

SOUTHERN DUNES MASTER COMMUNITY ASSOCIATION, INC.

City: Haines City

County: Polk

Date next preservation is required under MRTA:
12/4/2053

Last title search run: 4/23/2024

Last date governing documents added: 5/8/2024

KBR Matter # 40108

Kaye Bender Rembaum, P.A.
Governing Document Book 1

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TSR

Declarations & Restrictive Covenants

1. Declaration of Covenants, Conditions and Restrictions of Southern Dunes – 12/13/1993 – OR 3320/1051
 - a. Supplemental Declaration of Covenants, Conditions and Restrictions of Southern Dunes – 9/28/1999 – OR 4323/984
 - b. Supplemental Declaration of Covenants, Conditions and Restrictions of Southern Dunes – 6/17/2003 – OR 5399/1090
 - c. Supplemental Declaration of Covenants, Conditions and Restrictions of Southern Dunes – 9/23/2003 – OR 5520/824
 - d. Notice of Southern Dunes Master Community Association, Inc., under §720.3032, Florida Statutes, to preserve and protect covenants and restrictions from extinguishment under the Marketable Record Title Act, Chapter 712, Florida Statutes – 12/4/2023 – OR 12926/2063

Articles of Incorporation

1. Articles of Incorporation of Southern Dunes Master Community Association – filed 2/16/1994 (not recorded)

Bylaws

1. Bylaws of Southern Dunes Master Community Association – (not recorded)

Other Docs

1. Resolution of the Board of Directors of Southern Dunes Master Community Association, Inc., Regarding Board of Director Certification and Background Checks – 6/9/2014 – OR 9265/1711
 - a. A Resolution of The Board of Directors of Southern Dunes Master Community Association Inc., Adopting a Master List of Previously Adopted Rules and Regulations – 2/9/2021 – OR 11573/1938
2. Restrictive Covenant and Indemnity Agreement – 8/24/1994 – OR 3430/563
3. Quit Claim Deed – 9/30/2003 – OR 5529/2184 (re-recorded 5645/847)
4. Quit Claim Deed – 1/20/2004 – OR 5649/847



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ASSOCIATION DOCUMENT SEARCH

Re: Southern Dunes Master Community Association Inc.

File Number:

We have searched the Public Records of Polk County as contained in the offices of the Clerk of the Circuit Court of said County and the Florida Department of State Division of Corporations as it pertains to the above names.

County Official Records Certification Date: .April 23, 2024

And that the following documents were found:

Name Searched: Southern Dunes Master Community Association Inc.

County Records:

Declaration of Covenants, Conditions and Restrictions in Official Records Book 3320, Page 1051 recorded December 13, 1993

Supplemental in Official Records Book 4323, Page 984 recorded September 28, 1999

Supplemental in Official Records Book 5399, Page 1090 recorded June 17, 2003

Supplemental in Official Records Book 5520, Page 824 recorded September 23, 2003

Resolution in Official Records Book 9265, Page 1711 recorded June 9, 2014

Resolution in Official Records Book 11573, Page 1938 recorded February 9, 2021

Notice in Official Records Book 12926, Page 2063 recorded December 4, 2023

Restrictive Covenants and Indemnity Agreement in Official Records Book 3430, Page 563 recorded August 24, 1994

Quit Claim Deed in Official Records Book 5529, Page 2184 recorded September 30, 2003

Quit Claim Deed in Official Records Bok 5649, Page 847 recorded January 20, 2004

Florida Division of Corporations: Southern Dunes Master Community Association Inc.

Corporate Status:

Copies of Articles are attached

Public Records shall be defined herein as those records currently established under the Florida Statutes for the purpose of imparting constructive notice of matters relating to real property, individuals and corporate entities.

This Report shows only matters disclosed in the aforesaid Public Records, and it does not purport to insure or guarantee the validity or sufficiency of any documents noted herein; nor have the contents of any such documents been examined for references to liens or encumbrances. This Report is not to be construed as an opinion, warranty, or guarantee; and its effective date shall be the date above specified through which the Public Records were

searched. This Report is being provided for the use and benefit of the Certified Party only, and it may not be used or relied upon by any other party.

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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
SOUTHERN DUNES

1993 DEC 13 AM 7:38

149817

DEPT 115 189.00
DEPT 291 24.00
7349 W
CHECKS 213.00
5426 RR 2H
12/13/93

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DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
OF
SOUTHERN DUNES

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EXHIBITS

- A - Legal Description of Property
- B - Legal Description of Additional Property
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- D - Initial Budget

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
OF
SOUTHERN DUNES

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This Declaration of Covenants, Conditions and Restrictions of Southern Dunes (hereinafter referred to as the "Declaration") is made by Southern Dunes Golf & Country Club, Inc., a Florida corporation, whose address is 2235 Crump Road, Winter Haven, Florida 33884 (hereinafter referred to as the "Declarant").

W I T N E S S E T H:

WHEREAS, the Declarant on the date hereof is the owner of certain real property located in Polk County, Florida, described on Exhibit "A" attached hereto and made a part hereof by this reference thereto; and

WHEREAS, Declarant intends to develop the real property described in Exhibit "A" subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

NOW THEREFORE, Declarant hereby declares that all of the above-referenced real property shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property. Said easements, covenants, conditions, restrictions, reservations, liens and charges shall run with the real property described in Exhibit "A" attached hereto, shall be binding upon all parties having and/or acquiring any right, title or interest in the real property described therein or in any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in said real property.

ARTICLE I

DEFINITIONS

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

A. "Additional Property" shall mean and refer to the real property described in Exhibit "B" attached hereto and made a part hereof.

B. "Articles" shall mean and refer to the Articles of Incorporation of the Association as they may exist from time to time.

C. "Association" or "Master Association" shall mean and refer to Southern Dunes Master Community Association, Inc., a Florida non-profit corporation, its successors and assigns, which shall be a homeowners' association, not a condominium formed pursuant to Chapter 718 of the Florida Statutes.

D. "Board" shall mean the Board of Directors of the Association.

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

F. "Common Expenses" shall mean and refer to expenditures for maintenance, operation and other services required or authorized to be performed by the Association with respect to Common Property, Open Spaces, Surface Water Management Systems, Public Areas (if any), Lakes (if any) or otherwise.

G. "Common Property" and "Common Area" shall mean and refer to those tracts of land, together with any improvements thereon, which are actually and specifically dedicated or deeded to the Association and designated in said dedication or deed as "Common Property," or tracts of land identified as "Common Property" on a final plat recorded in the Public Records of Polk County, Florida by the Declarant. The term "Common Property" shall also include any personal property acquired by the Association if said property is designated as "Common Property" in the bill of sale or instrument transferring such property, and shall also include easement rights which may be specifically granted to the Association over or upon other lands, but only to the actual extent of such easement rights. Common Property is specifically reserved for the use and benefit of Members and is an integral appurtenant part of each Residential Unit. Common Property shall initially include the following Tracts which are dedicated to or required to be maintained by the Association as set forth on the Plats of portions of the Property as follows:

Tracts A & B of Caribbean Cove according to the plat thereof as recorded in Plat Book 97, Pages 4 and 5, Public Records of Polk County, Florida.

Tracts A, B & C of Villas de Augustine according to the plat there as recorded in Plat Book 97, Pages 7 and 8, Public Records of Polk County, Florida.

H. "Conservation Area(s)" or "Conservation Easement Area(s)" shall mean and refer to all of such areas so designated by the Declarant or its successors and assigns upon any recorded subdivision plat or plats of the Properties, or in any Plan, or in any easements, dedications or restrictions made or imposed pursuant to conservation ordinances, laws, rules or regulations of governmental authorities, including, without limitation, the applicable Water Management District.

I. "Declarant" shall mean Southern Dunes Golf & Country Club, Inc., a Florida corporation. Wherever the term Declarant is used in this Declaration, the Articles or Bylaws, it shall always be deemed to include Declarant's successors and assigns; but only to the extent specifically so identified by an instrument in writing executed and recorded by Declarant and approved by all Class B and Class C members in writing.

J. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions as it may, from time to time, be amended.

K. "Design Review Committee" and "DRC" shall refer to the committee established and described in Article VIII hereof.

L. "Southern Dunes" shall mean the property developed pursuant to the Plan, which property is described in Exhibits "A" and "B" attached hereto.

M. "Exclusive Common Area" shall mean certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Exclusive Common Areas shall be assessed against the Owners of Units in only those Neighborhoods which are benefitted thereby as a Neighborhood Assessment, as defined herein. Initially, any Exclusive Common Areas shall be designated as such by the Declarant and the exclusive use thereof shall be assigned in the deed conveying the Exclusive Common Area to the Association. Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of a particular Neighborhood or Neighborhoods and Exclusive Common Area may be reassigned between Neighborhoods upon the vote of a majority of the total Association vote, including a majority of the votes of Unit Owners within the Neighborhood(s) to which the Exclusive Common Areas are assigned.

N. "Golf Course Property" shall mean and refer to the Golf Course being constructed by Declarant in conjunction with the development of Southern Dunes pursuant to the Plan, and designated for use as golf course, practice range, golf course maintenance or related uses or facilities.

O. "Institutional Lender" shall mean and refer to the owner and holder of a mortgage encumbering a Residential Unit or Residential Property, which owner and holder of said mortgage may be a bank, savings bank, mortgage company, life insurance company, federal or state savings and loan association, national banking association, an agency of the United States government, private or public pension fund, Veteran's Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a credit union, real estate or mortgage investment trust or a lender generally recognized in the community as an institutional lender.

P. "Lot" shall mean any parcel of land shown upon any recorded subdivision map or plat of the Properties upon which in the future will be located an attached or detached single family Residential Unit.

Q. "Maintenance" shall mean, but not be limited to, the following: cleanup, landscaping and grounds care, dredging, chemical treatment and other services related to retention areas, swales and drainage ditches; painting and structural upkeep of improved properties, recreational facilities, roads, walls, entry features and rights of way; and repair and all other such functions incidental to the services of the Association.

R. "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article III hereof.

S. "Neighborhood" shall mean each separately developed and denominated residential area comprised of one or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Association Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Association Members. For example, and by way of illustration and not limitation, each townhome development, cluster home development, and single-family detached housing development shall constitute a separate Neighborhood. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one Neighborhood upon development.

T. "Neighborhood Association" shall mean a homeowners' association formed to operate and maintain a number of Residential Units and property common to such Residential Units.

U. "Neighborhood Committee" shall mean the committee in a particular Neighborhood which is authorized by the Association to act with respect to matters in a particular Neighborhood which does not have a Neighborhood Association.

V. "Neighborhood Expenses" shall mean the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board and as more particularly authorized herein.

W. "Neighborhood Representative" shall mean the senior elected officer (e.g., Neighborhood Committee chairman or Neighborhood Association president) from each Neighborhood who shall be the person responsible for casting all votes attributable to Residential Units in the Neighborhood. The next senior officer of each Neighborhood Committee/Association shall be the alternate Neighborhood Representative.

X. "Plan" shall mean and refer to any recorded plat of any portion of the Properties and Additional Property and the most recent proposed plat or land use plan submitted to and approved by Polk County, Florida for the development of Southern Dunes, as changed, amended and modified from time to time with the approval of Polk County. A copy of the most recent Plan is attached hereto as Exhibit "C" and is by this reference made a part hereof.

Y. "Notice" shall mean delivery to the person or entity who appears as Owner in the records of the Association, of any document by mail with postage prepaid to the last known address according to the records of the Association. If available from the records of the Association, notices to an Owner may (but shall not be required to) be sent to a tenant of an Owner occupying the Residential Unit. Notice to one of two or more co-owners shall constitute notice to all Owners.

Z. "Open Space" shall mean an exterior open area, if any, within the Properties and the Additional Property (not including open area on the Lots) from the ground upward devoid of residential buildings and accessory structures;

except however, those buildings and structures or areas used exclusively for recreational purposes may be included in the Open Space.

AA. "Owner" shall mean and refer to the owner as shown by the records of the Association (whether it be the Declarant, one or more persons, firms or legal entities) of fee simple title to any Lot, Residential Unit or Residential Property located within the Properties. Owner shall not mean or refer to the holder of a mortgage or security interest, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

BB. "Properties" or "Property" shall mean and include the real property described in Exhibit "A" attached hereto and, when added in accordance with the terms and conditions hereof, shall also include real property which is in the future subjected to this Declaration under the provisions of Article II hereof.

CC. "Public Areas" shall mean areas (if any) within the Properties and Additional Property dedicated for use by the general public and not limited to use by residents of Southern Dunes.

DD. "Residential Property" shall mean any parcel of land (whether or not platted) located within the Properties intended for use as a site for Residential Units but which has not been conveyed to one or more Owners intending to occupy the improved Residential Unit for residential purposes.

EE. "Residential Unit" shall mean and refer to any platted and developed single family Lot (or improved property intended for use as a residential dwelling), which has thereon a single family attached or detached dwelling home, patio or zero lot line home, garden home or townhouse unit, for which a certificate of occupancy has been issued by the appropriate governmental authorities.

FF. "Supplemental Declaration" shall mean any supplement, amendment or modification of this Declaration.

GG. "Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented with respect to the Properties to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, F.A.C.

HH. "Turnover" shall mean the transfer of operation of the Association by the Declarant as described in Article X hereof.

II. "Unit" shall mean a portion of the Properties, whether developed or undeveloped, intended for development, use and occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration but not limitation)

townhouse units, cluster homes, patio or zero lot line homes, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or part of the Properties. The term shall include all portions of the Lot owned including any structure thereon. In the case of a structure which contains multiple dwellings, each dwelling shall be deemed to be a separate Unit. In the case of a parcel of vacant land or land in which improvements are under construction, the parcels shall be deemed to contain the numbers of Units designated for such parcel on the master plan or site plan approved by Declarant, whichever is more recent, until such time as a certificate of occupancy is issued on all or a portion thereof by a local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above, and the number of Units in the remaining land, if any, shall continue to be determined in accordance with this paragraph.

JJ. "Voting Member" shall mean the Declarant as to votes allocated to the Class C Member, any Residential Property Owner as to the votes allocated to a Class B member, and the Neighborhood Representatives as to all the votes allocated to Class A Members; provided, that a Member that owns a Residential Unit in a Neighborhood that is not represented by a duly elected Neighborhood Representative shall be a Voting Member as to such Member's allocated votes. All vote allocations are as provided in Article III, Section 2 hereof.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION

Section 1. Existing Property. The real property initially subject to this Declaration is the Properties described in Exhibit "A."

Section 2. Additional Property.

A. Additional Residential Property, Common Area and Open Space, other than the Additional Property, may be annexed to the Properties with the consent of two-thirds (2/3) of each class of Members, and with the consent of HUD/VA so long as there is a Class B or C membership.

B. The Additional Property may be annexed by the Declarant in whole or in part, from time to time, without the consent of Members or anyone except Declarant, so long as Declarant is a Class C Member of the Association. Upon annexation of said Additional Property, the Owners of the Additional Property so annexed for all intents and purposes shall be deemed to be Members of the Association in accordance with the provisions of this Declaration and the land annexed shall be deemed to be part of the "Properties" under this Declaration. The Owners of the Lots shall be subject to this Declaration and to the Articles and Bylaws in the same manner and with the same effect of the original Lot Owners within the Properties, and the Additional Property which is annexed shall be encumbered by and subject to all the terms and conditions of this Declaration. When the Additional Property is annexed, the Declarant shall file a Supplemental Declaration among the Public Records of Polk County, Florida, which Supplemental Declaration shall reference this Declaration and shall contain the legal description of the portion of the Additional Property which is annexed.

