

COMMUNITY DOCUMENTS

FOR

**HERITAGE OAKS AT TRADITION
HOMEOWNERS' ASSOCIATION, INC.**

**DECLARATION OF RESTRICTIONS
AND PROTECTIVE COVENANTS**

FOR

HERITAGE OAKS AT TRADITION

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DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR HERITAGE OAKS AT TRADITION

THIS DECLARATION is made this 26th day of January, 2005, by Homes by Kennedy II, Ltd., a Florida Limited Partnership, (hereinafter referred to as the "Declarant") the owner of the real property described in Exhibit "A", attached hereto and made a part hereof, and any additional property that may be subjected to this Declaration by Subsequent Amendment (as defined herein) declares that for the purpose of insuring the development of said lands for residential use of the highest standards, this land shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") set forth below.

Declarant has submitted the property legally described in Exhibit "A" and known as Heritage Oaks at Tradition, St Lucie County, Florida, (the "Property" or "Properties") as a part of the master-planned community of Tradition which includes a Development of Regional Impact ("DRI"), pursuant to the City of Port St. Lucie ordinances and Land Development Code, and has been approved as a Planned Unit Development ("PUD") pursuant to the site plan submitted and this Declaration. Tradition Development Company, LLC, a Florida limited liability company, is the Master Declarant.

The Association, as hereinafter defined, is not a condominium association and therefore shall not be affected by the provisions of Chapter 718, Florida Statutes. Furthermore, the expressed intent of this Declaration is that the substantive rights hereunder shall not be retroactively affected by legislation subsequent to the date of execution.

Prior to the recording of this Declaration, Declarant has caused to be formed HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit, (the "Association") by the filing of the Articles of Incorporation and Bylaws, the Association was formed to function as an instrumentality of the Lot Owners/Members in the residential community of Heritage Oaks at Tradition. Copies of the Articles of Incorporation and Bylaws of the Association are attached hereto.

Ownership of a Lot in Heritage Oaks at Tradition is also subject to the Community Charter For Tradition (the "Master Declaration") of Tradition Community Association, Inc. (the "Master Association"), recorded in the Official Records Book 1700, Pages 868-1009, Public Records of St. Lucie County, Florida, as amended and supplemented. The provisions, terms, covenants and conditions of this Declaration of Restrictions and Protective Covenants for Heritage Oaks at Tradition ("Declaration" or "Declarations") are subordinate to the Master Declaration. The Master Association also has the power to require specific action to be taken by the Association, or shall effect such specific action, in connection with the Association's obligations and responsibilities, as further described herein this Declaration and the Master Declaration.

ARTICLE I - DEVELOPMENT CONCEPT

Section 1. The Declarant as Developer (or its assignee) intends to develop the Property as part of a Planned Unit Development to be known as Heritage Oaks at Tradition. The development shall consist of Single-Family Lots and fee-simple Townhome Lots, in addition to private roads and common parcels for recreational facilities and other Common Areas (as defined herein). Title to these Common Areas shall be vested in Heritage Oaks at Tradition Homeowners' Association, Inc. for the sole benefit and private use and enjoyment of the present and future residents of Heritage Oaks at Tradition. The Association shall be responsible for the maintenance of the Common Areas. The Membership of the Association shall consist of the owners of the Lots (the "Owner(s)" or "Unit Owner(s)"). The Association shall assess each Lot Owner for the purpose of funding the maintenance of the Common Areas. The Association shall also be responsible for the enforcement of all the restrictions and other terms set forth in this Declaration, the Master Declaration, as well as the Rules and Regulations established by the Association and the Master Association. Declarant reserves the right to change the name of the Development from Heritage Oaks at Tradition to some other name and to assign its rights hereunder to some other entity, which shall be bound under the provisions hereof as if the original Declarant.

Section 2. The Declarant may convey a number of Lots to other Builders/Developers for the construction of single-family or fee-simple townhome residences. Any Lots sold to other Builders/Developers will be bound by and subject to the provisions of this Declaration.

Section 3. Notwithstanding any terms of this Declaration, or any other documents, brochures or plans, the Declarant

hereby states that the Development Plan, and the foregoing terms of Article I of this Declaration, represents only its present intention with respect to the development of the Property, and it hereby reserves the right to modify the Development Plan, including the plans and composition of the recreation facilities and the Declarant's intent as set forth in this Article I, at any time, as it deems desirable, in its sole discretion and subject to the City of Port St. Lucie approval. The Property shall be subject and shall comply with the obligations under the PUD. The Master Declarant reserves the right to amend the DRI as it affects the property owned by Master Declarant.

ARTICLE II - DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) **"Assessment(s)"** shall mean those payments due pursuant to Article VI, whether General or Special (as hereinafter defined), or a combination thereof.
- (b) **"Association"** shall mean and refer to "HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC.", a Florida corporation not-for-profit, its successors or assigns.
- (c) **"City of Port St. Lucie"** is the municipality organized and incorporated under the laws of the State of Florida, located in St. Lucie County, Florida.
- (d) **"Common Area(s)"** shall mean and refer to all real and personal property, which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of the Owners. The term shall include all common areas incorporated herein by reference, and any other interest in real property acquired by the Association and deemed Common Area either in this Declaration or in the instrument of conveyance, together with any improvements on such tracts. The Common Areas are legally described in Exhibit "B" attached hereto.
- (e) **"Community Development District"** or **"District"** shall mean and refer to Westchester No. 4 Community Development District and Westchester Community Development District No. 1, collectively, both of which are local units of special-purpose government which were created in accordance with Florida Statutes, Chapter 190, to provide certain community services to the area in which the Properties are located), which imposes and levies taxes and/or assessments on the Property in connection with the construction, operation and/or maintenance of public facilities and services of such community development district.
- (f) **"Community-Wide Standards"** shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors but shall always be consistent with or superior to the community wide standards set by the Master Association.
- (g) **"Declarant"** or **"Developer"** shall mean and refer to Homes by Kennedy II, Ltd., a Florida Limited Partnership, its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibit A for the purpose of development and sale of dwelling units at Heritage Oaks at Tradition and are designated as the Declarant hereunder or in a recorded instrument executed by the immediately preceding Declarant under this Declaration.
- (h) **"General Assessments"** shall mean and refer to Assessments levied in accordance with Article VI, Section 2 of this Declaration to fund expenses applicable to all Members of the Association. The Single Family Lot Owners and the Townhome Lot Owners may be levied different assessment amounts based on the level of Association maintenance and/or services each receives
- (i) **"General Expense(s)"** assessed equally to all Owners (both Single Family and Townhome) are any and all charges for the maintenance of the Common Areas and Lots, and expenses related to the operation of the Association for the Members of the Association and their families residing with them, and their guests and tenants, including, but not limited to: (1) expenses of administration, maintenance, repair or replacement of the Common Areas or Lots; (2) reasonable reserves deemed necessary by the Board of Directors for repair, replacement or addition to the Common Areas or any other real or personal property held or acquired by the Association; and, (3) expenses agreed upon as General Expenses by the Association; (4) expenses declared as General Expenses by the Declaration, Bylaws and Rules and Regulations; and (5) any assessment by the Master Association.

