessments whether or not an action at law to collect said assessment and foreclose the Association's lien has been commenced. The Board may authorize an initial schedule of fees for such circumstances, which schedule may also be set forth in the Rules and Regulations.

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 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 where the functions of such offices are incompatible, but no person shall hold the office of President and any of the following offices simultaneously: Vice President, Secretary or Assistant Secretary.

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. 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.

7.3. In the absence or disability of the President, a Vice President shall exercise the powers and perform the duties of the President. 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 officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from hiring a Director as an employee of the Association or preclude the contracting with a Director or a party affiliated with a Director for the management or performance of contract services for the Association.

Section 8. RESIGNATIONS

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 Developer) shall constitute a written resignation of such Director or officer.

Section 9. ACCOUNTING RECORDS; FISCAL MANAGEMENT

9.1. The Association shall use the cash basis method of accounting and shall maintain accounting records in accordance with good accounting practices, which shall be open to inspection by Members, Institutional Mortgagees, Crestview Condominium at Heritage Greens Association, Inc. and any other Neighborhood Association for Crestview at Heritage Greens or their respective authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Such records shall include, but not be limited to:

- (i) a record of all receipts and expenditures (with the receipts and expenditures for the Crestview Recreation Area segregated from other receipts and expenditures);
- (ii) an account for each Lot within a Villa Project 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 balance due;
- (iii) all tax returns, financial statements and financial reports of the Association; and
- (iv) any other records that identify, measure, record or communicate financial information.

9.2. The Board shall adopt for each Villa Project a separate budget (as provided for in each Declaration) of the anticipated Neighborhood 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 October or November of the year preceding the year to which the budget applies, provided that the first Budget Meeting is to be held prior to the First Conveyance. Prior to the Budget Meeting, a proposed budget for the Neighborhood Expenses for each Villa Project shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the budget, a copy thereof or a written notice that a copy of the budget is available upon request at no charge to the Owner, shall be furnished to each Member, and each Owner shall be given notice of the individual Lot assessment applicable to his or her Lot(s). The copy of the budget or written notice of the availability of same shall be deemed furnished and the notice of the individual Lot assessment shall be deemed given upon its delivery or upon its being mailed to the Owner shown on the records of the Association at his or her last known address as shown on the records of the Association.

9.2.1. The Budget for each Villa Project shall include the expenses applicable to such Villa Project and the Villa Project's share of expenses applicable to more than one (1) Villa Project all in accordance with Section 9.2.2 hereof. The Budget for the Association, if required, will contain all items of expense which are applicable to more than one (1) Villa Project, including but not limited to, the Association's share of the Crestview Recreation Area Expenses.

9.2.2. Allocation of Common Expenses and Determination of Individual Lot Assessments

(a) The Budget for each Villa Project constitutes an estimate of the expenses to be incurred by the Association for and on behalf of such Villa Project. The procedure for the allocation of the expenses attributable to each Villa Project, which are the Neighborhood Expenses of such Villa Project, shall be as follows:

- (i) Crestview Recreation Area Expenses shall be allocated by the Board amongst the Crestview Neighborhood Associations by multiplying the amount of such expenses by a fraction with respect to each Crestview Neighborhood Association, the numerator of which is the number of dwelling units for which certificates of occupancy have been issued administered by the Crestview Neighborhood Association to which such expenses are being allocated and the denominator of which is the total number of dwelling units administered by Crestview Neighborhood Associations for which certificates of occupancy have been issued.
- (ii) The Association's share of the Crestview Recreation Area Expenses computed as set forth in Paragraph 9.2.2.(a)(i) hereof and the other expenses of the Association which are applicable to more than one Villa Project (such as administrative expenses) shall be allocated by the Board amongst the Villa Projects to which such expenses are applicable by multiplying the amount of such expenses by a fraction with respect to each Villa Project, the numerator of which is the number of Lots within the particular Villa Project to which such expenses are being allocated and the denominator of which is the total number of Lots in the various Villa Projects to which such expenses are applicable.
- (iii) Expenses of the Association which are applicable to one (1) Villa Project (such as, but not limited to maintenance for the Common Structural Elements of a particular Villa Project) shall be allocated by the Board as a Neighborhood Expense solely of such Villa Project.