Notwithstanding any other provision of this Declaration to the contrary, the Supplemental Declaration adding such annexed lands shall not be required to be executed by any existing Lot Owners, or anyone, other than Declarant.

C. No provision of this Declaration shall be construed to require Declarant or any other person or entity to annex or withdraw any real property to or from the scheme of this Declaration. Further, the Declarant is not obligated to bring all or any part of the remaining real estate covered by the Plan into the Association. Such remaining real estate may be added to the Properties, or it may be incorporated into one or more separate Neighborhood Associations, or may not be subject to an association.

D. The Declarant intends to develop the Properties and its adjoining lands in accordance with the Plan, but hereby reserves the right to modify the Plan (with respect to the Properties and other lands included in the Plan) from time to time.

The Declarant's power to add to, subtract from or make changes in the Plan shall only exist, however, with respect to portions of the Additional Property which have not then been annexed to the Properties.

E. Covenants and restrictions applicable to annexations to the Properties shall be compatible with, but need not be identical to, the covenants and restrictions set forth in this Declaration. Such a condition is retained by Declarant in recognition that within Southern Dunes there will be a variety of land uses and housing types, thereby necessitating differing restrictive covenants.

F. In the event that either the Federal Housing Administration or the Veterans Administration insures or guarantees any mortgage encumbering a Lot, and the regulations or procedures of such agency require under such circumstances approval of annexations or withdrawals by such agency or determination by such agency that such annexation or withdrawal is consistent with the general plan of development for Southern Dunes, then such approval or determination shall be a prerequisite to such annexation or withdrawal.

ARTICLE III

MASTER ASSOCIATION

Section 1. Membership. Every Owner, including the Declarant, shall be a Member of the Association, and by acceptance of a deed or other instrument evidencing its ownership interest, each Owner accepts membership in the Association, acknowledges the authority of the Association as herein stated, and agrees to abide by and be bound by the provisions of this Declaration, the Articles, the Bylaws and other rules and regulations of the Association. In addition to the foregoing, the family guests, invitees and tenants of said Owners shall, while in or on the Properties, abide and be bound by the provisions of this Declaration, the Articles, the Bylaws and other rules and regulations of the Association.

Section 2. Allocation of Voting Rights.

A. Members of the Association shall be allocated votes as follows:

Class A. Class A Members shall be all Owners of improved Residential Units that have been conveyed by a builder or developer of Residential Property. Class A Members shall be allocated one vote for each improved Residential Unit in which they hold the interest required for membership by Article III, Section 1 of this Declaration.

Class B. Class B Members shall be Owners of Residential Property without a Residential Unit thereon other than the Declarant. Class B members shall be allocated one vote for each Residential Unit allowable to the Residential Property (under the Plan) owned by the Class B members.

Class C. The Class C Member shall be the Declarant, or its specifically designated (in writing) successor. The Class C Member shall be allocated a number of votes equal to three times the total number of Class A and three times the total number of Class B votes at any time; provided, notwithstanding the foregoing, if any provision of this Declaration specifically requires a vote of two-thirds or three-fourths of each Class of Members, then for purposes of those votes, the Class C Member shall not be allocated a number of votes equal to three times the total number of Class A and three times the total number of Class B votes. The Class C membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) Twenty (20) years from the date of recording of this Declaration among the Public Records of Polk County, Florida.
- (b) when 75% of the maximum number of Residential Units allowed for the Properties then subject to this Declaration have been conveyed to Residential Unit Owners.

B. Within six (6) months after the happening of the earliest of the foregoing events (a) or (b), the Declarant shall (pursuant to Article X) conduct a turnover meeting for the purpose of turning over the Association to the Residential Unit Owners who may then elect new directors of the Association.

C. When any of the Properties entitling the Owner to membership in the Association is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Association, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote of such

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individual shall be considered to represent the will of all the Owners of that portion of the Properties. In the circumstance of such common ownership, if the Owners fail to designate their voting representative, then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owners. Upon such notification the Owner may not vote until the Owner(s) appoint their representative pursuant to this paragraph.

D. For purposes of determining voting rights hereunder the membership roster of the Association shall be set as of thirty (30) days prior to the vote of the Association.

E. When the Neighborhood in which a Class A member owns a Residential Unit has a duly appointed or elected Neighborhood Representative, the Neighborhood Representative shall have the exclusive right to exercise the voting rights of such Class A member.

Section 3. Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Polk County, Florida, a deed or other instrument conveying record fee title to any Residential Unit or Residential Property, and by the delivery to the Association of a copy of such recorded instrument, the Owner designated by such instrument shall, by acceptance of such instrument, become a Member of the Association, and the membership of the prior Owner shall be terminated. In the event that a copy of said instrument is not delivered to the Association, said Owner shall become a Member, but shall not be entitled to voting privileges enjoyed by its predecessor in interest until delivery of a copy of the conveyance instrument to the Association. The foregoing shall not, however, limit the Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Residential Unit or Residential Property acquired. If an Owner intends to rent to tenants, the Owner shall be liable for and shall pay all fees and assessments attributable to such Residential Units. The interest, if any, of a Member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's real property. Membership in the Association by all Owners shall be compulsory and shall continue, as to each Owner, until such time as such Owner of record transfers or conveys his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

Section 4. Declarant Right to Appoint Director. The Declarant shall be entitled (but shall not be required) to appoint one (1) member of the Board for as long as the Declarant is the owner of any portion of the Properties.

Section 5. Membership in Association. Each Member acknowledges, by acquiring a Lot, that neither membership in the Association nor ownership of any Lot or Residential Property in Southern Dunes shall, in and of itself, confer upon any such Member or Owner membership in or use of the Golf Course Property. Use of the Golf Course Property shall only be in accordance with the rules established by the owner (or manager or lessee) of the Golf Course Property from time to time.

Section 6. Apartments. The owner of any apartment building or buildings shall be considered a Class A Member and shall be entitled to one vote for each unit within the building(s) owned. Tenants shall not be considered Owners and shall not be entitled to vote.

ARTICLE IV

FUNCTIONS OF MASTER ASSOCIATION

Section 1. Services. The Association shall have the powers provided herein and in the Articles and Bylaws from time to time, and such other powers as may be vested in the Association by law, and shall provide (or cause to be provided) the following services:

A. Maintenance of all Open Space, Common Property, recreation areas, landscaping and irrigation systems, including without limitation all private roads and lights and landscaping on and around such roads.

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

C. Adopting, publishing and enforcing such reasonable Rules and Regulations as the Board deems necessary.

D. In addition to maintenance herein provided, the Association may provide exterior or other maintenance upon any Residential Unit which, in the Association's opinion, requires such maintenance because said Residential Unit is being maintained in a sub-standard manner. The Association shall notify the Owner of said Unit in writing, specifying the nature of the condition to be corrected, and if the Owner has not corrected same within fifteen (15) days after the date of said notice, the Association (after approval by a majority affirmative vote of the Board) may correct such condition. Said maintenance shall include but not be limited to painting, repairs, replacement and maintenance of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

The cost of such maintenance shall be assessed by the Association against the Residential Unit upon which such maintenance is performed, but shall not be considered part of the annual maintenance assessment or charge. Any such special assessment or charge shall be a lien upon the Residential Unit and an obligation of the Residential Unit Owner and shall become immediately due and payable in all respects, together with attorney's fees, court costs, interest and other fees or costs of collection as provided for other assessments of the Association.

E. At the sole option and discretion of the Board, conducting recreation, sport, craft, and cultural programs of

interest to Members, their families, tenants and guests and charging admission fees for the operation thereof.

F. Constructing improvements on Common Property and easements as may be required to provide the services as authorized in this Article.

G. Employment of guards, maintenance of control centers for the protection of persons and property within the Properties, installation, operation and maintenance of communication systems by the Association or a contractual designee of the Association, and assistance in the apprehension and prosecution of persons who violate the laws of Polk County or the State of Florida within the Properties.

H. In addition to maintenance herein provided, the Association may, in the discretion of its Board, assume the maintenance responsibilities of a Neighborhood. In such event, all costs of such maintenance shall be assessed only against the Units within the Neighborhood to which the services are provided. This assumption of maintenance responsibility may take place either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the community-wide standard of the Properties. The provision of services in accordance with this Section shall not constitute discrimination within a class.

I. Upon resolution of the Board, each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of Exclusive Common Areas associated with such Neighborhood as well as certain portions of the Common Property within or adjacent to such Neighborhood, which may include, without limitation, buildings and amenities within the Neighborhood, the costs of maintenance of any right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association. Any Neighborhood Association/Committee having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to a declaration of covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the community-wide standard. If any such Neighborhood Association/Committee fails to perform its maintenance responsibility as required herein and in any additional declaration, the Association may perform it and assess the costs against all Units within such Neighborhood as provided in Article VI, Section 4.

Section 2. Mortgage and Pledge. The Board shall have the power and authority to mortgage the property of the Association (but only with the approval of at least two-thirds (2/3) of the Members other than the Declarant) and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its functions.

Section 3. Conveyance by Association. Subject to the provisions hereof, the Association shall be empowered to delegate or convey any of its functions or properties to any governmental unit, public utility or private party approved by two-thirds of all classes of voting Members (and consent of HUD/VA so long as there

is a Class B and/or C membership), consistent with the intended use of such property.

ARTICLE V

EASEMENTS

Section 1. Appurtenant Easements. Declarant grants to all owners (and their guests, lessees and invitees) as an appurtenance to and as part of the ownership held by such Owner but subject to the Declaration, the Articles and Bylaws and the rules and regulations promulgated by the Association, a perpetual nonexclusive easement for ingress and egress over, across and through and for the use and enjoyment of, all Common Property (other than Exclusive Common Areas whose use is restricted by rule of the Association to Owners of particular Neighborhood Units); such use and enjoyment to be shared in common with Declarant and the other owners, their guests, lessees and invitees.

Section 2. Utility Easements. The Declarant reserves to itself (and its successors or assigns) the right to grant easements to any private company, public or private utility or governmental authority providing utility and other services within the Properties and the Common Property upon, over, under and across the Properties. Said easements shall be given for the purpose of maintaining, installing, repairing, altering and operating sewer lines, irrigation lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal lines and systems, pipes, wires, power lines, telephone service, gas lines, syphons, valves, gates, pipelines, cable television service, alarm systems and all machinery and apparatus appurtenant to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities and providing services to Owners, the Properties and the Common Property. All such easements shall be of a size, width, and location as Declarant, in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements (including Dwelling Units) which are now, or will be, located upon the Properties.

Section 3. Declarant Easements. The Declarant hereby reserves to itself, its successors and assigns, and to such other persons as Declarant may from time to time designate in writing, a perpetual easement, privilege and right in and to, over, under, on and across the Common Property for ingress and egress; provided, however, that such access and use does not unreasonably interfere with the reasonable use and enjoyment of the Common Property and facilities located thereon by the Owners. The Declarant hereby further reserves to itself, its successors and assigns, and to such other persons as Declarant may from time to time designate in writing, a non-exclusive perpetual easement, privilege and right in and to, over, under, on and across the Properties, or for ingress and egress to construct, locate and maintain any lines, cables, conduits, pipes and other such improvements related to the infrastructure and development thereof in connection with Declarant's development of Southern Dunes or any portion thereof; provided, however, that any such construction, location, installation or development by Declarant shall not be permitted in, on, under or across houses and pools and Declarant shall be obligated to restore any disturbed area to as close to the original condition of the area as is reasonably practical. Declarant reserves for itself, its successors and assigns, a non-exclusive easement for the installation and maintenance of security and

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television cables and wires within the rights-of-way and easement areas referred to herein.

Section 4. Service Easements. Declarant hereby grants to people and entities affiliated with delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Declarant, its successors or assigns and to such other persons as the Declarant from time to time may designate, a nonexclusive, perpetual easement for ingress and egress over and across the Common Property for the purposes of performing their authorized services, to service the Properties and to perform any investigation related thereto.

Section 5. Drainage Easements. Drainage flow shall not be obstructed or diverted from drainage easements. The Association shall have easements for and may, but shall not be required to, cut drainways for surface water wherever within the Properties and whenever such action may appear to the Association to be necessary to maintain reasonable standards of health, safety and/or appearance. These easements include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other action reasonably necessary to install utilities and maintain reasonable standards of health, safety and/or appearance, but shall not include the right to disturb any improvements erected within the Properties which are not located within the specific easement areas designated on the plats or in this Declaration. Except as provided herein, existing drainage and drainage channels (or areas reserved for such purposes) shall not be altered so as to divert the flow of water onto adjacent parcels or into sanitary sewer lines. No Owner of a Residential Unit may alter any elevations and slopes except upon written consent of the Association.

Section 6. Conservation Easements. Declarant reserves the right to grant Conservation Easements to qualified grantees over and across Common Property, Open Space or Surface Water Management Systems.

Section 7. Easements for Walls and Buffer Easement Areas. Declarant acknowledges that the Plats of the Properties may include buffer areas and easement areas which may, but will not necessarily, be improved with walls, landscaping, sod, irrigation facilities and other items. Said areas may be dedicated to the Association or the Association may be granted an easement with respect thereto, and the Association may be required to maintain same.

Section 8. Golf Cart Path Easements. There is hereby created, declared and reserved for the benefit of Declarant, the owner or lessee from time to time of the Golf Course Property and all members and guests from time to time of the Golf Course Property, a non-exclusive golf cart path easement over and upon all golf cart path easement areas shown as such on any plat of the Properties, together with a non-exclusive easement and license unto such benefited parties to enter upon such golf cart path easement areas for the purpose of constructing, installing, inspecting, operating, maintaining, repairing or replacing from time to time a golf cart path (paved or unpaved) and for ingress, egress and passage thereover by way of, and for the use and operation thereon of electric or other powered golf carts.

Section 9. Recreation Easement. There is hereby created, declared, granted and reserved for the benefit of the Declarant and the owner and any lessee from time to time of the Golf Course

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Property and their respective employees, agents, invitees, members and guests a non-exclusive easement for ingress and egress, to, from, over and upon all portions of the Property, for the purpose of allowing golf balls to travel over and into and to come to rest upon and be retrieved from any and all portions of the Property; provided, however, that if any golf ball comes to rest in a portion of a Lot which has been fenced so as to preclude access, no easement for retrieval of the golf ball shall exist. Further, neither the Declarant, nor any Class B Member or any other owner or any lessee from time to time of the Golf Course Property nor their respective employees, agents, invitees, members or guests shall have any liability or responsibility for any property damage occasioned by or personal injury to any person, whether an Owner, a member of such Owner's family or any employee, agent, guest or invitee of such Owner, who or which is accidentally struck by a golf ball.

Section 10. Right of Entry. The Association shall have the right, but not the obligation, to enter onto any Residential Property for emergency, security, and safety, which right may be exercised by the Board, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Residential Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 11. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Residential Unit or Residential Property and such portion or portions of the Common Property adjacent thereto or as between adjacent Residential Units and/or Properties due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant, or the Association.