- (j) **"Institutional Lender" or "Mortgagee"** shall mean and refer to any person or entity (i) holding a mortgage encumbering a Lot, which (ii) in the ordinary course of business makes purchases, guarantees or insures mortgage loans, which (iii) is not owned or controlled by the Owner of the Lot encumbered, and which (iv) notifies the Association of same by written notice sent, certified mail, return receipt requested, to the Association's office. An Institutional Lender may include, but is not limited to the Community Development District, Tradition Development Company, LLC, a federal or state chartered bank or savings and loan association, an insurance company, a real estate or mortgage investment trust, a pension or profit sharing plan, a mortgage company; the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, including the Veterans Administration and the Federal Housing Administration of the U.S. Department of Housing and Urban Development, or any other type of lender, private, public or corporate. For definition purposes only, an Institutional Lender shall also mean the holder of any mortgage executed by or in favor of Developer, whether or not such holder would otherwise be considered an Institutional Lender.
- (k) **"Lot"** shall mean and refer to any Lot, whether Single-Family or Townhome, and any improvements thereon in the Properties and any Lot and any improvements thereon shown upon any re-subdivision of any plat of the Properties or any portion thereof.
- (l) **"Master Association"** shall mean Tradition Community Association, Inc. The Association shall be subject to the applicable rules and design criteria of the Master Association.
- (m) **"Owner" or "Member"** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot.
- (n) **"Property" or "Properties"** shall mean and refer to all such real property described in Exhibit "A" attached hereto, together with such additional or withdrawn property as is hereafter subjected to this Declaration by subsequent amendment by Declarant (which additional properties may or may not be contiguous to the real property described in Article II herein), as are subject to this Declaration or any supplemental declaration under the provisions of Article II hereof.
- (o) **"Rules and Regulations"** shall mean the collective rules and regulations established over time by the Board of the Association and Master Association which govern the use of the Property.
- (p) **"Single Family Lot"** shall mean and refer to the fee-simple lots in Heritage Oaks at Tradition where detached homes are constructed.
- (q) **"Single Family Specific Expense(s)"** shall mean and refer to Association expenses for levels of services, which only the Single Family Lot Owners receive benefit. These expenses will be assessed only to the Single Family Lot Owners. An example of Single Family Specific Expenses would be individual lawn maintenance.
- (r) **"Special Assessment"** shall mean and refer to Assessments levied in accordance with Article VI, Section 4 of this Declaration.
- (s) **"Subsequent Amendment"** shall mean an amendment to this Declaration which subjects additional property to this Declaration. Such Subsequent Amendment may, but is not required to, impose additional restrictions and obligations on the land submitted by that Subsequent Amendment to the provisions of this Declaration.
- (t) **"Townhome Lot"** shall mean and refer to the fee-simple lots in Heritage Oaks at Tradition where attached homes are constructed (i.e. four, five and six unit buildings).
- (u) **"Townhome Specific Expense(s)"** shall mean and refer to Association expenses for levels of services, from which only the Townhome Lot Owners receive benefit. These expenses will be assessed only to Townhome Lot Owners. Examples of Townhome Specific Expenses would be individual lot/building lawn maintenance and reserves (expenses) for roof repair and replacement and maintenance of Townhome buildings.

- (v) "Water Management Tracts" (WMTs) and "Water Management Easements" (WMEs) shall mean the parcels of real property which are designed and constructed to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, use, or reuse rainfall runoff water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect quantity and quality of discharges from the Properties as permitted pursuant to the Community Development Districts and the South Florida Water Management District.

ARTICLE III - PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

Section 1 - Legal Description:

The real property, which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, is located in Exhibit "A" attached hereto and made a part hereof or any additional property subsequently included thereto.

Section 2 - Declarant's Right to Add Additional Property or Withdraw Property:

Declarant shall have the right, in its sole discretion, to add additional property (which may or may not be contiguous to the real property described in Section 1) to the scheme of this Declaration. Declarant shall also have the right to withdraw property from the scheme of this Declaration subject to the approval of the City of Port St. Lucie. The addition or withdrawal by Declarant shall not require the consent or joinder of the Association, or any Owner or mortgagee of any of the Properties. The addition or withdrawal of lands shall require the written consent of the Master Declarant. Upon addition of any property to the scheme of this Declaration, the owners of such additional property shall be and become subject to this Declaration, including assessment by the Association for their pro rata share of the Association expenses. The addition of lands as aforesaid shall be made and evidenced by filing in the Public Records of St. Lucie County, Florida, a subsequent amendment with respect to the lands to be added.

ARTICLE IV - HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION

Section 1 - Membership:

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot in the Properties shall be a Member of the Association. Notwithstanding anything to the contrary set forth in this Section 1, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of said Association.

Section 2 - Voting Rights:

The Association shall have two classes of voting membership:

Class A: Class A Members shall be all those Owners as defined in Section 1, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised by one such Member as specified in the Articles of Incorporation of the Association but in no event shall more than one vote be cast with respect to any such Lot.

Class B: The Class B Member shall be the Declarant. The Class B Member shall be entitled to one thousand (1,000) votes. Notwithstanding any provision to the contrary, the Declarant shall have the right to elect the entire Board of Directors of the Association until such time as Declarant no longer retains control of the Association as set forth in Section 5 below, including Lots on any additional property which may have been brought under the provisions hereof by recorded supplemental declarations, as set forth in Article III hereof. Thereafter, Declarant shall have the right to appoint one director so long as the Declarant owns at least 5% of the Lots in the Properties. The Declarant may waive its right to elect one or more directors by written notice to the Association, and thereafter such directors shall be elected by the Members. Additionally, all of the directors shall be elected by the Members in the manner provided in the Bylaws.

Within 90 days after the date the Declarant has conveyed title to 90% of the Lots, Declarant shall call a meeting, as provided in the Bylaws for Special Meetings, to advise the membership of the termination of Class B status and to provide for the turnover of control of the Board of Directors to the Class A Members.

Section 3 – Administration of the Association:

The affairs of the Association shall be administered by the Board of Directors in accordance with this Declaration, the Articles of Incorporation and the Bylaws of the Association. The Articles of Incorporation and Bylaws may be amended in the manner as provided in each respective document; provided, however, that no such amendment shall conflict with the terms of this Declaration or adversely affect the rights of Declarant without Declarant's prior written approval; and provided further, that no amendment, alteration or rescission may be made which affects the rights or privileges of any Mortgagee without the prior written approval of the Mortgagee so affected, and any attempt to amend, alter or rescind contrary to this prohibition shall be of no force or effect.

Section 4 – Suspension of Membership Rights:

No member shall have any vested right, interest or privilege in or to the assets, functions, affairs or franchises of the Association, or any right, interest or privilege which may be transferable, or which shall continue after such membership ceases, nor while he and/or she is not in good standing. A member shall be considered "not in good standing" during any period of time in which he and/or she is delinquent in the payment of any Assessment or other charge when due. While not in good standing, the Member shall not be entitled to exercise any right or privilege of a Member of the Association, except for voting rights and continued easement rights, except where the Member is delinquent in the payment of regular annual assessments for in excess of ninety (90) days, the Association may suspend the voting rights of such Member. Further, where the Member, or any tenant, guest or invitee is in violation of the Association Governing Documents, the Association may suspend Common Area use rights and levy fines in accordance with the Governing Documents as well as Chapter 720.305 of the Florida Statutes.

Section 5 – Control by Declarant:

Anything contained herein to the contrary notwithstanding, Declarant shall have the right to retain control of the Association until 90 days after the earlier of the following events:

- (a) until the date the Declarant has conveyed title to 90% of the Lots, or
- (b) such earlier time as is determined by Declarant in Declarant's sole discretion.