(b) Notwithstanding the allocation to each Lot of its individual Lot assessment, an Owner shall also be liable for any special assessments levied by the Board against his Lot as provided in the Documents.

9.3. In administering the finances of the Association, the following procedures shall govern:

- (i) the fiscal year shall be the calendar year;
- (ii) any monies received by the Association in any calendar year may be used by the Association to pay expenses incurred in the same calendar year;
- (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Neighborhood Expenses which cover more than such calendar year;
- (iv) Assessments shall be made quarterly or monthly (as determined by the Board) in amounts no less than are required to provide funds in advance for payment of all of the anticipated current Neighborhood Expenses and for all unpaid Neighborhood Expenses previously incurred; and
- (v) items of Neighborhood 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 Neighborhood 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.

9.4. The individual Lot assessment shall be payable as provided for in each Declaration.

9.5. No Board shall be required to anticipate revenue from assessments or expend funds to pay for Neighborhood 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 Neighborhood 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 individual Lot assessment.

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

9.7. A report of the accounts of the Association shall be made annually and a copy of the report shall be furnished to each Member and Crestview Condominium at Heritage Greens Association, Inc. and any other Crestview Neighborhood Association no later than the first day of April of the year following the year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at his or her last known address shown on the records of the Association.

Section 10. RULES AND REGULATIONS

The Board may at any meeting of the Board adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation of a Villa Project; provided, however, that such rules and regulations are not inconsistent with the terms or provisions of the Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all Members at the last known address for such Members as shown on the records of the Association at the

time of such delivery or mailing and shall not take effect until forty-eight (48) hours after such delivery or mailing. Notwithstanding the foregoing, where rules and regulations are to regulate the use of specific portions of the Crestview Recreation Area, same shall be conspicuously posted at such facility and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view towards protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced.

Section 11. ROSTER OF MEMBERS

Each Member shall file with the Association a copy of the recorded deed or other document showing his or her ownership or right of use. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein. Only Members of record with the Association on the date notice of any Meeting requiring their vote is given shall be entitled to notice of and to vote at such Meeting, unless prior to such Meeting other Members shall produce adequate evidence of their interest and shall waive in writing notice of such Meeting.

Section 12. PARLIAMENTARY RULES

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

Section 13. AMENDMENT OF THE BYLAWS

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

13.2. After the Turnover Date (as defined in Paragraph X.C of the Articles), any Bylaw of the Association may be amended or repealed, and any new Bylaw of the Association may be adopted by either:

- (i) majority vote of the Members at any Annual Members' Meeting or any special meeting of the Members called for that purpose or by majority action of the Members who have acted by written response in lieu of a Meeting as permitted by these Bylaws; or
- (ii) by the affirmative vote of a majority of the Directors then in office at any regular meeting of the Board or at any special meeting of the Board called for that purpose or by written instrument signed by all of the Directors as is permitted by these Bylaws, 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.

13.3. Notwithstanding any of the foregoing provisions of this Section 13 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, 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.

13.4. Notwithstanding the foregoing provisions of this Section 13, there shall be no amendment to these Bylaws which shall abridge, amend or alter the rights of:

- (i) Developer, without the prior written consent thereto by Developer for so long as Developer holds at least one (1) Lot for sale in the ordinary course of business or has

the right to add an additional Phase to a Villa Project by recording an amendment to a Declaration or create a new Villa Project by recording a Declaration; or

- (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

13.5. Notwithstanding the foregoing provisions of this Section 13, until the Turnover Date, if a Villa Project is approved by the Federal Housing Authority ("FHA") and/or the Veterans' Administration ("VA"), the FHA and/or the VA shall have the right to veto any amendment to these Bylaws.

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

CRESTVIEW VILLAS AT HERITAGE GREENS
ASSOCIATION, INC.

By: *Angela Lesperance*
Angela Lesperance, President

Attest: *Karen Welks*
Karen Welks, Secretary