Section 12. Extent of Easements. The rights and easements of enjoyment created in this Article V shall be subject to the following:

A. The right of the Declarant, or the Association, to borrow money from any lender for the purpose of improving and/or maintaining the Parks, Open Space, Surface Management Systems and Common Property and providing services authorized herein and, in aid thereof, to mortgage said properties (but only with the approval of at least two-thirds (2/3) of the Members other than the Declarant, if the Association intends to mortgage Common Property and then only after June 1, 1995);

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

C. The right of the Association to give, dedicate, mortgage or sell all or any part of the Common Property (including leasehold interests therein) to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be determined by the Association; provided that no such gift or sale or determination of such purposes or conditions shall be effective unless the same shall be authorized by the affirmative vote of two-thirds (2/3) of the votes cast by each class of Members at a duly called meeting of the Members of the Association, and unless written notice of the meeting and of the proposed agreement and action thereunder is sent at least thirty (30) days prior to such meeting to every Member entitled hereunder to vote. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Property, prior to the recording in the Public Records of Polk County, Florida thereof. Such certificate shall be conclusive evidence of authorization by the Members.

Section 13. Discharge into Water Bodies. Nothing other than storm water and irrigation waters may be discharged into any Lake, canal, or other body of water located within or adjacent to the Properties without Declarant's prior written consent. The construction and/or installation by any party other than the Declarant of any device through which water is drawn shall be subject to the prior written approval of the Design Review Committee as hereinbelow established in Article VIII of this Declaration. Irrigation water may not be withdrawn from any body of water within the Properties or the ground by any party other than the Declarant without the consent of the Association, which consent may be withheld in the sole discretion of the Association.

ARTICLE VI

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Declarant covenants, and each Owner of any Residential Unit (not Residential Property unless it has been improved with a Residential Unit) shall by acceptance of a deed therefor, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association any and all: (1) Annual Assessments and charges, (2) Special Assessments, and (3) Neighborhood Assessments, such assessments to be established and collected as hereinafter provided. Notwithstanding anything herein to the contrary, no Class B member shall be required to pay any assessments whatsoever (including without limitation Annual Assessments, Special Assessments and Neighborhood Assessments). Without limiting the foregoing, if a Class B Member constructs a Residential Unit on Residential Property (for a model home, "spec" home or any other reason), such Class B Member shall not be responsible for the payment of any assessment whatsoever with respect to the Residential Property and the Residential Unit thereon.

The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them. In the case of co-

ownership of a Residential Unit or Residential Property, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Annual Assessments. The Association shall levy against the Lots and the Owners thereof, annual assessments as provided herein. The annual assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement and operation of the Parks, Surface Water Management System, Open Spaces and Common Property and to provide services which the Association is authorized or required to provide including, but not limited to, the payment of taxes and insurance premiums, construction, repair or replacement of improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized functions, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required functions. The Association shall be required to establish reserve funds to be held in reserve in an interest bearing account or investments as a reserve for (a) major rehabilitation or major repairs to Common Property that must be replaced on a periodic basis, (b) emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss, (c) insurance premiums or taxes, (d) maintenance and repairs to all private roads (including without limitation landscaping and lighting on and around such roads), and (e) such other items as the Board may deem appropriate.

Section 3. Special Assessments. In addition to the annual assessments authorized by Section 2 hereof, the Association may levy against the Lots and the Owners thereof special assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction or reconstruction, unexpected repair or replacement of a described capital improvement upon Common Property or easements, including the necessary fixtures and personal property related thereto or for other purposes as determined by the Board.

Section 4. Individual Assessments. The Association may impose an individual assessment upon any Owner whose use or treatment of Common Areas, a Residential Unit or Residential Property is not in conformance with the standards as adopted by the Association or which increases the maintenance cost to the Association above that which would result from compliance by the Owner with the use restrictions imposed by this Declaration. The maximum amount of such assessment shall be equal to such cost incurred plus ten percent (10%) of the costs for administration and may be enforced in the manner provided for any other assessments.

Section 5. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Residential Unit to an Owner, the maximum annual assessment shall be SEVEN HUNDRED TWENTY AND NO/100 DOLLARS (\$720.00) per Residential Unit, plus any amounts that may be assessed under Sections 3 and 4 of this Article. The actual amount of the annual assessment shall be determined by the Board upon or after the conveyance of a Residential Unit to an Owner.

A. From and after January 1 of the year immediately following the conveyance of the first improved Residential Unit to an Owner, the maximum annual assessment may be increased each year without a vote of the Membership by a sum not more than ten percent (10%) above the sum of: (i) the maximum assessment for the previous year, adjusted to reflect price increases based on the U.S. Government's current Consumer Price Index ("All Items"), plus (ii) increases mandated by governmental agencies and/or increased costs incurred to obtain services from utility and other entities.

B. From and after January 1 of the year immediately following the conveyance of the first Residential Unit to an Owner, the maximum annual assessment may be increased above the provisions as described in Section 5(A) by a vote of two-thirds (2/3) of each class of Members who are voting, at a meeting duly called for this purpose.

C. The Board shall fix the annual assessments at an amount not in excess of the maximum described above.

D. Notwithstanding anything contained in this Section 5 to the contrary, the maximum assessment applies only to the real property described by the Exhibits "A" and "B" attached to this Declaration. If, as and when additional real property is added to this Declaration, the maximum assessment may be modified as required by the Board, with respect to said additional property not described in Exhibits "A" and "B".

Section 6. Neighborhood Assessments. The Association may impose a Neighborhood Assessment upon any Unit subject to the jurisdiction of a Neighborhood Association or a Neighborhood Committee, which assessment shall be for Neighborhood Expenses benefiting only Units within a particular Neighborhood. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the Bylaws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment.

The Neighborhood Association or Committee for each Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood benefitted thereby and levied as a Neighborhood Assessment. The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year.

In the event the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Assessments applicable to Owners that are members of a Neighborhood Association shall be billed to such Neighborhood Association. The Neighborhood Association shall have the initial responsibility for billing the Owner and collecting such assessments, which assessment will be deemed a debt of the Neighborhood Association. If the Neighborhood Association pays the assessment applicable to an Owner, but the Owner does not promptly reimburse the Neighborhood Association, such association shall be subrogated to the Association's lien rights herein provided.

Section 7. Assessment of Declarant. Notwithstanding any provision of this Declaration, or the Association's Articles of Incorporation or Bylaws to the contrary, for as long as there is Class C membership in the Association, the Annual Assessment on any property owned by the Declarant shall be fixed by the Board annually in an amount not less than twenty-five percent (25%) and

not more than one hundred percent (100%) of the amount established for Residential Units owned by the Class A members of the Association. Provided, that the Declarant shall be obligated for the difference between the amount of assessments levied on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or any combination thereof. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses. Upon termination of the Class C membership in the Association, as hereinabove provided, the Annual Assessment against any Lot or Residential Property owned by Declarant shall be fifty percent (50%) of the amount hereinabove established against Lots or Residential Units owned by Class A members of the Association, except, however, the Annual Assessment shall be one hundred percent (100%) of the amount established if a Residential Unit has been constructed on any Residential Property, with respect to that Residential Property.

Section 8. Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to each Unit on the first day of the first month following: (i) as to each Residential Property owned by the Declarant, the date of subjection of the Lot or Residential Property to this Declaration by the filing hereof or of a supplement hereto; and (ii) as to each Unit owned by a Class A Member, the date of conveyance to an Owner. The Annual Assessments provided for herein shall be due and payable on the first days of such months as may be set by the Board. The Annual Assessments shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Section 9. Duties of the Board Regarding Rosters. The Board shall prepare a roster of Owners and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

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

Section 10. Determination of Allocation of Assessments. The number of Units used for the calculation of annual assessments shall be determined as of the ownership of record thirty (30) days prior to the commencement of the fiscal year of the Association and once so determined shall be controlling for the entire fiscal year.

Section 11. Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; The Lien; Remedies of Association. If assessments are not paid on the dates due (being the dates specified in this Article VI) then such assessments shall become delinquent and shall, together with interest thereon and costs of collection thereof as hereinafter provided, become due and payable and be a continuing lien on the property and Units which shall bind such property and Units and the then Owner, the Owner's heirs, devisees, personal representatives and assigns. The obligation of the Owner to pay such assessment, however, shall remain a personal obligation. The Association may record a notice of lien for delinquent assessments in the Public Records of Polk County, Florida, and foreclose the lien in the same manner as a

mortgage. The lien shall not be valid against subsequent bona fide purchasers or mortgagees for value unless so recorded. Upon recording, the lien shall secure the amount of delinquency stated therein and all unpaid assessments thereafter until satisfied of record.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property or Unit, and there shall be added to the amount of such assessment all attorneys' fees incurred in connection therewith at the trial and all appellate levels, including, but not limited to, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 12. Subordination of the Lien to Mortgages: Mortgagees' Rights. The lien of assessments provided for herein is subordinate to the lien of any first mortgage given to an Institutional Lender now or hereafter placed upon a Residential Unit or Residential Property; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such Residential Unit or Residential Property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. An institutional first mortgagee, upon request, shall be entitled to written notification from the Association of any default of an Owner of any obligation hereunder which is not cured within sixty (60) days. The Association may provide such notice without receiving a request from the institutional first mortgagee. Failure to pay assessments shall not constitute a default under any mortgage insured by HUD, FHA and/or VA.

Section 13. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Property as defined in Article I hereof; (c) all property dedicated for recreational use pursuant to this Declaration; (d) property designated as Open Space or which is used in the Surface Water Management Systems; and (e) property owned by the Class B Member(s).

Section 14. Collection of Assessments. Assessments allocated to any Unit shall be billed by the Association and collected by the Association. The Owners shall be liable for the payment of the Association assessments. Nothing herein shall be deemed a waiver by the Association of its independent right of lien and collection against any Owner and the Association may at any time invoice and proceed directly against an Owner for assessments owed hereunder.

Section 15. Costs of Collection. The Association shall be entitled to recover its costs of collection and attorneys' fees from any Owner against whom an assessment must be enforced.

ARTICLE VII
NEIGHBORHOODS

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All Units shall be located within a Neighborhood. The Units within a particular Neighborhood may or may not be subject to additional covenants and the Owners of such Units (or Property) may or may not all be members of a Neighborhood Association in addition to the Association (no such Neighborhood Association shall be required). Any Neighborhood which does not have a Neighborhood Association shall elect a Neighborhood Committee, as provided in the Bylaws, to represent the interest of Owners of Units in such Neighborhood.

Each Neighborhood Association or Committee shall have the right to propose to the Board, for consideration for adoption by the Board, reasonable rules designed to restrict the use of Neighborhood Common Property to Owners, their guests and invitees, of Units within such Neighborhood. The Board shall consider such proposed rules at the next regularly scheduled Board meeting after the proposed rules are formally submitted to the Board. If the Board finds, in the reasonable exercise of its discretion, that the proposed rules are acceptable, such rules (with such modifications, if any, as the Board feels is necessary) shall be adopted by the Board and shall thereafter be effective with respect to the Neighborhood Common Property in question. Nothing herein shall prevent the Board from adopting such rules on its own initiative.

Each Neighborhood Association or Committee, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood, and if agreed to by the Board the cost of such additional services shall be assessed against the benefitted Units as a Neighborhood Assessment pursuant to Article VI.

The senior elected officer of each Neighborhood Association or the Neighborhood Committee shall serve as the Neighborhood Representative for such Neighborhood and shall cast all votes attributable to Units in the Neighborhood on all Association matters requiring membership vote, unless otherwise specified in this Declaration or the Bylaws. The Neighborhood Representative may cast all such votes as he/she, in his/her discretion, deems appropriate.

The developer of any Neighborhood may apply to the Board to divide the parcel constituting the Neighborhood into more than one Neighborhood or to combine two Neighborhoods into one Neighborhood at any time. Upon a petition signed by a majority of the Unit Owners in a Neighborhood, any Neighborhood Association or Neighborhood Committee may also apply to the Board to divide the property comprising the Neighborhood into two or more Neighborhoods or to combine two Neighborhoods into one Neighborhood. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhoods. A Neighborhood division requested by the Neighborhood or by the developer of the Neighborhood shall automatically be deemed granted unless the Board denies such application in writing within thirty (30) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

The Association shall have the right of specific approval or veto of annual budgets and all legal documents (and amendments

thereof) associated with all Neighborhood Associations and Neighborhood Committees, including, but not limited to, Articles of Incorporation, Bylaws, and Declarations of Covenants, Conditions and Restrictions. All neighborhood documents shall be consistent and compatible with this Declaration and the Bylaws.

ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1. Establishment of Design Review Committee. There is hereby established a Design Review Committee ("DRC").

Section 2. Duties and Functions of DRC. The duties, powers and responsibilities of the DRC shall be as follows:

A. The DRC shall consist of three (3) or more persons designated by the Declarant. At such time as Declarant no longer owns any real property within the Properties (or earlier at the Declarant's option), the Declarant shall assign to the Association the rights, powers, duties and obligations of the DRC, whereupon the Board shall appoint the members of the DRC and shall provide for the terms of the members of the DRC. Members of the DRC need not be officers, directors or members of the Association. A majority of the DRC may take any action of the DRC and may designate a representative to act for it. In the event of death, disability or resignation of any member of the DRC, a successor shall be designated as provided in this Section.

B. The DRC shall have the right of specific approval or veto of all architectural, engineering, platting, planning, drainage and landscaping aspects of the improvement or development of any individual Unit or subdivision, tract or parcel of land within the Properties.

C. No building, wall, walk, dock, pool, enclosure or addition to a house or other structure shall be constructed, erected, removed or maintained nor shall any addition to nor any change or alteration therein be made until the plans showing the nature, kind, shape, height, materials, floor plans, color scheme and the location of same shall have been submitted to and approved in writing by the DRC. In approving or disapproving plans, the DRC shall consider the suitability of the proposed building, improvements, structure or landscaping and materials, the site upon which it is proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the DRC shall fail to specifically approve or disapprove the plans submitted in final and complete form, within thirty (30) days after written request for approval or disapproval, such plans shall be deemed approved.

D. There is specifically reserved unto the DRC, the right of entry and inspection upon any Residential Unit or Residential Property for the purpose of determination by the DRC as to whether there exists any construction of any improvement which violates the terms of any approval by the DRC or the terms of this Declaration or of any other covenants, conditions and restrictions to which its deed or other instrument of conveyance makes reference.

E. The DRC has the right, but not the obligation, to grant waivers for minor deviations and infractions of these covenants. The granting of any waiver for any portion of the Properties may be given or withheld in the DRC's sole discretion and a prior grant of a similar waiver shall not

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impose upon the DRC the duty to grant new or additional requests for such waivers.

F. The Association, Declarant, DRC or any officer, employee, director or member thereof shall not be liable in any way to any persons submitting plans for approval by reason of mistake in judgment, negligence or non-feasance arising out of or in connection with the approval, disapproval or failure to approve any plans. Every person who submits plans for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit whatsoever against the Association, Declarant or DRC or any officer, employee, director or member thereof.

Section 3. Golf Course Property Exempt. The provisions of this Article shall not apply to the Golf Course Property, and the construction, erection, placement and installation of any buildings, structures and other improvements on the Golf Course Property shall be exempt from compliance with the provisions of this Article.

ARTICLE IX

ENFORCEMENT OF RULES AND REGULATIONS

Section 1. Compliance by Owners; Initial Rules and Regulations. Every Owner shall comply with the restrictions and covenants set forth herein and any and all rules and regulations adopted by the Board. The following are the initial Rules and Regulations of the Association which may be amended, modified or added to from time to time as provided in the Bylaws.