So long as it retains control of the Association, Declarant shall have the right to appoint three (3) members of the Board of Directors and to approve the appointment of all officers of the Association, and no action of the Members of the Association shall be effective unless and until approved by Declarant. In the event that Declarant shall enter into any contracts or other agreements for the benefit of Owners or the Association, Declarant may, at its option, assign its obligations under such contracts or agreements to the Association, and in such event the Association shall be required to accept such obligations. After turnover of control of the Association to the Class A voting members ("Turnover"), no action shall be taken or decision adopted by the Board which would adversely impact on the construction, development, sale or marketing of the Property or on the condition or appearance of the Property without the prior written consent of the Declarant; so long as the Declarant has title to at least one lot. The Board shall submit such decisions and actions to the Declarant, for approval. The Declarant shall approve or disapprove such decisions and actions within thirty (30) days after receipt thereof.

Section 6 - Merger or Consolidation:

Upon a merger or consolidation of any association referred to herein with any other association, the Properties, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the Properties rights and obligations of another association may, by operation of law, be added to the Properties, rights and obligations of any association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Properties together with covenants and restrictions established upon any other property as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration.

Section 7 - Termination of the Association:

In the event the Association is terminated or shall no longer continue to exist for any reason whatsoever, any Owner may petition the Circuit Court of the Fifteenth Judicial Circuit of the State of Florida for the appointment of a Receiver to manage the affairs of the Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association, the Property, and Common Areas.

Section 8 - Common Areas:

A. Ownership: On or before conveyance by Declarant of the last Lot which it owns in the Properties (or sooner at the Declarant's option), the Declarant or its successors and assigns shall convey and transfer the record fee simple title to the Common Areas to the Association and Association shall accept such conveyance, subject to taxes for the year of conveyance, and to restrictions, limitations, conditions, reservations and easements of record. Upon completion of the improvements to common areas (including but not limited to paving, storm sewers, drainage, landscaping, front entrance gates and amenities), acceptance by the relevant governmental agency and the title transfer to the Association, the Association shall assume all responsibilities of common areas to include but not be limited to maintenance, repair, replacement insurance therefore and establishing reserves if desirable; and shall indemnify and hold the Developer and its affiliates harmless.

B. Maintenance: Commencing with the date this Declaration is recorded, the Association shall be responsible for the maintenance of the Common Areas and any improvements or personal property in a continuous and satisfactory manner and for the payment of property taxes assessed against the Common Areas, if any, and any improvements and any personal property thereon accruing from and after the date these covenants are recorded. Property taxes, if any, shall be prorated between Declarant and the Association as of the date of such recordation. The Association shall at its expense at all times maintain in good repair, and shall replace as needed any and all improvements situated on the Common Areas (upon completion of construction by Declarant). All such work is to be done as ordered by the Board of Directors of the Association. All work pursuant to this Section and all expenses hereunder shall be paid for by the Association through assessments imposed in accordance with Article VI hereof. Such Assessments shall be against all Lots as set forth in Article VI, Section 1; provided, however, that the cost of any maintenance, repair or replacement caused by the negligent conduct of a Member or by the failure of a Member to comply with the lawfully adopted Rules and Regulations of the Association shall be levied as a Special Assessment against such Member. No Owner may waive or otherwise escape liability for the Assessments for such maintenance by non-use of the Common Areas or abandonment of his right to use the Common Areas.

C. Declarant Right to Common Areas: Declarant shall have the right from time to time to enter upon the Common Areas during periods of construction upon adjacent Properties and for the purpose of construction of any facilities on the Common Areas that Declarant elects to build.

The Declarant may, from time to time, elect to provide various amenities on Common Areas. This shall be at the sole discretion of the Declarant and no proposals, advertisements, or other written material outside of this Declaration shall obligate the Declarant to provide such amenities. The cost of maintenance and operation of any amenities provided shall be part of and incorporated in Common Area maintenance under paragraph Section 8.B aforesaid.

D. Street Lighting: The Association shall have the obligation for maintenance of any street lighting facilities from the date of recording this Declaration or from the date of installation of the street lighting, whichever occurs first. Maintenance of the street lighting fixtures shall include the fixtures within the Common Areas and shall further extend to payment for electricity consumed in the illumination of such lights. In the event the Declarant, in its sole discretion, elects to install such street lighting, Declarant shall be entitled to all rebates or refunds of the installation charges (if any) and the Association hereby assigns such rebates or refunds to Declarant and the Association shall forthwith pay same to the Declarant.

Section 9 - Lot Maintenance:

A. Single-Family Lots: The Association may, at its option, provide maintenance of all lawn areas and or Lot irrigation systems located within the Single-Family Lots and assess Single-Family Lot Owners for the expenses related to these services. If the Association elects to provide lawn maintenance on Single-Family Lots, the obligations of the Association shall extend only to the landscaping as originally installed by the Developer or its in kind replacement.

Each Single-Family Lot Owner shall provide exterior maintenance for their homes, including but not limited to the following items: paint, repair, replacement and care for garage doors, fences and exterior building surfaces. In addition, each individual Single-Family Lot Owner shall maintain and repair their landscaping (to the extent the Association elects not to provide such maintenance), residence doors, windows, screening, driveway, entrance walk, patio deck, light fixtures, mail box, swimming pool, pool deck, roof, gutters, downspouts and other outside fixtures; provided, however, that the Association reserves the right to maintain such areas if, in its sole discretion, the Association deems it desirable. Additionally, each Single-Family Lot Owner shall keep any sidewalk in the road right-of-way adjoining their Lot clean and maintain any landscaping in the right-of-way adjoining their Lot. Also, any Single-Family Lot Owner whose Lot borders a community lake shall maintain any landscape to the edge of the water line of such lake (with the exception of littoral areas which can not be disturbed per the South Florida Water Management District.).

The Board of Directors of the Association shall estimate the cost of any such exterior maintenance for each year and shall fix the Assessments for each year, but said Board shall, thereafter, make such adjustment with the Owners as is necessary to reflect the actual cost of such exterior maintenance. Assessments for exterior maintenance shall be against all Lots as set forth in Article VI hereof; provided, however, that the cost of any exterior maintenance caused by the negligent conduct of an Owner or by the failure of such Owner to comply with the lawfully adopted Rules and Regulations of the Association or Master Association, shall be levied as a Special Assessment against such Owner. In addition, an Owner may be specially assessed for any damage or injury caused by the negligent conduct of such Owner to any easement areas granted to provide access to perform the exterior maintenance. Nothing contained herein shall obligate the Association to make repairs or replacements of improvements damaged by fire, windstorm, hail or other casualty; such repairs or replacements shall be made by the Owner of the Lot which suffers damage. The Association shall not be obligated to repair any mechanical equipment (e.g., air conditioning unit) which is part of any residence located on any Lot, nor shall it be responsible for any repairs which could be made pursuant to the terms of any warranty covering a residence.

B. Townhomes: The Association will provide maintenance of all lawn areas of the Townhome Lots, including lawn cutting, lawn fertilization, weeding and irrigation maintenance and assess only the Townhome Lot Owners for the expenses relating to such services. The Association may also provide exterior building maintenance (roof repair/replacement and/or building painting) and assess only the Townhome Owners through General Assessments (reserve contributions), or Special Assessments. Individual Townhome Owners will be responsible for repair and replacement of their garage doors, residence doors, fencing, windows, screening, driveway, entrance walk, patio deck including screening, light fixtures, gutters, downspouts and other exterior items; however, the Association reserves the right to maintain such areas if, in its sole discretion, the Association deems it desirable.