A. Residential Use: The Properties subject to these restrictions, except as may be shown on the Plan and except for the Golf Course Property, shall be used for residential living units (including without limitation short term and/or long term rentals) and related recreational facilities only and for no other purposes except as specifically permitted herein. Provided, however, upon approval of the Board and subject to the regulations of applicable governmental authority, designated home occupations may be permitted. Notwithstanding anything herein to the contrary, upon the approval of the Declarant and the DRC, Declarant and any Residential Property Owner and/or Lot Owner shall be allowed to build and maintain sales models and offices.

Notwithstanding the provisions in this subparagraph A to the contrary, the Properties may be used for business purposes to the extent the business is related in any way to the short term rental of any Units within the Property. It is the specific intent of the Declarant that short term rentals are permitted within any real property which is subject to this Declaration. Without limiting the foregoing, any Class B Member shall have the right to rent its property (for any number of days). Further, any Class B Member may obtain a hotel/motel license, and any other licenses and permits, required by any applicable entity in order to operate a short term rental facility or business within the Properties.

B. Golf Course Use: The Golf Course Property shall be improved as and used, occupied and enjoyed exclusively for the following purposes, to wit: (a) 780' golf and other recreational activities customarily associated with golf club operations, (b) commercial activities reasonably incidental to or customarily associated with golf club operations, including food and beverage services, and the recreation and entertainment of country club members and guests, (c) commercial activities reasonably incidental to or customarily

associated with golf pro shops, (d) amateur and professional golf tournaments, specifically including, without limitation, those tournaments sponsored or sanctioned by the United States Golf Association, Professional Golfers Association and similar organizations and bodies, and (e) such concessions and other commercial activities as are reasonably incidental to or customarily associated with such golf tournaments.

C. Common Property: Common Property shall be improved, maintained, used and enjoyed for the common recreation, health, safety, welfare, benefit and convenience of all Owners and residents of the Properties and their guests and invitees.

D. Temporary Buildings: No structure of a temporary nature or character, including but not limited to, tents, trailers, house trailers, mobile homes, campers, vans, motor homes, recreational vehicles, shacks, sheds, barns, boats, tanks, or temporary or accessory buildings or structures shall be erected or permitted to remain on the Properties (except in enclosed garages with the garage door to remain closed at all times); provided, however, the foregoing shall not restrict or prevent the construction and maintenance of temporary sales models and such other temporary facilities as are essential to the development, construction and sale of the facilities created, including, but not limited to, construction trailers, sheds and material compounds, provided that the same are in compliance with appropriate governmental requirements applicable thereto. Notwithstanding the foregoing, however, storage sheds may be permitted in backyards (but not in the backyards of houses on the golf course) which are enclosed by fences, if the DRC approves same.

E. Trash and Garbage: No lumber, metals, bulk materials, refuse, rubbish or trash shall be kept, stored or allowed to accumulate on the Properties except building materials during the course of construction of any approved structure. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, sealed containers may be placed in the open on any day that a pick-up is to be made at such place as will be accessible to persons making such pick-up, provided that said containers shall not be permitted to remain in the open for more than 12 hours on said day. At all other times, such containers shall be stored so that they cannot be seen from surrounding property or from the street(s) adjacent to the Lot.

F. Burial of Pipe and Tanks: No water pipe, gas pipe, sewer pipe, drainage pipe or storage tank shall be installed or maintained on the Properties above the surface of the ground, except hoses and movable pipes used for irrigation purposes. No property shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth. Provided, however, that nothing contained herein shall prohibit or restrict removal of fill or earth materials to construct or create approved drainage structures or landscaped berms.

G. Nuisance: Nothing shall be done on the Properties which is illegal or which may be or may become an annoyance or nuisance to the neighborhood, including, but not limited to, offensive odors and noises. In the event of any questions as to what may be or become a nuisance, such questions shall be submitted to the Association for a decision in writing and its decision shall be final.

H. Weeds and Underbrush:

- (a) All lots shall be landscaped with St. Augustine grass and shall have underground sprinkler systems.
- (b) No weeds, underbrush, or other unsightly growths (such as, without limitation, grass which is more than 6 inches tall) shall be permitted to grow or remain upon the Properties and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. In the event an Owner shall fail or refuse to keep his Residential Property or Residential Unit free of weeds, underbrush, sight obstruction, refuse piles or other unsightly growths or objects, then the Association may enter upon said Residential Property and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass; except, however, that the Owner shall be given fifteen (15) days prior written notice of such action. In such event, the rights of the Association set forth in Article IV shall apply.

I. Vehicle Parking: The Board may from time to time promulgate rules which restrict, limit or prohibit the use of any parking area which may be in front of, adjacent to or part of any Lot as a parking place for personal passenger vehicles, commercial vehicles, trailers, recreational vehicles, self-propelled motor homes, motorcycles and boats. All commercial vehicles, recreational vehicles, trailers, self-propelled motorhomes, motorcycles and boats shall be parked in enclosed garages at all times, unless otherwise provided in applicable Neighborhood Association documentation. All such rules, if and when promulgated by the Board, shall have the same force and effect as if promulgated and initially made a part of this Declaration. No unregistered or inoperable motor vehicle or trailer of any kind may be disassembled, serviced or repaired on the Properties except in an enclosed garage with the garage door remaining closed at all times.

J. Clothes Drying Area: No portion of any of the Properties shall be used as a drying or hanging area for laundry of any kind unless the area is fully screened by fencing or landscaping from view from adjacent property or streets.

K. Antennas, Aerials and Storm Shutters: There shall be no exterior radio, television, dish antenna or other antenna or device for sending or receiving electromagnetic signals erected or maintained on the Properties without the prior written approval of the DRC, except that a master antenna system or systems may be constructed and maintained by the Association or its designee. No hurricane or storm shutters shall be installed unless the same are of a type approved by the Association.

L. Drainage: No changes in elevations of any portion of the Properties subject to this Declaration shall be made which will cause undue hardship to adjoining real property within the Properties.

M. Underground Wires: No lines or wires for communication or the transmission of electrical current shall be constructed, placed or permitted to be placed on the Lots unless the same shall be underground and specifically permitted in writing by the DRC.

N. Animals: No horses, cattle, swine, goats, poultry, fowl, or any other animals not commonly considered household pets shall be kept on the Properties. Under no circumstances shall any commercial or business enterprises involving the use, care or treatment of animals be conducted on the Properties. All pets shall be kept on a leash when not on the pet owner's Lot and no pet shall be allowed to roam unattended. The Association may, from time to time, publish and impose reasonable regulations setting forth the type and number of animals that may be kept on the Properties.

O. Business: Except as expressly contemplated in the Plan, no manufacturing, trade, business, commerce, industry, profession or other occupation whatsoever will be conducted or carried on upon the Properties or in any building or other structure erected thereon, unless (i) permitted pursuant to Section 1(A) above, or (ii) operated in order to facilitate rentals (short term or long term) of Residential Units within the Properties (this paragraph IX(O) (ii) shall govern in the event of a conflict with any other provision of this Declaration).

P. Maintenance of Parking Areas, Etc.: All setback areas, yards, walkways, driveways and parking areas and drainage swales shall be maintained and kept in a neat and clean condition, free of refuse and debris.

Q. Maintenance of Landscaped Areas: All landscaped areas (to the paved public right-of-way) shall be maintained in live, healthy and growing condition, properly watered and trimmed. Any planting of grass, shrubs or trees which become dead or badly damaged shall be replaced with similar, sound, healthy plant materials.

R. Natural Gas: The Declarant (or its successor or assigns) shall have the right, but not the obligation, to install a natural gas system. In connection with the installation, maintenance and operation of such system, the Declarant reserves access, installation and service easements over, across and under Common Property, Open Space and such other portions of the Properties including the Lots necessary to provide such natural gas service to all Owners; provided, however, such easements shall be reasonably located by the Declarant so as not to unreasonably impair the value or use of the Residential Units.

S. Fences: All fences or walls shall be approved in writing from time to time on a case by case basis by the DRC. All fences or walls which are painted or stained in a color other than that of natural wood shall be painted or stained not less than once biannually, with the color to be approved by the DRC at the time of the original submission and application process. If any fence or wall can be seen from any street or roadway immediately in front of the Unit (and from the side of the Unit if a corner Lot) then the same must be shielded by opaque landscaping such that not less than fifty percent (50%) of the portion of the fence or wall visible from the street or roadway shall be covered by the landscaping at the time of planting. Provided further, that any such landscaping must be aesthetically compatible with the existing landscaping of the Residential Unit. Further, no fence or wall shall be located within forty (40) feet of any water bodies and no closer than twenty (20) feet behind the front line of any single-family detached dwelling Unit, except as approved by the DRC. Further, no fence or wall shall be located in the rear of any golf course lot, except fences around swimming pools, and all such fences around

swimming pools shall be require prior written approval of the DRC.

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T. Air Conditioners: No window air conditioning units shall be permitted. Permanently mounted wall air conditioning units shall not be permitted unless first approved by the DRC. No air conditioning compressors shall be visible from the street adjacent to any Lot and the same may be hidden from view either by fifty percent (50%) opaque shrubbery or other landscaping, wooden fencing as permitted herein, or an architectural wall approved by the DRC.

U. Signs: No sign of any kind shall be displayed to the public view on any Residential Property or Residential Unit without the approval of the DRC, except those which shall be no larger than two feet (2') by three feet (3') and used as conventional real estate signs for the lease, sale or resale of a Lot. Notwithstanding the foregoing signs for sales models, offices (and rental offices) shall be permitted; the DRC and/or Declarant shall during the construction and development of the Properties, approve and permit the erection of signs for sales, marketing and direction purposes.

V. Lighting: No exterior lighting fixtures shall be installed on any Residential Unit without adequate and proper shielding of fixtures and without DRC approval.

W. Stormwater: No structure, fence or landscaping that interferes with the storm water drainage and retention system within the boundaries of the Properties shall be permitted and no refuse shall be placed upon or allowed to remain on any part of any Lot within any easement area for storm water drainage or retention, and the storm water drainage and retention areas, including drainage swales or retention ponds, shall not be filled or otherwise changed so as to alter or block the flow or the quantity of water. Owners of Lots within which any easement for storm water drainage or retention lines or swales are located may be required by the Association to be responsible for the maintenance of such easement areas to permit the flow and retention of water in accordance with the storm water drainage and retention system approved by applicable governmental authorities. If any Owner shall fail to comply with any part or all of the restrictions contained in this Section, the Association shall notify the Owner in writing, shall have the right to correct such failure to comply herewith, and to assess and collect the cost thereof and shall have a lien upon the Lot upon which the work was performed.

X. Wells: No wells for any purpose other than irrigation shall be permitted on the Properties and any such irrigation well must be approved in writing by the DRC and shall comply with all governmental requirements related thereto.

Y. Garages and Garage Doors: All detached single family dwelling Units shall have an attached enclosed garage for a minimum of one (1) automobile, and all garage doors of any Residential Unit shall remain closed at all times when not in use for entry and exit to and from the garage.

Z. Swimming Pools: Any swimming pool, screening or fencing related thereto to be constructed on any Residential Unit shall be subject to the approval and requirements of the DRC. Aboveground swimming pools will not be allowed.

AA. Mailboxes: The location, size, shape and color of all mailboxes shall require DRC approval prior to installation.

BB. Further Restrictions: These restrictions are intended to be minimum restrictions applying to the Properties. The Declarant will have the right to subject any portion of the Properties owned by it to further restrictions and covenants by way of a declaration of protective covenants and restrictions or rules and regulations similar documents.

CC. Non-Waiver: No delay in enforcing these covenants and restrictions as to any breach or violation thereof shall impair, damage or waive the right of the Association to enforce the same, to obtain relief against or recovery for continuation or repetition of such breach or violation or of any similar breach or violation thereof at a later time or times.

DD. Dwelling Unit Sizes: The minimum size of any detached single family dwelling unit constructed or located on any Lot shall be (i) 1,050 square feet under air conditioning with respect to any Lot having a front Lot line width of 70 feet or less, and (ii) 1,400 square feet under air conditioning with respect to any Lot having a front Lot line width of over 70 feet.

Section 2. Enforcement. Failure of any Owner to comply with any restrictions, covenants, or rules and regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof, including costs and attorneys' fees incurred in bringing such actions, and if necessary, costs and attorneys' fees for appellate review. The Association shall have the right to suspend voting rights and use of Common Property for any Owner violating these covenants and restrictions for a period of time which is the longer of sixty (60) days or the term of continued violation. The Declarant, the Association or any Owner shall have the right to enforce the provisions of this Declaration, as more particularly set forth herein.

Section 3. Golf Course Property Exempt. The provisions of this Article shall not apply to the Golf Course Property, and the construction, erection, placement, installation, use and operation of any structures and other improvements on the Golf Course Property shall be exempt from compliance with the provisions of this Article.

ARTICLE X

TURNOVER

Section 1. Time of Turnover. The Turnover of the Association by the Declarant shall occur at the time specified in Article III, Section 2 hereof.

Section 2. Procedure of Calling Turnover Meeting. No more than sixty (60) days and no less than forty (40) days prior to the turnover meeting, the Association shall notify in writing all Class A, Class B and Class C Members of the date of the turnover meeting and the purpose of the turnover meeting (which includes the election of a new Board of Directors of the Association).

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

Section 4. Declarant's Rights. For as long as the Declarant shall own any portion of the Properties, it shall have the right to appoint one (1) member of the Board and the limitations described by Article III, Section 4 shall remain applicable.

ARTICLE XI

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association's Board shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, but shall not under any circumstances be obligated to, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, and if not reasonably available, then at a minimum, fire and extended coverage, in such form as the Board deems appropriate for one hundred (100%) percent of the replacement cost of all structures located on Units within the Neighborhood and/or common property of the Neighborhood Association, and charge the costs thereof to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment.

Insurance obtained on the properties within any Neighborhood, whether obtained by such Neighborhood or the Association, shall at a minimum comply with the applicable provisions of this Section 1, including the provisions of this Article applicable to policy terms, loss adjustment and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to each Member insured, to the Association, and to the Neighborhood Association, if any.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability shall have at least a One Million Dollar (\$1,000,000.00) limit for bodily injury, personal injury, and property damage from a single occurrence, and, if reasonably available, a Five Million Dollar (\$5,000,000.00) umbrella liability policy.

Premiums for all insurance on the Common Area shall be Common Expenses of the Association and shall be included in the Annual Assessment; provided, in the discretion of the Board, premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Assessment of the Neighborhood benefitted thereby. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board shall be written in the name of the Association as trustee for the respective benefitted parties, as further identified in Subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

- (a) All policies shall be written with a company licensed to do business in Florida which holds a Best's rating of A or better and is assigned a financial size category of

XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

- (b) All policies on the Common Area shall be for the benefit of the Association, its Members, (and mortgagees providing construction financing on the Common Area if any); all policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood Association, if any, the Owners of Units within the Neighborhood and their mortgagees, as their interests may appear.
- (c) Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.
- (d) In no event shall the insurance coverage obtained and maintained by the Association's Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.
- (e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the vicinity of the Properties.
- (f) The Association's Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:
- (i) a waiver of subrogation by the insurer as to any claims against the Association's Board, its manager, the Owners, and their respective tenants, servants, agents, and guests;
 - (ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;
 - (iii) a statement that no policy may be cancelled, invalidated, suspended, or subject to non-renewal on account of any one or more individual Owners;
 - (iv) a statement that no policy may be cancelled, invalidated, suspended, or subject to non-renewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;
 - (v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
 - (vi) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

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In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available, and flood insurance if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. By virtue of taking title to a Unit which is subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Unit(s) and structures constructed thereon meeting the same requirements as set forth in Section 1 of this Article for insurance on the Common Area, unless the Association at the request of the Neighborhood Committee or the Neighborhood Association for the Neighborhood in which the Unit is located carries such insurance (which they are not obligated to do hereunder). Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. The Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Unit in a neat and attractive condition consistent with the standards of the Properties.

A Neighborhood Association may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Units subject to its jurisdiction and the standard for returning the Units to their natural state in the event the structures are not rebuilt or reconstructed.

Section 3. Damage and Destruction.

A. Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this Section, means repairing or restoring the Properties to substantially the same condition which existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

B. Any damage or destruction to the Common Area or to the common property of any Neighborhood Association shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total vote of each voting class of the Association, if Common Area, or the Unit Owners representing at least seventy-five (75%) percent of the total vote of the Neighborhood whose common property is damaged, if common property of a Neighborhood

Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area or common property of a Neighborhood shall be repaired or reconstructed; provided, however, this provision shall not apply to construction mortgagees providing construction financing for such damaged property.

C. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area or to the common property of any Neighborhood shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association, or the Neighborhood Association, as applicable, in a neat and attractive condition consistent with the standards of the Properties.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Voting Members, levy a Special Assessment against all Owners on the same basis as provided for Annual Assessments, provided, if the damage or destruction involves the common property of a Neighborhood, only the Owners of Units in the affected Neighborhood shall be subject to assessment therefor. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE XII

CONDEMNATION

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least two-thirds (2/3) of the total Association vote and the Declarant, as long as the Declarant owns any Property which may become subject to this Declaration) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property which may become subject to this Declaration, and Voting Members representing at least seventy-five (75%) of the total vote of each voting class of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the above provisions in Article XI hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, for a period of forty (40) years from the date this Declaration is recorded. Upon the expiration of said forty (40) year period this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial forty (40) year period, or during the last year of any subsequent ten (10) year renewal period, three-fourths (3/4) of the votes cast at a duly held meeting of Members of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such proposal will be considered, shall be given at least sixty (60) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Public Records of Polk County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. Termination of this Declaration and/or the Association shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract(s) were meant to survive termination.

Section 2. Amendments by Members. This Declaration may be amended at any time provided that two-thirds (2/3) of all the votes cast by each class of the Members (acting through their designated

representatives) represented at a duly called and held meeting (with a quorum established by the Bylaws represented) of the Association vote in favor of the proposed amendment; provided, however, that if the affirmative vote required for approval of action under the specific provision to be amended is a higher or lower percentage, then such higher or lower percentage shall be required to approve amendment of that provision. Notice shall be given at least sixty (60) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an Amendment to this Declaration which shall set forth the amendment, the effective date of the amendment, the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt the amendment, the total number of votes cast for the amendment, and the total number of votes cast against the amendment. Such amendment shall be recorded in the Public Records of Polk County, Florida. Notwithstanding anything above contained to the contrary, as long as Declarant owns any interest in any real property within the Properties, an amendment to Article III, Section 4 shall require the Declarant's consent.

Section 3. Amendments by Declarant. Declarant shall have the right, without the joinder of any other Owner or any other person or entity, to make modifications to this Declaration that are non-substantial in nature and do not materially adversely affect the interests of Owners or other affected parties. In the event of a conflict between this Section 3 and Section 6 below, Section 6 shall control.

Section 4. Water Management District Approval/Enforcement. Any amendment to this Declaration which alters the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Areas, must have the prior approval of the Water Management District. The Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

Section 5. Assignment of Rights and Duties. Any and all of the rights, powers and reservations of the Association and Declarant may be assigned to any person, corporation or association, (but only with the prior written consent of all the Class B members) which will assume the duties of the Association or Declarant pertaining to the particular rights, powers and reservations assigned. Upon such assignee evidencing its consent in writing to accept such assignment and assume such duties, he or it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Association or the Declarant. Further, the Association or the Declarant may from time to time delegate any and all of its rights, powers, discretions and duties hereunder to such agent or agents as it may nominate.

Section 6. FHA/VA Approval. Notwithstanding anything herein to the contrary, as long as there is a Class B and/or Class C membership the following actions will require the prior approval of the (i) Department of Housing and Urban Development, and (ii) the Federal Housing Administration (and/or the Veterans Administration): Annexation of additional properties other than the "Additional Property" described in Exhibit "B", dedication of Common Area, and amendment of this Declaration. Furthermore, to the extent it is required as a condition of obtaining approval by FHA/VA that Declarant make modifications to this Declaration, then

Declarant shall have the right to so modify this Declaration without the necessity of joinder of any Owner or any other party who may be affected.

Section 7. Special Exceptions and Variations. Unless the written consent of the Association is first obtained no Owner shall file a request for zoning variations, special exceptions or zoning changes affecting or relating to land within the Properties.

Section 8. Municipal Service Taxing Units. In order to perform the services contemplated by this Declaration, the Association or Declarant, in conjunction with Polk County, Florida, may seek the formation of special purpose municipal service taxing units ("MSTUs"). The MSTUs will have responsibilities defined in their enabling resolutions which may include, but are not limited to, maintaining roadway informational signs, traffic control signs, benches, trash receptacles and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefiting the Properties. In the event such MSTUs are formed, the Properties will be subject to assessment for the cost of services performed within the MSTU and personnel working for or under contract with Polk County shall have the right to enter upon lands within the Properties to effect the services contemplated. Each Owner by acquiring lands within the Properties agrees to pay each and every MSTU assessment imposed upon the Owner's land in a timely manner, failing which such assessments and special charges shall be a lien upon those lands, and the MSTU shall have the right to foreclose said lien pursuant to the MSTU's enabling resolution. The Association retains the right to contract with Polk County to provide the services funded by the MSTU.

Section 9. Surface Water Management System. The Declarant has caused or will cause to be constructed within the Properties, various drainage retention/detention areas and facilities. These drainage structures are part of the overall drainage plan for Southern Dunes. The Association shall have unobstructed ingress to and egress from all retention/detention facilities at all reasonable times to maintain said facilities in a manner consistent with its responsibilities as provided herein and any rules and regulations promulgated by the Association under authority thereof. No Owner or the Declarant shall cause or permit any interference with such access and maintenance. Notwithstanding the provisions of Section 1(B) of Article IV of this Declaration, each Owner of a Lot shall be required to maintain any drainage swale or berm located on such Owner's Lot, and should any Owner fail to sufficiently maintain such swale or berm, the Association shall have the authority to maintain the same and the cost of such maintenance shall be assessed against and become a debt of the said Owner and shall become immediately due any payable as provided for other assessments of the Association. No Owner shall utilize, in any way, any of the Southern Dunes drainage facilities or incorporate such facilities in the Owner's development plans, without the express prior written consent of the Declarant, the Association and the DRC. Further, where an Owner of Residential Property is contiguous to any of the drainage facilities of Southern Dunes the Owner shall prepare its site plan so that the utilization of its property will not adversely affect the drainage facilities and structures and so as to be aesthetically compatible with such drainage facilities and structures.

Section 10. Enforcement. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted by the Declarant, its successors or assigns, the Association, its successors or assigns, or any Owner against any person or persons violating or attempting to violate or

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circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these covenants; and failure by the Association or any Owner or the Declarant to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. In connection with the said enforcement of these covenants, conditions and restrictions the prevailing party shall be entitled to its reasonable attorneys fees and costs at the trial and all appellate levels.

Section 11. Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, Sub-section, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 12. Interpretation. The Board shall have the right, except as limited by any other provisions of this Declaration or the Bylaws, to determine all questions arising in connection with this Declaration of Covenants, Conditions and Restrictions and to construe and interpret its provisions, and its good faith determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 13. Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association as approved by the Board in the manner provided for in the Bylaws of the Association, unless the terms of this instrument provide otherwise.

Section 14. Termination of Declaration. Should the Members of the Association vote not to renew and extend this Declaration as provided for herein, all Common Property owned by the Association at such time shall be transferred to another association or appropriate public agency having similar purposes. If no other association or agency will accept such property then it will be conveyed to a Trustee appointed by the Circuit Court of Polk County, Florida, which Trustee shall sell the Common Property free and clear of the limitations imposed hereby upon terms established by the Circuit Court of Polk County, Florida. That portion of the Open Space or Common Property consisting of the Surface Water Management System cannot be altered, changed or sold separate from the lands it serves (provided, however, that the Golf Course Property may be altered, changed or sold subject to such easements as may encumber the Golf Course Property for the purpose of operating and maintaining the Surface Water Management System). The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Property, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of the Common Property. The excess of proceeds, if any, from Common Property shall be distributed among Owners in a proportion which is equal to the proportionate share of such Owners in Common Expenses.

Section 15. Execution of Documents. The Plan for the development of the Properties may require from time to time the execution of certain documents required by governmental authorities to facilitate the provisions thereof. To the extent that said documents require the joinder of Owners, the Declarant by its duly authorized representative may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents and the Owners, by virtue of their acceptance of deeds to portions of

the Properties, irrevocably nominate, constitute and appoint the Declarant, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section shall recite that it is made pursuant to this Section.

Section 16. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will neither perform any act nor undertake any activity which will violate its non-profit status under applicable state or federal law.

Section 17. Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 18. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Properties.

Section 19. Laws of Florida. The provisions of this Declaration shall be construed under and subject to the laws of the State of Florida.

Section 20. Waivers, Exceptions and Variances by Declarant and Association. Notwithstanding anything to the contrary set forth in or which may otherwise be implied from the terms and provisions of this Declaration, the Declarant specifically reserves exclusively unto itself, for the duration hereinafter specified, the right and privilege (but Declarant shall have absolutely no obligation), upon a showing of good cause therefor, to : (a) grant waivers with respect to any existing or proposed future deviation from, or violation or infraction of, the restrictions specified in this Declaration where, in the reasonably exercised good faith judgment and discretion of the Declarant, the Declarant shall determine or decide that such deviation, violation or infraction is de minimus, minor, or insignificant, (b) grant waivers of, exceptions to, or variances from, the restrictions specified in this Declaration where special conditions and circumstances exist which are peculiar to a particular Lot and not generally applicable to other Lots (e.g., because of its unusual size, configuration or location) or where a literal interpretation or application of any restriction to a particular Lot would be inappropriate, inequitable or otherwise work or result in a hardship or deny such Lot and the Owner thereof specific rights which are generally enjoyed by other Lots and Owners; it being expressly provided, however, that, in all cases, the Declarant, in the exercise of such right and privilege shall, in its reasonably exercised and good faith judgment and discretion determine or decide that its grant of any such waiver, exception or variance shall not result in, represent, be or constitute a significant deviation of or derogation from (a) the uniform plan of development for the Property, (b) the architectural, ecological, environmental and aesthetic standards otherwise established for the Property or (c) the objects and purposes of this Declaration as hereinabove enumerated. The Declarant shall have such right and privilege to grant waivers, exceptions and variances, as aforesaid, until either (a) the expiration of a period of fifteen (15) years from the date of the recordation of this Declaration among the Public Records of Polk County, Florida or (b) the sale by the Declarant or its successors or assigns in the ordinary course of business, and not in bulk, of ninety-five percent (95%) of all Lots in Southern Dunes, whichever shall last occur. Following the occurrence of the last of the foregoing events to occur, the right and privilege of the Declarant to grant waivers, exceptions and variances, as aforesaid, shall be delegated and assigned by the Declarant to and thereafter vest in the Board of the Association. To the extent that any such waiver, exception or variance is granted in a particular instance or with

respect to any particular Lot pursuant to the provisions of this Section, the same shall not be deemed to be a precedent for the granting of such or any similar waiver, exception or variance in any other particular instance or any other particular Lot.

Section 21. Golf Course Property. Declarant acknowledges that users of the golf course will utilize the entrance feature of Southern Dunes, and the main boulevard right-of-way of Southern Dunes. The golf course owner, however, is not required to pay any assessments as provided hereinabove. Accordingly, the record fee simple owner of the golf course shall pay ten percent of all maintenance and repairs and replacements of the entrance feature for the Properties and the main boulevard(s) leading to the golf course (including without limitation the road right-of-way and landscaping related thereto) which are incurred from time to time. Said payments shall be made within ten (10) days after written request to said owner(s) to the Association. If said payments are not made, the Association may file a lien on the Golf Course Property and foreclose same the way mortgages are foreclosed in Florida.

Section 22. Initial Budget. The initial budget for the Southern Dunes Master Community Association, Inc. is attached hereto as Exhibit "D" and made a part hereof.

Section 23. Initiation Fee. At the first closing of the sale of each Residential Unit, the purchaser thereof shall pay a \$100.00 fee to the Association, which shall be a one time initiation fee.

Section 24. Access. If ingress or egress to and from any Residential Property and/or Residential Unit is through any Common Area, any conveyance or encumbrance of such Common Area shall be subject to an easement for ingress and egress in favor of the Residential Property and/or Residential Unit.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

Ralph H. Forrest
Name: RAUPH H. FORREST
Deborah L. Campbell
Name: Deborah L. Campbell

SOUTHERN DUNES GOLF & COUNTRY
CLUB, INC., a Florida
corporation

By: Dawn Tunko
Name: DAWN TUNKO
Title: PRES

STATE OF FLORIDA

COUNTY OF POLK

The foregoing instrument was acknowledged before me this 6th day of December, 1993 by Paul J. Smith as President of SOUTHERN DUNES GOLF & COUNTRY CLUB, INC., a Florida corporation, on behalf of the corporation. He/She is personally known to me or has produced _____ as identification and did not take an oath.

Research & Complex

Notary Public

Name: Debrah L. Campa

Commission No.:

My Commission Expires _____

(SEAL)

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. APR. 12, 1990
BONDED THRU GENERAL INS. CO.

3320 1092
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EXHIBIT "A"

Legal Description of Property

All of Bermuda Point according to the plat thereof as recorded in Plat Book 97, Page 6, Public Records of Polk County, Florida.

All of Caribbean Cove according to the plat thereof as recorded in Plat Book 97, Pages 4 and 5, Public Records of Polk County, Florida.

All of Villas de Augustine according to the plat there as recorded in Plat Book 97, Pages 7 and 8, Public Records of Polk County, Florida.

Together With:

All of the roads, both existing and proposed, contained within the forgoing described property and within the property described on Exhibit "B" attached to this Declaration.