The Board of Directors of the Association shall estimate the cost of any Townhome exterior maintenance for each year and shall fix the assessments for each year with the Townhome Owners as is necessary to reflect the actual cost of such exterior maintenance. Such assessments for exterior maintenance shall be against all Townhome Lots, as set forth in Article VI hereof.

The cost of any exterior maintenance caused by the negligent conduct of an Owner or by the failure of such Owner to comply with the lawfully adopted Rules and Regulations of the Association shall be levied as a Special Assessment against such Owner. In addition, an Owner may be specially assessed for any damage or injury caused by the negligent conduct of such Owner to any easement areas granted to provide access to perform the exterior maintenance. Nothing contained herein shall obligate the Association to make repairs or replacements of improvements to townhomes damaged by fire, windstorm, hail or other casualty; such repairs or replacements shall be made by the Owner of the Townhome Lot which suffers damage unless the Association elects to maintain insurance covering these damages for the Townhome Lot Owners. The Association shall not be obligated to repair any mechanical equipment (e.g., air conditioning unit), which is part of any Townhome residence, nor shall it be responsible for any repairs which could be made pursuant to the terms of any warranty covering a Townhome residence. Party wall(s) are the walls placed between two Townhome units and each Owner will be responsible for repairs and replacement of their side of the party wall(s). The party wall(s) may not be moved or altered by any Owner.

Section 10 - Powers:

In addition to the powers provided in its Articles of Incorporation, the Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more person, firms or corporations from time to time for management services.

Section 11 - Rules and Regulations:

The Association, through its Board of Directors, may make and enforce reasonable Rules and Regulations governing the use of the Properties, which Rules and Regulations shall be consistent with the rights and duties established by the Master Association and this Declaration. Sanctions may include reasonable monetary fines, which shall be levied as a Special Assessment as provided in Article VI, Section 4, of this Declaration, and suspension of the right to vote and the right to use portions of the Common Areas other than easement rights. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Bylaws, the Articles or Declaration of the Association. In addition, the Association, through the Board, may, by contract or other agreement, enforce court ordinances or permit the City of Port St. Lucie to enforce ordinances on the Properties for the benefit of the Association and its Members.

ARTICLE V - ARCHITECTURAL REVIEW BOARD

Section 1 - Architectural Review Board:

The Architectural Review Board ("ARB") shall be a standing committee of the Association. The ARB shall have the power to promulgate such Rules and Regulations as it deems necessary to carry out the provisions and intent of this Section and other provisions of this Declaration and subject to the design criteria of the Master Association. The initial Rules and Regulations of the ARB are set forth on Exhibit "C" attached hereto and made a part hereof, and any amendment or modification of such Rules and Regulations by the Board of Directors shall not be deemed an amendment to this Declaration and need not be recorded in the Public Records. The initial Architectural Review Board shall be composed of:

Scott F. Smith and/or his appointee(s).

When all Lots proposed to be constructed within Heritage Oaks at Tradition have been conveyed to Owners, including subsequent Developers, the ARB may be increased to three members and such members shall be designated by the Directors of the Association. In the event of death, disability or resignation of any member of the ARB, the Directors shall have full authority to designate a successor. The members of the ARB shall not be entitled to any compensation for services performed pursuant to this Section. A majority of the ARB may take any action the ARB is empowered to take, may designate a representative to act for the ARB, and may employ personnel and consultants to act for it. This Section 1 shall not apply to the Declarant.

Section 2 - Owner to Obtain Approval:

No Owner shall make, install, place, or remove any building, fence, screen enclosure, porch, wall, patio area, pool, spa, landscaping or any other alteration, addition, improvements, or change of any kind or nature to, in or upon any portion of the Common Areas or the Owner's Lot, unless the Owner first obtains both (i) the initial written approval of the Association as described herein, and (ii) the final written approval of the Master Association (to be submitted by the Association on behalf of the Owner) as described in the Master Declaration and any amendments thereto. Furthermore, all applications approved by the ARB of the Association and Master Association must also be submitted to the City of St. Lucie building department or any relevant governmental authority for their approval.

Section 3 - Association's Consent:

Any request by an Owner, including a subsequent Developer, for approval by the ARB to any addition, alteration, improvement, or change shall be in writing and shall be accompanied by plans and specifications or other details as the ARB may deem reasonably necessary in connection with its determination as to whether or not it will approve same. Approval of any request shall not be unreasonably withheld, and shall not be withheld in a discriminatory manner or in a manner, which unreasonably prohibits the reasonable development of any Lot, but may be withheld due to aesthetic considerations. Notwithstanding the foregoing, the ARB may withhold approval for upgraded landscaping to be installed by an Owner within that portion of his Lot to be maintained by the ARB solely due to maintenance and related considerations, and the ARB may withhold approval for construction of swimming pools due to nuisance and related considerations (such as the likelihood of interference with other residents of the Properties during construction). The ARB shall notify the Owner of its approval or disapproval by written notice within thirty (30) days after request for such consent is made in writing to the ARB. In obtaining consent from both the Association and Master Association, the Owner may proceed to make alteration, addition, improvement, or change in strict conformance with the plans and specifications approved by the ARB, and subject to any conditions of the ARB's approval.

Section 4 - No Liability:

The ARB shall not be liable to any Owner in connection with the approval or disapproval of any alteration, addition, improvement, or change. Furthermore, any approval of any plans or specifications by the ARB shall not be deemed to be a determination that such plans or specifications are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the ARB, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the ARB shall not be liable for any deficiency, or any injury resulting from any deficiency, in such plans and specifications.

Section 5 - Remedy for Violation:

In the event this section is violated in that any alteration, addition, improvement, or change is made without first obtaining the approval of the ARB, or is not made in strict conformance with any approval granted by the ARB, the ARB shall specifically have the right to demand that an Owner stop, remove and/or alter any alteration, addition, improvement or change in a manner which complies with the requirements of the ARB, and the Association may pursue injunctive relief or any other legal or

equitable remedy available to the Association in order to accomplish such purposes. Any action to enforce this Section must be in accordance with, and for a violation of the provisions contained within this Declaration.

Section 6 - ARB and the Association:

Notwithstanding anything to the contrary herein, nothing contained in this Article V of this Declaration shall be construed in such a manner as to limit the rights of the Association and the ARB shall accept any right and/or responsibilities delegated to it by the Association.

ARTICLE VI - ASSOCIATION - COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1 - Creation of the Lien and Personal Obligation for the Assessments:

The Declarant, for each Lot owned by it within Heritage Oaks at Tradition, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (i) General Assessments as outlined in Section 2 hereof; (ii) Special Assessments as provided in Section 4 hereof; (iii) individual assessments as provided in Section 5 hereof; and (iv) Working Capital Fund assessments as provided in Section 8 hereof, such assessments to be fixed, established and collected from time to time as hereinafter provided. In addition to the payment of the Association assessment, the Owner shall pay that portion of the Master Association assessment levied against the Lot or Unit, including bulk basic cable, internet and alarm monitoring service fees charged by the local cable company, which is the collection obligation of the Association. The aforementioned collective assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such Assessment is made and shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. Assessments as to any Lot not owned by the Declarant and not containing an improvement shall be seventy-five percent (75%) of the Assessments for the Lot containing an improvement. The full Assessment as to each Lot upon which an improvement is constructed shall commence upon the conveyance of the Lot by the Declarant. The Association shall be liable to the Master Association for the entire amount of the aggregate Master Association Assessment due with respect to all of the Lots and Units owned by the assessable Members of the Association, including the aforementioned cable fees. The Association shall collect the Master Association's Assessments as common expenses of the Association, which shall be collected from each assessable Member of the Association as provided in this Declaration. The manner in which Master Association expenses are shared is set forth in Chapter 12 of the Master Declaration.

Section 2 - General Assessments:

The General Assessments levied by the Association shall be used for (i) General Expenses, Single Family Specific Expenses, and Townhome Specific Expenses of the Association and (ii) the Master Association Assessment. Any shortfall in the Master Association's annual assessment which is not collected by the Association from the Owners, shall be paid by the Association. The Master Association shall have no obligation to pursue individual Owners for such shortfall. By a majority vote of the majority of the Board of Directors, the Board shall adopt an annual budget for the subsequent fiscal year, which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration will be met.

The Single Family Lot Assessment is calculated by adding the following:

- A. The total General Expenses divided by the total number of all lots (both Single Family and Townhome);
- B. Single Family Specific Expenses divided by the total number of Single Family Lots; and
- C. The Master Association Assessment levied against each Lot.

The Townhome Lot Assessment is calculated by adding the following:

- A. The total General Expenses divided by the total number of all lots (both Single Family and Townhome);
- B. Townhome Specific Expenses divided by the total number of Townhome Lots; and
- C. The Master Association Assessment levied against each Lot.

The Lot Assessments may be different for Single Family Lot Owners and Townhome Owners based on the levels of services received by the applicable members.

Section 3 - Date of Commencement of General Assessments; Due Dates:

The General Assessments shall commence on the first day of the month following the recordation of this Declaration. Thereafter, the Board of Directors shall fix the date of commencement and amount of the Assessment against each Lot at least thirty (30) days in advance of the commencement period. The General Assessments shall be payable in advance in monthly or quarterly installments or as otherwise determined by the Board of Directors of the Association and are due on the first day of such monthly or quarterly period.

The Assessment shall be for the calendar year, but the amount of the General Assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months remaining in such calendar year.

Notwithstanding anything to the contrary, the Board of Directors shall not be required to anticipate all proper expenses identified as General Assessments. Therefore, the Board shall have the right, from time to time, to amend the budget for the remainder of the calendar year, which budget amendment shall be done in accordance with the manner in which the annual budget was promulgated. All Lot Owners shall be responsible for the payment of the amended budget in the same manner as it was for the payment in accordance with the annual budget.

Section 4 - Special Assessments:

A Special Assessment may be levied against one or more Lots for the following:

- (a) The cost of any exterior maintenance caused by the negligent conduct of an Owner or by the failure of such Owner to comply with the lawfully adopted Rules and Regulations of the Association shall be levied as a Special Assessment against such Owner.
- (b) Charges for expenses of the Association and/or Master Association which are not General Expenses but which are attributable to a specific Lot or Lots and which are designated as a special charge.
- (c) Reimbursement for damages caused by an Owner, Owners, their family members, guests, invitees or tenants.
- (d) Capital improvements relating to the Common Area (excluding the initial construction costs of improvements to be performed by the Declarant).
- (e) Late charges, user fees, fines and penalties.
- (f) Any other charge, which is not a General Expense.
- (g) Any operating expense which exceeds the amount budgeted, or any emergency expense which exceeds the amount of any reserves or other Association funds.

The Board of Directors shall fix the amount and due date of any Special Assessment by resolution, which resolution shall set forth the Lot or Lots subject to such Assessment.

Section 5 - Special Assessments for Non-Compliance:

In addition to all other remedies provided in this Declaration, the Board of Directors, in its sole discretion, may levy a fine in the form of a Special Assessment against an Owner for failure of the Owner, his family, guests, invitees, or employees, to comply with any provision in this Declaration or the Articles, Bylaws, Rules and Regulations or traffic regulations of the Association, provided that the following procedures are followed:

- A. Notice: The Board of Directors shall notify the Owner of the infraction or infractions and associated fine(s). Included in the Notice shall be the date and time of the next Infraction Committee meeting at which the Owner shall present testimony as to why the fine in the form of a Special Assessment should not be imposed.
- B. Hearing: At the Infraction Committee hearing, the committee shall hear any defense to the alleged violation, including any witnesses that the Owner or the Association may produce. Should the Owner wish to be accompanied by counsel, he/she is so permitted. The Infraction Committee shall either approve or disapprove the proposed fine. Written decision of the Infraction Committee shall be submitted to the Owner no later than twenty-one (21) days after the hearing.

- C. Amount of Special Assessment: The Board of Directors may impose a Special Assessment of \$100 per day (maximum of \$1,000) against the Owner in the event a violation is found.
- D. Due Date of Special Assessment: A Special Assessment as provided in this Article shall be due and owing not later than thirty (30) days after the written decision as provided in this Article VI.

Section 6 - Reserves:

The portion of all General Assessments collected by the Association as reserves for future expenses shall be held by the Association in a separate bank account. Reserves may be collected as General Expenses, Single-Family Specific Expenses or Townhome Specific Expenses. Reserves will not be collected on Lots owned by the Declarant.

Section 7 - Declarant Payment of Assessments:

Notwithstanding any provision that may be contained to the contrary in this instrument, for so long as Developer is the owner of any Lot, the Developer shall not be liable for Assessments against such Lot, provided that Developer funds any deficit in operating expenses in excess of Assessments billed and working capital funds collected from the Members. Developer may at Developer's sole option, at any time commence paying such assessments as to Lots that it owns and thereby automatically terminate its obligation to fund subsequent deficits in the operating expenses of the Association. In any event, any funding of Association deficits shall be treated as loans from the Developer to be repaid by the Association at a market rate of interest.

Section 8 - Working Capital Fund:

A Working Capital Fund will be established for the Association, which shall be collected from each Lot purchaser at the time of conveyance of each Lot to such purchaser in an amount equal to two (2) months of the annual Assessment (which includes the Master Association Assessment) for purchaser's Lot. Each Lot's share of the Working Capital Fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot. The purpose of this fund is to assure that the Association's Board of Directors will have cash available to meet expenditures or to pay for expenses or acquire additional equipment deemed necessary or desirable by the Board of Directors. Amounts paid into the fund are not to be considered as advance payment of regular Assessments. The Working Capital Fund may be used by the Association, at the discretion of the Board, whether or not prior to Turnover, to pay any Association expenses.

Section 9 - Roster; Notice; Certificate:

A roster of the Lots 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, and for a fee of \$25.00; furnish to any Owner liable for an Assessment a certificate in writing signed by an officer or agent of the Association, setting forth whether such Assessment has been paid as to the Lot owned by the Owner making request therefore. Such certificate shall be conclusive evidence of payment of any Assessment to the Association therein stated to have been paid.

Section 10 - Collection of Assessment; Effect of Non-Payment of Assessments; the Personal Obligation of the Owner; the Lien; Remedies of the Association:

If any Assessment is not paid on the due date, the Association shall have the right to charge the defaulting Owner a late fee of Fifty Dollars (\$50.00) plus interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular Assessment, then the Assessment shall be due ten (10) days after written demand by the Association. If any Owner is in default in the payment of any Assessment owed to the Association for more than thirty (30) days after written demand by the Association, the Association upon written notice to the defaulting Owner shall have the right to accelerate and require such defaulting Owner to pay Assessments to the Association for the next twelve (12) month period, based upon the then existing amount and frequency of Assessments. In the event of such acceleration, the defaulting Owner shall continue to be liable for any increases in the regular Assessments, for all Special Assessments, and/or for all other Assessments payable to the Association. If the Assessments and any late fees and interest are not paid on the date when due, then such Assessments and any late fees and interest shall become delinquent and shall, together with such interest thereon and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such Lot in the hands of the Owner, his/her heirs, devisees, personal representatives, successors and assigns. Under no circumstance may the Board of Directors place a lien on a Lot owned by Declarant. Any individual who acquires title to a Lot upon the death of an Owner or by operation of law shall be personally liable for unpaid Assessments and late fees with respect to such Lot. In any voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefore. Additionally, any Owner who fails to pay the assessments as

herein set forth, within thirty (30) days of the due date, shall forfeit all their privileges and benefits of being a member of the Association.