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EXHIBIT "B"

LEGAL DESCRIPTION

COMMENCE AT THE NORTHEAST CORNER OF SECTION 20, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA AND RUN S89°59'49"W, ALONG THE NORTH BOUNDARY OF SAID SECTION 20, 140.00 FEET; THENCE S00°07'04"W, 15.00 FEET TO THE POINT OF BEGINNING; THENCE S89°59'49"W ALONG THE SOUTH LINE OF A PLATTED ROAD RIGHT-OF-WAY, 526.63 FEET; THENCE N00°02'24"E, 15.00 FEET; THENCE N00°04'11"W ALONG THE EAST BOUNDARY OF TRACTS 22 AND 27 OF FLORIDA DEVELOPMENT COMPANY SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 27 SOUTH, RANGE 27 EAST, RECORDED IN PLAT BOOK 3, PAGES 60 THRU 63, 1303.10 FEET; THENCE N89°57'16"W ALONG THE SOUTH LINE OF A PLATTED ROAD RIGHT-OF-WAY, 664.39 FEET; THENCE N00°01'47"E, 15.00 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 27 SOUTH, RANGE 27 EAST; THENCE N89°57'16"W ALONG THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4, 1328.73 FEET TO THE NORTHWEST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4; THENCE S00°13'43"W ALONG THE WEST BOUNDARY OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4, 1319.80 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 20; THENCE N89°56'39"W ALONG THE NORTH BOUNDARY OF THE NORTHWEST 1/4 OF SAID SECTION 20, 1320.38 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 20; THENCE S00°10'50"E ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4, 1334.21 FEET TO THE SOUTHWEST CORNER OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE N89°55'57"W ALONG THE NORTH BOUNDARY OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 20, 455.68 FEET; THENCE S00°10'02"E, 100.00 FEET; THENCE S89°55'57"E, 148.66 FEET; THENCE S00°06'10"W, 948.44 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVED SOUTHWESTERLY, HAVING A RADIUS OF 1723.00 FEET, A CHORD DISTANCE OF 162.06 FEET, AND A CHORD BEARING OF S74°42'33"E; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 162.12 FEET TO THE INTERSECTION WITH A NON-TANGENT CURVE CONCAVED NORTHEASTERLY, HAVING A RADIUS OF 240.00 FEET, A CHORD DISTANCE OF 113.62 FEET, A CHORD BEARING OF S28°54'02"E; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THRU A CENTRAL ANGLE OF 27°23'12", AN ARC DISTANCE OF 114.72 FEET TO THE END OF SAID CURVE AND THE BEGINNING OF A CURVE CONCAVED WESTERLY, HAVING A RADIUS OF 160.00 FEET, A CHORD DISTANCE OF 194.80 FEET, AND A CHORD BEARING OF S05°05'32"E; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THRU A CENTRAL ANGLE OF 75°00'00", AN ARC DISTANCE OF 209.44 FEET TO THE END OF SAID CURVE; THENCE S32°24'28"W, 52.31 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVED SOUTHWESTERLY, HAVING A RADIUS OF 1423.00 FEET, A CHORD DISTANCE OF 70.54 FEET AND A CHORD BEARING OF S64°41'35"E; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AND MAINTAINED RIGHT-OF-WAY OF OLD POLK CITY ROAD, THRU A CENTRAL ANGLE OF 02°50'26", AN ARC DISTANCE OF 70.55 FEET TO THE INTERSECTION WITH A NON-TANGENT LINE, BEARING S32°24'28"W; THENCE N32°24'28"E, ALONG SAID LINE 43.59 FEET TO THE BEGINNING OF A CURVE CONCAVED WESTERLY, HAVING A RADIUS OF 230.00 FEET, A CHORD DISTANCE OF 177.16 FEET AND A CHORD BEARING OF N09°45'20"E; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THRU A CENTRAL ANGLE OF 45°18'16", AN ARC DISTANCE OF 181.86 FEET TO THE INTERSECTION WITH A NON-TANGENT LINE BEARING N44°12'07"W; THENCE S44°12'07"E, ALONG SAID LINE 114.80 FEET; THENCE S23°56'24"E, 14.11 FEET; THENCE S47°40'04"E, 140.32 FEET; THENCE S04°50'49"E, 36.72 FEET; THENCE S01°36'24"W, 17.90 FEET; THENCE S53°25'47"E, 28.49 FEET; THENCE S62°50'36"E, 44.18 FEET; THENCE S27°09'20"E, 22.35 FEET; THENCE N24°44'25"E, 235.49 FEET TO A POINT ON THE SOUTH BOUNDARY OF THE NORTHWEST 1/4 OF SAID SECTION 20; THENCE S89°55'36"E, ALONG SAID SOUTH BOUNDARY, 380.14 FEET MORE OR LESS TO THE SHORELINE OF LAKE JOE; THENCE S30°04'24"W, ALONG SAID SHORELINE, 115.47 FEET TO THE INTERSECTION WITH THE WESTERLY EXTENSION OF THE SOUTH BOUNDARY OF BLOCK 3 OF JUNGLE TERRACE SUBDIVISION, RECORDED IN PLAT BOOK 31, PAGE 16 OF THE PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE S89°55'36"E, ALONG SAID SOUTH BOUNDARY AND ITS EXTENSION, 656.00 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF CRAB STREET; THENCE S00°09'50"E, ALONG A LINE 25.00 FEET EAST OF AND PARALLEL WITH THE WEST BOUNDARY OF THE SOUTHEAST 1/4 OF SAID SECTION 20, 2415.68 FEET TO A POINT 155.00 FEET NORTH OF THE SOUTH BOUNDARY OF SAID SOUTHEAST 1/4; THENCE N89°42'44"E, PARALLEL WITH SOUTH BOUNDARY, 639.67 FEET; THENCE N00°10'42"W, 1178.31 FEET TO A POINT ON THE NORTH BOUNDARY OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 20; THENCE N89°53'36"E, ALONG SAID NORTH BOUNDARY, 662.00 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4; THENCE N00°10'42"W, ALONG THE WEST BOUNDARY OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4, 931.23 FEET; THENCE N42°46'51"E, 544.33 FEET TO A POINT ON THE SOUTH BOUNDARY OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 20; THENCE S89°55'31"E, ALONG SAID SOUTH BOUNDARY, 292.07 FEET; THENCE N00°02'24"E, ALONG THE EAST BOUNDARY OF TRACTS 27 AND 22 OF FLORIDA DEVELOPMENT COMPANY SUBDIVISION OF THE NORTHEAST 1/4 OF SAID SECTION 20, RECORDED IN PLAT BOOK 3, PAGES 60 THRU 63 OF THE PUBLIC RECORDS OF POLK COUNTY, FLORIDA, 1335.70 FEET; THENCE S89°57'51"E ALONG THE SOUTH BOUNDARY OF TRACTS 9 AND 10 OF SAID FLORIDA DEVELOPMENT COMPANY SUBDIVISION, 524.84 FEET TO A POINT 140.00 FEET WEST OF THE EAST BOUNDARY OF THE NORTHEAST 1/4 OF SAID SECTION 20; THENCE N00°07'04"E, PARALLEL WITH SAID EAST BOUNDARY, 1321.06 FEET TO THE POINT OF BEGINNING.

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This Doc. is a true and correct copy of the original as filed for record.

ALL OF THE FORGOING DESCRIBED PROPERTY LESS AND EXCEPT THE
FOLLOWING DESCRIBED PROPERTY:

All of Bermuda Point according to the plat thereof as
recorded in Plat Book 97, Page 6, Public Records of Polk
County, Florida.

All of Caribbean Cove according to the plat thereof as
recorded in Plat Book 97, Page 9, Public Records of Polk
County, Florida.

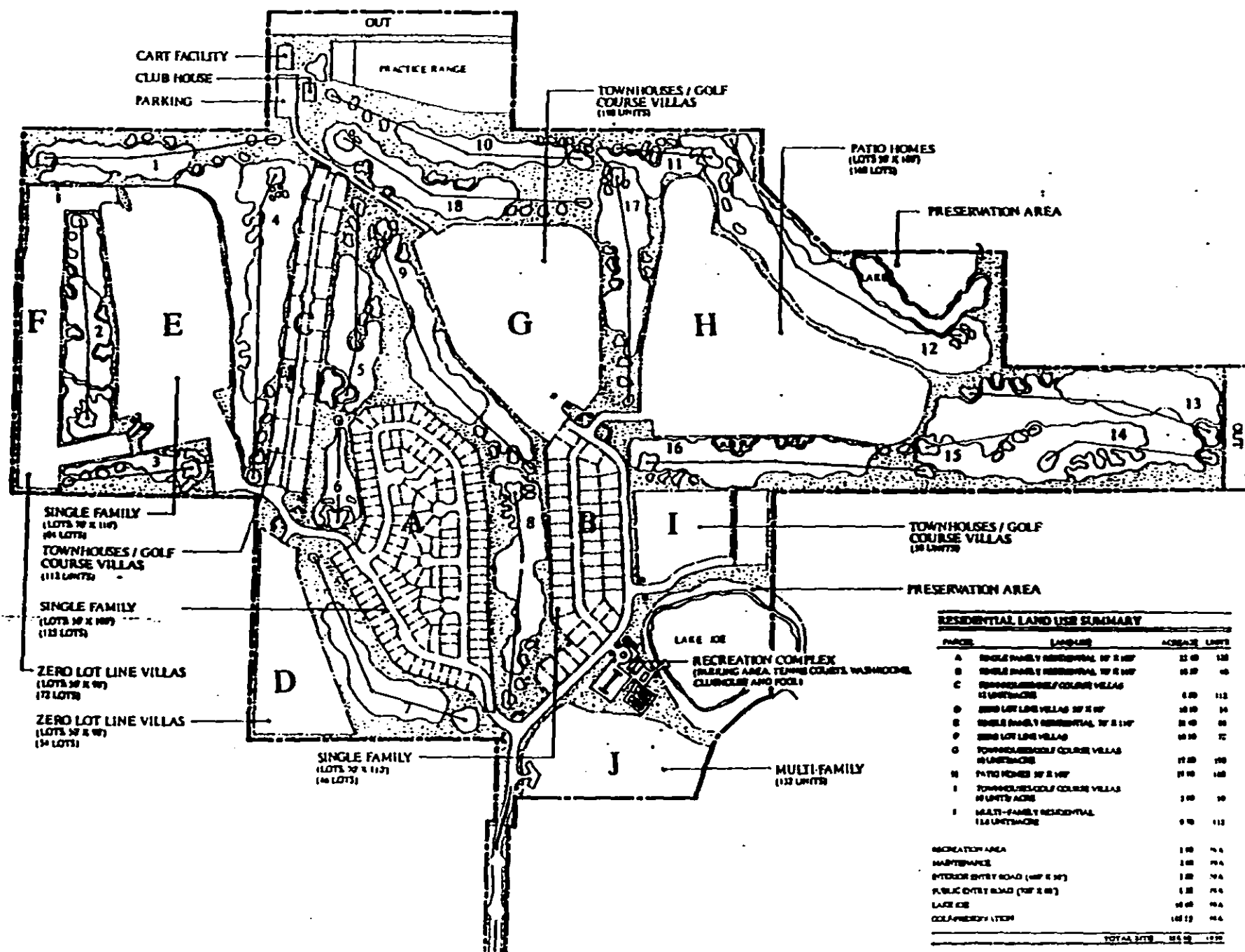
All of Villas de Augustine according to the plat there
as recorded in Plat Book 97, Pages 7 and 8, Public
Records of Polk County, Florida.

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EXHIBIT "C"

Plan



**LOST GROVE
GOLF VILLAGE**
HAWAII CITY, FLORIDA
**PRELIMINARY
CONCEPTUAL
MASTER PLAN**

EXHIBIT I

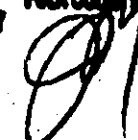
REVISED
MARCH 11, 1993

EXHIBIT "D"

Initial Budget

3320 1097
POLK OFF. REC. PAGE**SOUTHERN DUNES HOMEOWNERS ASSOCIATION, INC.**OPERATING BUDGET - YEAR ENDING DECEMBER 31, 1994
(BASED ON 200 UNITS)

<u>Administrative Expenses:</u>	(MONTHLY)	(ANNUALLY)
MANAGEMENT SERVICE	\$1,000.00	\$12,000.00
LEGAL/PROFESSIONAL SERVICE	60.00	500.00
LIABILITY, PROPERTY INSURANCE	333.33	4,000.00
POOL LICENSE (OPERATING PERMIT)	8.34	100.00
ANNUAL CORPORATE REPORT	25.00	300.00
INCOME TAX PREPARATION	25.00	300.00
OFFICE EXPENSES, POSTAGE, MAILING, BK SER	50.00	600.00
INCOME TAX/INTANGIBLE TAX	0.00	0.00
BAD DEBTS	0.00	0.00
PAY TELEPHONE	41.66	500.00
TOTAL ADMINISTRATIVE EXPENSES	\$1,525.00	\$18,300.00
<u>OPERATING EXPENSES:</u>		
ELECTRICITY	\$1,500.00	\$18,000.00
WATER/SEWER	83.34	1,000.00
PEST CONTROL/WEED CONTROL/FERTILIZATION	100.00	1,200.00
GROUNDS MAINTENANCE	1,333.34	16,000.00
CABANA/TENNIS COURT MAINTENANCE	200.00	2,400.00
POOL MAINTENANCE	300.00	3,600.00
IRRIGATION SYSTEM MAINTENANCE	75.00	900.00
JANITORIAL SERVICE	100.00	1,200.00
JANITORIAL SUPPLIES	25.00	300.00
SECURITY SERVICE	6,000.00	72,000.00
PLANT REPLACEMENT/MULCH	200.00	2,200.00
ROADWAY MAINTENANCE & REPAIR	250.00	3,000.00
ENTRANCE SIGN/LIGHTS REPAIR&REPLACEMENT	50.00	600.00
TOTAL OPERATING EXPENSES	10,216.66	122,600.00
<u>Reserves for Capital Expenditures:</u>		
RESERVE-CONTINGENCY (for capital improvements: pool, tennis court, entrance, etc)	258.34	3,100.00
TOTAL RESERVES		
TOTAL EXPENSES & RESERVES		
COST PER UNIT (200 UNITS)		

FILED, RECORDED, AND
RECORD VERIFIED
L.R. "B" DEPT. CL. CL. CL.
POLK COUNTY, FLA.
BY  S.R.

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SOUTHERN DUNES

This Supplemental Declaration of Covenants, Conditions and Restrictions of Southern Dunes is made and entered into by Southern Dunes Properties, Inc. f/k/a Southern Dunes Golf & Country Club, Inc., a Florida corporation, whose address is 2235 Crump Road, Winter Haven, Florida 33884 (hereinafter referred to as the "Southern Dunes").

WITNESSETH:

WHEREAS, Southern Dunes entered into that certain Declaration of Covenants, Conditions and Restrictions of Southern Dunes on December 8, 1993, and recorded on December 13, 1993 in Official Records Book 3320, Page 1051, of the public records of Polk County, Florida.

WHEREAS, the aforesaid Covenants provided for the annexation of Additional Property to the Properties which are subject to such Covenants.

WHEREAS, Southern Dunes is desirous of annexing certain Additional Properties in accordance with the terms and conditions of said Covenants.

NOW THEREFORE, Southern Dunes hereby declares that all of the certain Additional Properties described on Exhibit "A" attached thereto shall be subject to the easements, covenants, conditions, restrictions, reservations, liens and charges and any and all additional terms and conditions of that certain Declaration of Covenants, Conditions and Restrictions as recorded in Official Records Book 3320, Page 1051, of the public records of Polk County, Florida. The aforesaid covenants shall run with the Additional Properties described on Exhibit "A" and shall be binding upon all parties having and/or acquiring any right, title or interest in the real property described therein or in any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in any property subject to the aforesaid covenants.

16th IN WITNESS WHEREOF, Southern Dunes has executed this Supplemental Declaration on this day of September, 1999.

SOUTHERN DUNES PROPERTIES, INC.
a Florida corporation

Printed Name: RALPH H FORREST

Judy L. Kaiser
Printed Name: Judy L. Kaiser
"Witnesses"

By: Denz Tol
Its: PRESIDENT

PETERSON LAW FIRM (LW)
P O BOX 1079
LAKE WALES, FL 33859-1079
COUNTY OF POLK

STATE OF FLORIDA

The foregoing was acknowledged before me this 16th day of September, 1999, by Dewey Tomko, as President for **SOUTHERN DUNES PROPERTIES, INC., a Florida corporation**, who is personally known to me, or has produced _____ as identification.