The Association may bring an action at law against the Owner personally obligated to pay the same or may record a claim of lien against the property on which the Assessment and late fees are unpaid. Additionally, the Association may foreclose the lien against the property on which the Assessment and late fee are unpaid, in like manner as a foreclosure of a mortgage on real property, or pursue one or more of such remedies at the same time or successively. There shall be added to the amount of such Assessment and late fee, attorney's fees and costs of preparing and filing the claim of lien and the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the Assessment and late fee as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action, and the Association shall be entitled to attorney's fees in connection with any appeal of any such action.

It shall be the legal duty and responsibility of the Association to enforce payment of the Assessments and late fees hereunder.

Section 11 - Subordination of the Lien to Mortgages:

The lien of the Assessment provided for in this Article VI is subordinate to the lien of any mortgage of any Institutional Lender recorded prior to the recordation of a claim of lien for unpaid Assessments. A mortgagee in possession, a receiver, a purchaser at a foreclosure and all persons claiming by, through or under such purchaser or mortgagee shall hold title subject to the liability and lien of any Assessment becoming due after such foreclosure or conveyance in lieu of foreclosure. Any unpaid Assessment which cannot be collected as a lien against any Lot by reason of the provisions of Section 10 above, shall be deemed to be an Assessment divided equally among, payable by, and assessed against all Lots, including the Lot as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

Section 12 - Exempt Property:

The Board of Directors shall have the right to exempt property subject to this Declaration from the Assessments, charges and liens created herein if such property is used (and as long as it is used) for any of the following purposes:

- A. Any easement or other interest therein dedicated and accepted by a public authority and devoted to public use.
- B. All Common Areas as defined in Article II hereof.
- C. All Properties exempt from ad valorem taxation by the laws of the State of Florida, to the extent agreed to by the Association.

ARTICLE VII - EASEMENTS

Section 1 - Members' Easements:

Each Member of the Association and each tenant, agent and invitee of such Member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the sidewalks and roads from time to time laid out on the Common Areas, for use in common with all such Members, their tenants, agents and invitees. The portion of the Common Areas not used, from time to time, for walkways and/or driveways shall be for the common use and enjoyment of the Members of the Association and each Member shall have a permanent and perpetual easement for pedestrian traffic across all such portions of such tracts and for the use of same in such manner as may be regulated by the Association. The foregoing easements are subject to the following:

- (a) The right and duty of the Association to levy assessments against each Lot for the purpose of maintaining the Common Areas and facilities in compliance with the provisions of this Declaration and with any restrictions on the recorded Plat and approved Site Plan of Heritage Oaks at Tradition as may be amended from time to time.
- (b) The right of the Association to suspend the voting rights and right to use the Common Areas and facilities (except easement rights).
- (c) The right of the Association to adopt and enforce Rules and Regulations governing the use of the Common Areas, the individual Lots and all facilities at any time situated thereon.

The right of an Owner to the use and enjoyment of the Common Areas and facilities thereon shall extend to the members of his/her immediate family who reside with him/her, subject to regulations from time to time adopted by the Association in its lawfully adopted and published Rules and Regulations.

Section 2 - Easements Appurtenant:

The easements provided in Section 1 shall be appurtenant to and shall pass with the title to each Lot.

Section 3 - Utility Easements:

Public utilities may be installed underground in the Common Areas when necessary for the service of Heritage Oaks at Tradition or additional lands for which Declarant may elect to purchase, but all use of utility easements shall be in accordance with the applicable provisions of this Declaration.

Section 4 - Public Easements:

Fire fighters, police, health, sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas.

Section 5 - Easements of Encroachment:

There shall be reciprocal appurtenant easements of encroachment as between each Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the term of these restrictions) to a distance of not more than one (1) foot, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area or as between said adjacent Lots, as the case may be, 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 6 - Additional Easements:

The Declarant (during any period in which the Declarant has any ownership interest in the Properties), the Master Declarant, the Community Development Districts and the Association shall each have the right to grant such additional electric, telephone, gas, sprinkler, irrigation, cable television or other easements, and to relocate any existing easement in any portion of the Properties and to grant access easements and to relocate any existing access easements in any portion of the Properties as the Declarant, Master Declarant, the Community Development Districts or the Association shall deem necessary or desirable, for the proper operation and maintenance of the Properties, or any portion thereof, or for the general health or welfare of the Owners or for the purpose of carrying out any provisions of this Declaration and the Master Declaration; provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the use of the Lots for residential purposes.

Section 7 - Association Easement:

For the purpose solely of performing its obligations under the provisions of this Declaration, the Association, through its duly authorized agents, employees or independent contractors, shall have the rights, after reasonable notice to the Owner, to enter upon any Lot at reasonable hours of any day except Sunday. In the event of an emergency, such right of entry shall exist without notice on any day, including Sunday. Each Owner hereby grants to the Association, its duly authorized agents, employees or independent contractors such easements for ingress and egress, across the Lots and through improvements constructed upon the Lots, as may be reasonably necessary to affect and perform the exterior maintenance aforementioned. In addition, the owner of the adjoining property (not within the Properties) may grant the Association, such easements for ingress and egress across its Properties to effect and perform its duties. In such event, the Association shall indemnify the adjoining property owner for any damage or injury to the easement areas caused by the use thereof or access to perform the exterior maintenance.

Section 8 - Construction Easement:

Each Lot and the Common Area is hereby subjected to a permanent easement appurtenant to any adjoining Lot to permit the construction, existence, maintenance, repair and restoration of structures located on such adjoining Lot, including roof structures which overhang and encroach upon the servient Lot or Common Area, provided that the construction of such structure is permitted and approved as elsewhere herein provided. The owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to construct improvements, and to maintain, repair and restore any improvements located on the dominant tenement, provided, however that such entry be allowed only during daylight hours and with the prior knowledge of the owner of the servient tenement. In case of emergency, such right of entry shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the owner of the servient tenement.

No Owner shall place any improvements, material or obstacle in or over any utility easement area which would unreasonably interfere with the rights of the owner of the utility easement. Any such improvement, material or obstacle shall be promptly removed by the Owner at Owner's expense when requested by the owner of the utility easement or Declarant notwithstanding

any lapse of time since improvement, material or other obstacle was placed in or over the easement area. In the event an Owner fails to move such improvement, material or obstacle, then the Association may remove same and the expense of such removal shall be charged to the Owner as an Assessment.

ARTICLE VIII - GENERAL RESTRICTIVE COVENANTS

Section 1 – Applicability:

The Association hereby adopts all of the rules of the Master Declaration, as amended from time to time. The provisions of this Article VIII shall be applicable to all Lots situated within the Properties and are intended to be consistent with (and may be stricter than) the rules imposed under the Master Declaration. .

Section 2 - Land Use:

No Lot shall be used except for residential purposes. Temporary uses for model homes, parking lots, sales/model signs, construction trailer, construction storage areas and/or sales offices shall be permitted for the Declarant or as temporarily approved by the Declarant for subsequent developers.

Section 3 - Change in Buildings:

No Owner shall make or permit any structural modification or alteration of any building except with prior written consent of the Architectural Review Board or its successor, and such consent may be withheld if, in the sole discretion of the party denying the same, it appears that such structural modification or alteration would adversely affect or in any manner endanger other dwelling units. No building shall be demolished or removed (except by Declarant) without the prior written consent of both the Board of Directors of the Association and Owner(s) of the immediately adjoining Lot(s). In the event any building is demolished or removed, if replaced said building shall be replaced with a unit of similar size and type and construction shall be completed within twelve (12) months. In the event the building is not replaced, then the building shall be demolished and the Lot shall be sodded and maintained as a landscaped Lot within thirty (30) days.

Section 4 - Building Location:

Buildings shall be located in conformance with the Zoning Code of Port St. Lucie County, Florida and any specific zoning approvals thereunder or as originally constructed on a Lot by Declarant or its successor or assignee. Whenever a variance or special exception as to building location or other item has been granted by the authority designated to do so under the Zoning Code, said variance or special exception is hereby adopted as an amendment to this Section and any future variance of special exception as to building location or other item shall constitute an amendment of this Section.

Section 5 - Landscaping of Easements:

In addition to the easements reserved herein, easements for drainage, installation and maintenance of utilities and for ingress and egress are shown on the recorded plat(s) of the Properties. Within these easements no structure, planting or other material may be placed or permitted to remain that will interfere with vehicular traffic or prevent maintenance of utilities. Public utility companies servicing the Properties and the Association, and their successors and assigns, shall have a perpetual easement for the installation and maintenance of water lines, sprinkler lines, sanitary sewers, conduits, including television cables and conduits and such other installations as may be required or necessary to provide maintenance and utility services to the Lots and/or the Common Areas under and through the utility easements as shown on the plat(s) beyond the building, as such buildings may from time to time be located. Any damage caused to pavement, driveways or drainage by utility shall be promptly restored and repaired by the utility whose installation or maintenance caused the damage. All utilities within the subdivisions, whether in streets, right-of-way or utility easements, shall be installed and maintained underground, provided, however that water and sewer treatment facilities and control panels for utilities may be installed and maintained above ground or as permitted by the Architectural Review Board.

Section 6 – Nuisances:

No noxious or illegal activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or any other Lot Owner. In the event of any question as to what may be or become a nuisance, such question shall be submitted to the Association for a decision in writing, which decision shall be final. In addition, no weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon any Lot. Single-Family Lot Owners may be responsible to maintain his/her respective Lot irrigation system in order to maintain the landscaping. No refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon; and in the event that the Owner shall fail or refuse to keep the Lot free of weeds, underbrush or refuse piles or other unsightly growth or objects, then the Association may enter upon said Lot and remove the same at the expense of the Owner, and such entry shall not be

deemed a trespass. All garbage or trash containers must be stored in each Lot Owner's garage or placed in walled-in areas so that they shall not be visible from the adjoining Lots or Common Areas. Provided, however, any portion of the Properties not yet developed by Declarant, shall be maintained in a clean condition but shall not be expected to be maintained in a manicured condition. Owner also understands, acknowledges and consents to the fact that both (i) an irrigation plant (including, without limitation, above ground water storage tanks), and (ii) a telecommunications site and improvements (including, without limitation, antennae towers), are located on portions of the Tradition Community located adjacent to the Property.

Section 7 - Temporary Structures and Hurricane Shutters:

No structure of a temporary character, or trailer, tent, mobile home or recreational vehicle shall be permitted on any Lot either temporarily or permanently, except that the Declarant or a subsequent developer, may park a trailer on the Properties during periods of marketing and construction. The Board of Directors may, from time to time, establish hurricane shutter specifications (for both temporary and permanent installations) which comply with the applicable building code, and which establish the permitted colors, styles and materials for hurricane shutters, and the manner in which such hurricane shutters may be used. Temporary/permanent hurricane shutters may be installed/closed only when danger of a hurricane is imminent, usually when the National Weather Service or other recognized weather service indicates that a hurricane watch or warning is in effect. Such shutters must be completely removed/opened and the property restored to its original condition within (14) fourteen days from when such storm is no longer a threat to the community. In the event of a severe storm or hurricane, all exterior furniture, potted and/or unsecured plants and garden equipment, ornaments and any other unsecured items which may cause property damage to Association property or the property of other Owners must be moved indoors.

Section 8 - Signs:

No sign of any kind shall be displayed to the public view on the Properties, without the prior consent of the Board of Directors of the Association, provided that the Declarant, so long as it has not sold all of its Lots in the Properties, shall retain the right to disapprove any signs displayed to the public view. No "For Sale" signs shall be displayed to the public view on the Properties as long as the Declarant holds title to at least one Lot, and thereafter, only with the approval of the Board. Notwithstanding the foregoing, this Section shall not apply to the Declarant for as long as it holds title to any portion of the Properties. Additionally, any Lot Owner may display a sign of reasonable size (i.e. no greater than 12" by 12") provided by a contractor for security services within ten (10) feet of any entrance to the home.

Section 9 - Oil and Mining Operations:

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Properties nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in the Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to this Declaration.

Section 10 - Pets, Livestock and Poultry: No animals, livestock, snakes or poultry of any kind shall be raised, bred or kept except that dogs, cats, or other household pets may be kept, but no more than a total of two (2). Those pets which in the sole discretion of the Association, endanger the health, make objectionable noise, are aggressive in nature, or constitute a nuisance or inconvenience to the Owners of other Units or the Owner of any property located adjacent to the Properties may be expelled and removed from the Properties by the Board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs, which are household pets, shall be confined to a leash whenever they are outside a Unit. Additionally, it shall be the pet owners obligation to remove the pet's waste material from all property maintained the by Association.

Section 11 - Visibility at Intersections:

No obstruction to visibility at street intersections shall be permitted.

Section 12 - Automobiles, Trucks, Sport Utility Vehicles (SUV), Commercial Trucks, Trailers, Campers, and Boats:

Without the prior written consent of the Association which consent may be provided or denied in the sole and absolute discretion of the Association, or unless parked within an enclosed garage, only automobiles, sport utility vehicles, vans of a type customarily used as private passenger vehicles, pick-up trucks of a type customarily used as private passenger vehicles with a carrying capacity of three quarters of a ton or less and other vehicles manufactured for use as private passenger vehicles may be parked overnight within the Property, so long as it is parked on a driveway, or within an enclosed garage. No commercial vehicles, campers, mobile homes, motor homes, boats, house trailers, boat trailers, or trailers of every other description shall be permitted to be parked or to be stored at any place on any Lot, except that they may be stored within enclosed garages. The term "commercial vehicle" shall include all automobiles, trucks and vehicular equipment, including station wagons, which bear any signs or commercial lettering or print. The Board of Directors shall have the authority, but not the obligation, to promulgate additional Rules and Regulations defining the types of trucks and other vehicles that may or may not be prohibited

pursuant to this Section 12, including possibly allowing certain trucks that are used as passenger vehicles. Any vehicle, motor home, trailer, etc. in violation of this Section 12 or the Rules and Regulations of the Association is subject to towing by the Association at the sole expense of the Owner. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery, and other commercial services. Additionally, no business or commercial activity shall be permitted on any Lot, nor shall any business be conducted on any part thereof.