(SE)  Deborah L Campbell
My Commission CC845787
Expires June 13, 2003

Deborah L. Campbell
Printed Name: Deborah L. Campbell
Notary Public

THAT PART OF SECTION 20, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 20 AND RUN SOUTH 89°55'57" EAST ALONG THE NORTH BOUNDARY THEREOF, A DISTANCE OF 865.01 FEET TO THE NORTHWEST CORNER OF "BERMUDA POINTE" AS RECORDED IN PLAT BOOK 97, PAGE 6 PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID BERMUDA POINTE THE FOLLOWING TWELVE (12) COURSES: THENCE CONTINUE SOUTH 89°55'57" EAST ALONG SAID NORTH BOUNDARY OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 20, A DISTANCE OF 94.91 FEET TO THE BEGINNING OF A CURVE CONCAVED SOUTHWESTERLY AND HAVING A RADIUS OF 800.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 13°18'50", AN ARC DISTANCE OF 185.90 FEET, A CHORD DISTANCE OF 185.48 FEET, AND A CHORD BEARING OF SOUTH 83°16'32" EAST; THENCE SOUTH 76°37'07" EAST, A DISTANCE OF 139.97 FEET TO THE BEGINNING OF A CURVE CONCAVED SOUTHWESTERLY AND HAVING A RADIUS OF 325.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 31°08'42", AN ARC DISTANCE OF 176.86 FEET, A CHORD DISTANCE OF 174.50 FEET, AND A CHORD BEARING OF SOUTH 61°02'46" EAST; THENCE SOUTH 45°28'25" EAST, A DISTANCE OF 175.56 FEET; THENCE NORTH 44°31'35" EAST A DISTANCE OF 115.00 FEET; THENCE SOUTH 78°12'32" EAST, A DISTANCE OF 83.22 FEET; THENCE SOUTH 33°22'44" EAST, A DISTANCE OF 214.77 FEET; THENCE NORTH 44°31'35" EAST, A DISTANCE OF 155.16 FEET; THENCE NORTH 86°42'27" EAST, A DISTANCE OF 477.06 FEET; THENCE NORTH 80°51'21" EAST, A DISTANCE OF 425.88 FEET; THENCE SOUTH 55°52'38" EAST, A DISTANCE OF 112.12 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY BOUNDARY, AND CONTINUING SOUTH 65°52'38" EAST, A DISTANCE OF 165.00 FEET TO THE NORTHEAST CORNER OF SAID "BERMUDA POINTE"; THENCE LEAVING THE NORTHERLY BOUNDARY OF SAID "BERMUDA POINTE", NORTH 34°07'22" EAST, A DISTANCE OF 83.29 FEET TO THE BEGINNING OF A CURVE CONCAVED SOUTHEASTERLY AND HAVING A RADIUS OF 275.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 13°07'00", AN ARC DISTANCE OF 62.96 FEET, A CHORD DISTANCE OF 62.82 FEET, AND A CHORD BEARING OF NORTH 40°40'52" EAST; THENCE NORTH 47°14'22" EAST, A DISTANCE OF 438.07 FEET TO THE BEGINNING OF A CURVE CONCAVED SOUTHEASTERLY AND HAVING A RADIUS OF 275.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 20°23'27", AN ARC DISTANCE OF 97.87 FEET, A CHORD DISTANCE OF 97.35 FEET, AND A CHORD BEARING OF NORTH 57°26'05" EAST; THENCE NORTH 67°37'49" EAST, A DISTANCE OF 460.80 FEET TO THE BEGINNING OF A CURVE CONCAVED NORTHWESTERLY AND HAVING A RADIUS OF 325.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 21°21'16", AN ARC DISTANCE OF 121.13 FEET, A CHORD DISTANCE OF 120.43 FEET, AND A CHORD BEARING OF NORTH 56°57'11" EAST; THENCE ALONG A TANGENT LINE NORTH 43°43'27" WEST, 165.00 FEET TO THE BEGINNING OF A CURVE CONCAVED NORTHWESTERLY AND HAVING A RADIUS OF 160.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 21°21'16", AN ARC DISTANCE OF 59.63 FEET, A CHORD DISTANCE OF 59.29 FEET, AND A CHORD BEARING OF SOUTH 56°57'11" WEST; THENCE SOUTH 67°37'49" WEST, A DISTANCE OF 460.80 FEET TO THE BEGINNING OF A CURVE CONCAVED SOUTHEASTERLY AND HAVING A RADIUS OF 440.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 20°23'27", AN ARC DISTANCE OF 156.59 FEET, A CHORD DISTANCE OF 155.77 FEET, AND A CHORD BEARING OF SOUTH 57°26'05" WEST; THENCE SOUTH 47°14'22" WEST, A DISTANCE OF 438.07 FEET TO THE BEGINNING OF A CURVE CONCAVED SOUTHEASTERLY AND HAVING A RADIUS OF 440.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 13°07'00", AN ARC DISTANCE OF 100.73 FEET, A CHORD DISTANCE OF 100.51 FEET, AND A CHORD BEARING OF SOUTH 40°40'52" WEST; THENCE SOUTH 34°07'22" WEST, A DISTANCE OF 83.29 FEET TO THE POINT OF BEGINNING. CONTAINING 4.85 ACRES.

THAT PART OF SECTION 20, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, DESCRIBED AS:

COMMENCE AT THE NORTHEAST CORNER OF "BERMUDA POINTE" AS RECORDED IN PLAT BOOK 97, PAGE 6 PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND RUN S-34°07'22"-W ALONG THE SOUTHERLY BOUNDARY OF SAID "BERMUDA POINTE", 85.00 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING A POINT OF CURVE CONCAVE TO THE NORTHEAST; THENCE SOUTHEASTERLY ALONG SAID CURVE HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", A TANGENT DISTANCE OF 25.00 FEET, A CHORD DISTANCE OF 35.36 FEET, A CHORD BEARING OF S-10°52'38"-E, FOR AN ARC LENGTH OF 39.27 FEET; THENCE S-55°52'38"-E, 39.29 FEET TO A POINT OF CURVE CONCAVE TO THE SOUTHWEST; THENCE SOUTHEASTERLY ALONG SAID CURVE HAVING A RADIUS OF 100.00 FEET, A CENTRAL ANGLE OF 53°36'38", A TANGENT DISTANCE OF 50.53 FEET, A CHORD DISTANCE OF 90.19 FEET, A CHORD BEARING OF S-29°04'19"-E, FOR AN ARC LENGTH OF 93.57 FEET; THENCE S-02°16'00"-E, 499.76 FEET; THENCE S-00°02'13"-W, 146.41 FEET; THENCE S-89°57'47"-E, 110.00 FEET; THENCE N-00°02'13"-E, 200.30 FEET; THENCE N-89°50'10"-E, 240.39 FEET; THENCE S-83°15'49"-E, 64.85 FEET; THENCE S-82°19'38"-E, 322.00 FEET; THENCE S-03°30'09"-W, 34.67 FEET; THENCE S-50°50'02"-W, 60.78 FEET; THENCE S-39°09'58"-E, 160.00 FEET; THENCE S-50°50'02"-W, 29.00 FEET; THENCE S-39°09'58"-E, 110.00 FEET; THENCE S-50°50'02"-W, 149.09 FEET; THENCE S-44°07'06"-W, 484.75 FEET; THENCE S-22°00'04"-W, 270.42 FEET; THENCE S-28°49'56"-W, 107.47 FEET; THENCE S-40°04'50"-W, 150.74 FEET; THENCE S-67°36'01"-W, 69.54 FEET; THENCE S-83°51'46"-W, 87.94 FEET; THENCE N-68°34'13"-W, 73.94 FEET; THENCE N-45°13'35"-W, 113.15 FEET; THENCE N-17°25'11"-W, 141.71 FEET; THENCE N-10°09'03"-E, 145.02; THENCE N-03°21'20"-E, 461.22 FEET; THENCE N-00°02'13"-E, 246.79 FEET; THENCE S-89°57'47"-E, 110.00 FEET; THENCE N-00°02'13"-E, 139.83 FEET; THENCE N-02°16'00"-W, 498.75 FEET; TO A POINT OF CURVE CONCAVE TO THE SOUTHWEST; THENCE NORTHWESTERLY ALONG SAID CURVE HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 53°36'38", A TANGENT DISTANCE OF 25.26 FEET, A CHORD DISTANCE OF 45.10 FEET, A CHORD BEARING OF N-29°04'19"-W, FOR AN ARC LENGTH OF 46.78 FEET; THENCE N-55°52'38"-W, 39.29 FEET TO A POINT OF CURVE CONCAVE TO THE SOUTHEAST; THENCE SOUTHWESTERLY ALONG SAID CURVE HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", A TANGENT DISTANCE OF 25.00 FEET, A CHORD DISTANCE OF 35.36 FEET, A CHORD BEARING OF S-79°07'22"-W, FOR AN ARC LENGTH OF 39.27 FEET TO A POINT ON SAID SOUTHERLY BOUNDARY OF "BERMUDA POINTE"; THENCE ALONG SAID SOUTHERLY BOUNDARY N-34°07'22"-E, 100.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 19.47 ACRES.

THOSE PARTS OF SECTION 20, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, DESCRIBED AS:

COMMENCE AT THE NORTHEAST CORNER OF "BERMUDA POINTE" AS RECORDED IN PLAT BOOK 97, PAGE 6 PUBLIC RECORDS OF POLK COUNTY, AND RUN S-34°07'22"-W ALONG THE SOUTHERLY BOUNDARY OF SAID "BERMUDA POINTE", 85.00 FEET TO A POINT OF CURVE CONCAVE TO THE NORTHEAST; THENCE SOUTHEASTERLY ALONG SAID CURVE HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", A TANGENT DISTANCE OF 25.00 FEET, A CHORD DISTANCE OF 35.36 FEET, A CHORD BEARING OF S-10°52'38"-E, FOR AN ARC LENGTH OF 39.27 FEET; THENCE S-55°52'38"-E, 39.29 FEET TO A POINT OF CURVE CONCAVE TO THE SOUTHWEST; THENCE SOUTHEASTERLY ALONG SAID CURVE HAVING A RADIUS OF 100.00 FEET, A CENTRAL ANGLE OF 53°36'38", A TANGENT DISTANCE OF 50.53 FEET, A CHORD DISTANCE OF 50.19 FEET, A CHORD BEARING OF S-29°04'19"-E, FOR AN ARC LENGTH OF 93.57 FEET; THENCE S-02°16'00"-E, 178.04 FEET TO THE POINT OF BEGINNING; THENCE N-89°50'10"-E, 388.72 FEET; THENCE S-82°19'38"-E, 372.84 FEET; THENCE S-86°29'51"-E, 370.63 FEET; THENCE S-88°18'34"-E, 74.00 FEET; THENCE S-34°18'02"-E, 81.33 FEET; THENCE S-03°15'09"-E, 102.53 FEET; THENCE S-17°20'38"-W, 77.83 FEET; THENCE S-58°18'25"-W, 131.20 FEET; THENCE S-54°11'18"-W, 128.27 FEET; THENCE S-50°50'02"-W, 211.87 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF "SOUTHERN DUNES ESTATES PHASE ONE" AS RECORDED IN PLAT BOOK 105, PAGE 36, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG THE BOUNDARY THEREOF THE FOLLOWING TWELVE (12) COURSES: N-39°09'58"-W, 110.00 FEET; THENCE N-50°50'02"-E, 29.00 FEET; THENCE N-39°09'58"-W, 160.00 FEET; THENCE N-50°50'02"-E, 60.78 FEET; THENCE N-03°30'09"-E, 34.67 FEET; THENCE N-82°19'38"-W, 322.00 FEET; THENCE N-83°15'49"-W, 64.85 FEET; THENCE S-89°50'10"-W, 240.39 FEET; THENCE S-00°02'13"-W, 200.30 FEET; THENCE N-89°57'47"-W, 110.00 FEET; THENCE N-00°02'13"-E, 148.41 FEET; THENCE N-02°16'00"-W, 323.72 FEET TO THE POINT OF BEGINNING; TOGETHER WITH THE FOLLOWING:

COMMENCE AT THE NORTHEAST CORNER OF "BERMUDA POINTE" AS RECORDED IN PLAT BOOK 97, PAGE 6 PUBLIC RECORDS OF POLK COUNTY, AND RUN S-34°07'22"-W ALONG THE SOUTHERLY BOUNDARY OF SAID "BERMUDA POINTE" 185.00 FEET TO THE POINT OF BEGINNING. SAID POINT ALSO BEING A POINT ON THE WESTERLY BOUNDARY OF ABOVE SAID "SOUTHERN DUNES ESTATES PHASE ONE", SAID POINT ALSO BEING A POINT OF CURVE CONCAVE TO THE SOUTHEAST; THENCE ALONG SAID WESTERLY BOUNDARY THE FOLLOWING SIX (6) COURSES: NORTHEASTERLY ALONG SAID CURVE HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", A TANGENT DISTANCE OF 25.00 FEET, A CHORD DISTANCE OF 35.36 FEET, A CHORD BEARING OF N-79°07'22"-E, FOR AN ARC LENGTH OF 39.27 FEET; THENCE S-55°52'38"-E, 39.29 FEET TO A POINT OF CURVE CONCAVE TO THE SOUTHWEST; THENCE SOUTHEASTERLY ALONG SAID CURVE HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 53°36'38", A TANGENT DISTANCE OF 25.26 FEET, A CHORD DISTANCE OF 45.10 FEET, A CHORD BEARING OF S-29°04'19"-E, FOR AN ARC LENGTH OF 48.78 FEET; THENCE S-02°16'00"-E, 498.75 FEET; THENCE S-00°02'13"-W, 139.83 FEET; THENCE N-89°57'47"-W, 110.00 FEET; THENCE N-00°02'13"-E, 137.61 FEET; THENCE N-02°16'00"-W, 450.35 FEET; THENCE N-46°34'19"-W, 43.97 FEET TO A POINT ON SAID SOUTHERLY BOUNDARY OF "BERMUDA POINTE"; THENCE N-34°07'22"-E ALONG SAID SOUTHERLY BOUNDARY, 90.67 FEET TO THE POINT OF BEGINNING.

CONTAINING A TOTAL OF 11.63 ACRES.

BEING A REPLAT OF HEMINGWAY PLACE PHASE ONE AS RECORDED
IN PLAT BOOK 99, PAGE 7 PUBLIC RECORDS OF POLK
COUNTY, FLORIDA; ALSO BEING DESCRIBED AS

COMMENCE AT THE NORTHWEST CORNER OF THE EAST 1/2 OF THE
NORTHWEST 1/4 OF SECTION 20, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK
COUNTY, FLORIDA AND RUN THENCE S-89°56'39"-E ALONG THE NORTH
BOUNDARY THEREOF, 721.84 FEET TO THE POINT OF BEGINNING; CONTINUE
THENCE S-89°56'39"-E ALONG SAID NORTH BOUNDARY, 598.54 FEET TO THE
NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 20; CONTINUE
THENCE S-89°56'39"-E, 13.38 FEET TO THE WESTERLY RIGHT OF WAY OF
HEMINGWAY AVENUE AS SHOWN ON THE PLAT OF VILLAS DE AUGUSTINE
AS RECORDED IN PLAT BOOK 97, PAGE 7 OF THE PUBLIC RECORDS OF POLK
COUNTY, FLORIDA; RUN THENCE SOUTHWESTERLY ALONG SAID RIGHT OF
WAY ON A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF
248.29 FEET, A CHORD OF 158.89 FEET AND A CHORD BEARING OF
S-40°39'40"-W, THROUGH A CENTRAL ANGLE OF 37°19'20" AN ARC LENGTH OF
161.74 FEET; THENCE S-59°19'20"-W, 79.66 FEET; THENCE SOUTHWESTERLY
ALONG A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS
OF 205.00 FEET, A CHORD OF 113.89 FEET AND A CHORD BEARING OF
S-48°11'40"-W THROUGH A CENTRAL ANGLE OF 32°15'20" AN ARC LENGTH OF
115.41 FEET; THENCE S-27°04'00"-W, 17.45 FEET; THENCE LEAVING SAID
WESTERLY RIGHT OF WAY, RUN N-89°56'39"-W, 236.11 FEET; THENCE
S-64°44'12"-W, 272.96 FEET; THENCE N-23°15'48"-W, 140.00 FEET; THENCE
N-66°44'12"-E, 128.11 FEET; THENCE ALONG A TANGENT CURVE CONCAVE TO
THE WEST HAVING A RADIUS OF 15.00 FEET, A CHORD OF 29.38 FEET AND A
CHORD BEARING OF N-11°36'14"-W THROUGH A CENTRAL ANGLE OF 156°40'51"
AN ARC LENGTH OF 41.02 FEET; THENCE N-00°03'21"-E, 40.00 FEET; THENCE
S-89°56'39"-E, 76.25 FEET; THENCE N-00°03'21"-E, 120.00 FEET TO THE POINT OF
BEGINNING. CONTAINING 3.623 ACRES.

BEGIN AT THE NORTHWEST CORNER OF THE EAST 1/2 OF THE NORTHWEST
1/4 OF SECTION 20, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK
COUNTY, FLORIDA, AND RUN S-89°56'39"-E ALONG THE NORTH
BOUNDARY THEREOF, 721.84 FEET TO THE NORTHWEST CORNER OF
"REPLAT OF HEMINGWAY PLACE PHASE ONE" AS RECORDED IN PLAT BOOK 99
PAGE 49 PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG THE
WESTERLY BOUNDARY OF SAID "REPLAT OF HEMINGWAY PLACE PHASE ONE"
THE FOLLOWING SIX (6) COURSES, S-00°03'21"-W, 120.00 FEET;
THENCE N-89°56'39"-W, 76.25 FEET; THENCE S-00°03'21"-W,
40.00 FEET; THENCE ALONG A TANGENT CURVE CONCAVE TO THE WEST
HAVING A RADIUS OF 15.00 FEET, A CHORD OF 29.38 FEET, A CHORD
BEARING OF S-11°36'14"-E, THROUGH A CENTRAL ANGLE OF
156°40'51", AND AN ARC LENGTH OF 41.02 FEET; THENCE
S-66°44'12"-W, 128.11 FEET; THENCE S-23°15'48"-E, 140.00
FEET; THENCE LEAVING SAID WESTERLY BOUNDARY S-66°44'12"-W,
81.04 FEET; THENCE S-71°03'58"-W, 428.84 FEET; THENCE
N-89°56'39"-W, 109.22 FEET TO A POINT ON THE WEST BOUNDARY OF
THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 20;
THENCE ALONG SAID WEST BOUNDARY N-00°10'50"-W, 638.97 FEET TO
THE POINT OF BEGINNING. CONTAINING 6.757 ACRES.

INSTR # 2003118255
BK 05399 PG 1090
RECORDED 06/17/2003 09:18:14 AM
RICHARD M WEISS, CLERK OF COURT
POLK COUNTY
RECORDING FEES 24.00
RECORDED BY N Marion

This instrument prepared by and return to:
Paul S. Quinn, Jr., Esq.
Gray, Harris & Robinson, P.A.
301 E. Pine Street, Suite 1400
Orlando, Florida 32801
(407) 843-8880

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SOUTHERN DUNES

This Supplemental Declaration of Covenants, Conditions and Restrictions of Southern Dunes is made and entered into effective as of the date of the recording of the plat for each property set forth herein by **Southern Dunes Properties, Inc.**, f/k/a/ Southern Dunes Golf & Country Club, Inc., a Florida corporation, whose address is 2888 Southern Dunes Blvd., Haines City, Florida 33844 (hereinafter referred to as "Southern Dunes").

WITNESSETH:

WHEREAS, Southern Dunes entered into that certain Declaration of Covenants, Conditions and Restrictions of Southern Dunes on December 8, 1993, and recorded on December 13, 1993, in Official Records Book 3320, Page 1051, of the Public Records of Polk County, Florida.

WHEREAS, Southern Dunes annexed additional properties to the Declaration pursuant to that certain Supplemental Declaration of Covenants, Conditions and Restrictions of Southern Dunes dated September 13, 1999, and recorded in Official Records Book 4323, Page 984, Public Records of Polk County, Florida.

WHEREAS, the aforesaid Covenants provided for the annexation of Additional Property to the Properties which are subject to such Covenants.

WHEREAS, Southern Dunes is desirous of annexing certain Additional Properties in accordance with the terms and conditions of Article II, Section 2(B) of said Covenants.

NOW THEREFORE, Southern Dunes hereby declares that all of the certain Additional Properties described on Exhibit "A" attached thereto shall be subject to the easements, covenants, conditions, restrictions, reservations, liens and charges and any and all additional terms and conditions of that certain Declaration of Covenants, Conditions and Restrictions as recorded in Official Records Book 3320, Page 1051, of the Public Records of Polk County, Florida. The aforesaid covenants shall run with the Additional Properties described on Exhibit "A" and shall be binding upon all parties having and/or acquiring any right, title or interest in the real property described therein or in any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in any property subject to the aforesaid covenants.

IN WITNESS WHEREOF, Southern Dunes has executed this Supplemental Declaration on this 12th day of June, 2003.

WITNESSES:

Ralph H. Forrest
Printed Name: RALPH H. FORREST

Deborah L. Campbell
Printed Name: Deborah L. Campbell

SOUTHERN DUNES PROPERTIES, INC.,
a Florida corporation

By: Terry W. Donley
Terry W. Donley, President

STATE OF FLORIDA
COUNTY OF POLK

The foregoing was acknowledged before me this 12th day of June, 2003, by Terry W. Donley, as President for SOUTHERN DUNES PROPERTIES, INC., a Florida corporation, who is personally known to me, or has produced _____ as identification.

Deborah L. Campbell
Printed Name: Deborah L. Campbell
Notary Public
Commission Number: Deborah L. Campbell



Deborah L. Campbell
Commission #DD215181
Expires: Jun 13, 2007
Bonded Thru
Atlantic Bonding Co., Inc.

EXHIBIT "A"**LEGAL DESCRIPTION**

**SOUTHERN DUNES ESTATES ADDITION,
as recorded in Plat Book 117, Pages 47-48,
Public Records of Polk County, Florida**

That part of Section 20, Township 27 South, Range 27 East, Polk County, Florida described as follows:

Begin at the Easternmost corner of "Bermuda Pointe" as recorded in Plat Book 97, Page 6 of the Public Records of Polk County, Florida, also being the Southernmost corner of "Bermuda Point Addition" as recorded in Plat Book 100, Pages 27 and 28 of the Public Records of Polk County, Florida and run thence along the Southerly boundary of said "Bermuda Pointe Addition" the following six (6) courses: N34°07'22"E, 83.29 feet to a point of curve to the right; thence Northeasterly along said curve having a radius of 275.00 feet, a chord of 62.82 feet and a chord bearing of N40°40'52"E, through a central angle of 13°07'00" an arc length of 62.96 feet; thence N47°14'22"E, 438.07 feet to a point of curve to the right; thence Northeasterly along said curve having a radius of 275.00 feet, a chord of 97.35 feet and a chord bearing of N57°26'05"E through a central angle of 20°23'27" an arc length of 97.87 feet; thence N67°37'49"E, 460.80 feet to a point of curve to the left; thence Northeasterly along said curve having a radius of 325.00 feet, a chord of 120.43 feet and a chord bearing of N56°57'11"E through a central angle of 21°21'16" an arc length of 121.13 feet to the Easternmost corner of said "Bermuda Pointe Addition"; thence leaving the boundary of said "Bermuda Point Addition," run thence along a radial line S43°43'27"E, 61.76 feet; thence S02°19'02"W, 515.08 feet; thence S03°24'25"E, 118.14 feet; thence S20°25'17"W, 80.00 feet; thence S40°31'46"W, 80.00 feet; thence S63°27'16"W, 80.00 feet; thence S88°43'24"W, 404.38 feet; thence S83°06'12"W, 417.60 feet; thence along a non-radial line S82°27'57"W, 42.00 feet to a point on the Westerly right of way line of Forest Hills Lane and a point of curve the radius point for which bears S87°44'00"W; thence along said Westerly right of way the following three (3) courses; Northwesterly along said curve having a radius of 100.00 feet, a chord of 90.19 feet and a chord bearing of N29°04'19"W, through a central angle of 53°36'38" an arc length of 93.57 feet; thence N55°52'38"W, 39.29 feet to a point of curve to the right; thence Northwesterly along said curve having a radius of 25.00 feet, a chord of 35.36 feet and a chord bearing of N10°52'38"W an arc length of 39.27 feet to a point on the Southerly boundary of said "Bermuda Pointe"; thence along said Southerly boundary N34°07'22"E, 85.00 feet to the Point of Beginning.

Containing 14.12 acres

AND

**KOKOMO BAY, PHASE I,
as recorded in Plat Book 118, Pages 24 and 25,
Public Records of Polk County, Florida**

That part of the Northwest 1/4 of the Northeast 1/4 of Section 20 Township 27 South, Range 27 East, Polk County, Florida and that Part of the Southwest 1/4 of the Southeast 1/4 of Section 17, Township 27 South Range 27 East, Polk County, Florida, all being described as:

Begin at the Southwest corner of the Southeast 1/4 of said Section 17, and run thence along the South boundary thereof, and along a non-radial line S89°56'39"E, 13.38 feet to the Northwest corner of "Villas De Augustine" according to the plat thereof recorded in Plat Book 97, Pages 7 and 8, Public Records of Polk County, Florida; thence along the Northerly boundary of said "Villas De Augustine", and along a radial line S68°00'00"E, 50.00 feet; thence along a non-radial line and a tangent line N05°10'36"W, 11.46 feet to a point of curve to the right; thence Northeasterly along said curve having a radius of 89.63 feet, a central angle/delta of 95°24'17", a chord distance of 132.60 feet, a chord bearing of N42°31'32"E for an arc distance of 149.25 feet to a tangent point of reverse curve to the left; thence Northeasterly along said curve having a radius of 280.00 feet, a central angle/delta of 33°25'26", a chord distance of 161.03 feet, a chord bearing of N73°30'58"E for an arc distance of 163.34 feet; thence along a non-radial line N86°07'51"E, 440.08 feet; thence N89°20'31"E, 318.28 feet; thence N00°39'29"W, 150.00 feet; thence N89°20'31"E, 45.56 feet; thence N03°52'09"W, 127.50 feet; thence N02°02'45"W, 120.91 feet; thence S82°12'41"W, 36.76 feet; thence N07°47'19"W, 110.00 feet; thence N82°12'41"E, 1.46 feet; thence N07°47'19"W, 150.00 feet; thence S82°12'41"W, 54.42 feet; thence S87°57'15"W, 619.07 feet; thence N11°42'10"W, 20.31 feet; thence N13°18'50"W, 295.83 feet; thence S89°22'46"E, 483.37 feet; thence N00°01'28"E, 135.32 feet; thence N89°58'32"W, 18.42 feet; thence N00°01'28"E, 90.00 feet to a point on the North boundary of the Southwest 1/4 of the Southeast 1/4 of said Section 17; thence along said North boundary N-89°58'32"W, 736.12 feet to the Northwest corner of the Southwest 1/4 of the Southeast 1/4 of said Section 17; thence along the West boundary thereof S00°12'38"W, 220.00 feet; thence S89°58'32"E, 230.73 feet; thence S13°18'50"E, 16.15 feet; thence S76°41'10"W, 90.00 feet; thence S13°18'50"E, 287.63 feet; thence S11°42'10"E, 390.37 feet to a point of curve to the right; thence Southwesterly along said curve having a radius of 150.00 feet, a central angle of 101°55'51", a chord distance of 233.03 feet, a chord bearing of S39°15'45"W, for an arc distance of 266.85 feet; thence N89°46'19"W, 148.04 feet to a point on the West boundary of the Southwest 1/4 of the Southeast 1/4 of said Section 17; thence along said West boundary line of S00°12'38"W, 220.98 feet to the Point of Beginning.

Containing 17.560 acres

AND

**KOKOMO BAY, PHASE 2,
as recorded in Plat Book 122, Pages 3 and 4,
Public Records of Polk County, Florida**

Being a replat of Tract 21 and portions of Tracts 22, 27 and 28 of "Florida Development Co. Tract" according to the Plat thereof as recorded in Plat Book 3, Pages 60 to 63, Public Records of Polk County, Florida; and being a portion of the Southwest 1/4 of the Southeast 1/4; all lying and being in Section 17, Township 27 South, Range 27 East, Polk County, Florida, all being described as:

Begin at the Southeast corner of Lot 75 of "Kokomo Bay Phase One" according to the Plat thereof as recorded in Plat Book 118, Pages 24 and 25, Public Records of Polk County, Florida, and run thence N89°20'31"E, 194.57 feet; thence N76°29'24"E, 330.20 feet; thence N49°24'39"E, 66.64 feet; thence N37°46'45"E, 50.00 feet; thence N18°12'54"E, 61.93 feet; thence N01°41'20"E, 514.39 feet; thence N00°04'08"W, 399.00 feet to a point that lies on the South line of a platted right of way as shown on said "Florida Development Co. Tract"; thence along said South line N89°57'41"W, 357.38 feet to a point on the East boundary of the Southwest 1/4 of the Southeast 1/4 of said Section 17; thence along said East boundary

N00°06'45"E, 15.03 feet to the Northeast corner of the Southwest 1/4 of the Southeast 1/4 of said Section 17; thence along the North boundary thereof N89°58'32"W, 592.66 feet to the Northeast corner of Lot 45 of said "Kokomo Bay Phase One"; thence along the Easterly boundary of said "Kokomo Bay Phase One" the following three (3) courses: S00°01'28"W, 90.00 feet; thence S89°58'32"E, 18.42 feet; thence S00°01'28"W, 135.32 feet to the Southeast corner of Lot 46 of said "Kokomo Bay Phase One"; thence S89°22'46"E, 198.70 feet; thence S88°13'48"E, 583.55 feet; thence S00°04'08"E, 166.91 feet; thence S01°41'20"W, 14.82 feet; thence S82°12'41"W, 525.08 feet to the Northeast corner of Lot 69 of said "Kokomo Bay Phase One"; thence along the Easterly boundary of said "Kokomo Bay Phase One" the following courses: S07°47'19"E, 150.00 feet; thence S82°12'41"W, 1.46 feet; thence S07°47'19"E, 110.00 feet; thence N82°12'41"E, 36.76 feet; thence S02°02'45"E, 120.91 feet; thence S03°52'09"E, 127.50 feet; thence S89°20'31"W, 45.56 feet; thence S00°39'29"E, 150.00 feet to the Point of Beginning.

Containing 14.846 acres