Section 13 – Fences, Walls, Screen Enclosures, Other:

No fence, wall, screen enclosure or other structure shall be erected in any yard except as originally installed by Declarant or its assignee, or as may be approved by the Architectural Review Board.

Section 14 - Garbage and Trash Disposal:

No garbage, refuse, trash or rubbish shall be deposited on any Lot except in a walled in area; provided, however, that the requirements of the City of Port St. Lucie for disposal or collection shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Except when placed in front for pick-up, no garbage container shall be visible from any street.

Section 15 - Drying Areas:

No clothing, laundry or wash shall be aired or dried on any portion of any Lot in an area exposed to view from any other Lot or Common Area. Drying areas will be permitted only in locations approved by the Architectural Review Board and only when protected from view by screening or fencing approved by the Architectural Review Board. No prohibition of outside clotheslines or drying areas shall be permitted; provided that nothing herein shall prohibit the Architectural Review Board from enacting reasonable regulations that do not have the effect of prohibiting such drying areas or clotheslines as to any Lot.

Section 16 - Gas Containers:

No gas tank, gas container, or gas cylinder (except those placed by the Declarant or approved by the Architectural Review Board in connection with the installation of swimming pools and/or barbecues) shall be permitted to be placed on or about the outside of any house or any ancillary building, and all such items (except those placed by the Declarant in connection with the installation of swimming pools and/or barbecues) shall be installed underground in every instance where gas is used. In the alternative, gas containers may be placed above ground if enclosed on all sides by a decorative safety wall approved by the Architectural Review Board.

Section 17 - Communication Equipment:

Except as may be installed by the Declarant or as may be permitted by the Architectural Review Board, no antennas, satellite dishes greater than 1.0 meter in diameter, aerials, or lines, wires or other devices for communication or transmission of current shall be placed on any portion of the Properties and in no event shall any of the communication equipment be in general view. In no event, however, shall lines or wires for communication or the transmission of current be constructed, placed, or permitted to be placed within the Common Areas unless the same shall be installed by the Association for the common use of all Members, and shall be protected cables, and any of said lines or wires which are not located in buildings shall be constructed or placed and maintained underground. Any line or wire installations permitted by the Architectural Review Board pursuant to this Section shall be protected cable and shall only be installed underground.

Any installation of communication equipment by Owner shall not relieve Owner from payment of any portion of Assessments.

The Master Association has entered into an exclusive agreement with Home Town Cable TV of St. Lucie County, LLC ("Home Town") to provide for cable, internet and alarm monitoring (the "Basic Services") to the residents of Heritage Oaks. Owner will be required to pay for such services provided by Home Town whether or not such services are used by the Owner. The Master Association will bill the Association for such services, and such fees will be included as part of the monthly or quarterly Assessments charged by the Association to the Purchaser (on behalf of the Master Association). The Seller and the Association have no control over the charges assessed by Home Town Cable.

Section 18 – Drainage:

No change in any drainage pattern of any Lot, after issuance of a certificate of occupancy for the dwelling thereon, or of any portion of the Properties, after all contemplated improvements have been completed, shall be made without approval of the ARB.

Section 19 – Leasing:

Each owner shall provide the Association with written notice of any lease or sale of his or her Lot for the purpose of updating the Association's records relative to the ownership and/or occupancy of said Lot. Further, the Board of Directors shall have the authority, but not the obligation, to require a uniform Information Form to be filled out by any prospective purchaser or tenant, and may charge a reasonable transfer fee to the Owner of the Lot and/or the prospective purchaser or lessee of the Lot, including, but not limited to, for the purposes of offsetting any administrative costs that the Association may incur in processing such Information Form. Owner may lease his/her Lot but for a term of no less than a six (6) months at a time. Each Owner shall be responsible for the acts and omissions, whether negligent or willful, of any person residing on his Lot, and for all guests, and invitees of the Owner or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the Common Areas, or any liability to the Association, the Owner shall be assessed for same as in the case of any other Assessment, limited where applicable to the proceeds of insurance carried by the Association. Furthermore, any violation of any of the provisions of this Declaration, of the Articles, or the Bylaws, by and resident of any Lot, or any guest or invitee of an Owner or any resident of a Lot, shall also be deemed a violation by the Owner, and the Owner shall be subject to the same liability as if such violation was that of the Owner.

With respect to any tenant or any person present on any Lot or any portion the Properties other than an Owner and the members of his immediate family permanently residing with him on the Lot, if such person materially violates any provision of this Declaration, the Articles or Bylaws, or if such person is the source of annoyance to the residents of the Properties, or willfully damages or destroys any Common Areas or personal property of the Association, then upon written notice by the Association, such person shall be required to immediately leave the Properties and if such person does not do so, the Association is authorized to commence an action to evict such tenant or compel the person to leave the Properties and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable Owner, and the Association may collect such Assessment and have a lien for same as elsewhere provided. The foregoing shall be in addition to any other remedy of the Association.

Section 20 – Parking:

Owners and their guests shall park in the garages or driveways, or as otherwise may be provided from time to time in the Association's Rules and Regulations. Additionally, residents and their guests are permitted to park in designated Common Area parking spaces, if any, on a first-come basis.

Section 21 – Additional Rules and Regulations:

The Declarant, until the Turnover Meeting, and thereafter the Board of Directors of the Association, may establish such additional Rules and Regulations as may be deemed for the best interests of the Association and its Members for purposes of enforcing the provisions of this Declaration. Provided, however, no Rules and Regulations shall be adopted by the Board which would adversely impact on the construction, development, sale or marketing of the Property or on the condition or appearance of the Property, or that are in conflict with the Master Association without the prior written consent of the Declarant.

Section 22 – Exemption for Declarant; Declarant's Easements:

The provisions of this Article VIII shall not apply to the Declarant, so long as the Declarant owns any property in Heritage Oaks at Tradition, or is doing construction or repair work in Heritage Oaks at Tradition. In addition to the property rights granted in this Declaration to the Declarant, as an Owner or otherwise, the Declarant is extended the right to enter upon the Property at any time and in any way reasonable necessary to allow the Declarant to construct, sell, or promote in this Property or to carry out any responsibility of the Declarant to Owners in such subdivisions.

ARTICLE IX - MATTERS CONCERNING THE WATER MANAGEMENT TRACTS AND EASEMENTS

Section 1 - Use of Property:

The Community Development Districts shall be responsible for the maintenance, operation, repair, and restoration of the Water Management Tracts (WMTs). The WMTs are not Common Areas nor are they Association property and no Owner shall have the right to utilize any of the WMTs.

The Community Development Districts shall be responsible for the maintenance of all drainage and water management facilities constructed in the Water Management Easements (WMEs). The Association shall be responsible for all drainage facilities constructed within the platted roadways and Private Drainage Easements (PDEs).

The lakes in the Property are for storm water containment and are not esthetic in nature or intended to be. Additionally, the

Association does not have any control over the water elevation levels.

ARTICLE X - INSURANCE AND CASUALTY LOSSES

Section 1 – Insurance:

The Association's Board of Directors or its duly authorized agent shall have the authority to obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Areas. 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 (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Areas, 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 policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Two Million (\$2,000,000.00) Dollar limit per occurrence, if reasonably available.

Additionally, the Board shall obtain a Directors and Officers liability policy with a \$1,000,000 limit.

Cost of insurance coverage obtained by the Association for the Common Areas shall be included in the General Assessment, as provided in Article VI. Premiums for all insurance on the Common Areas shall be General Expenses of the Association. The policy may contain a reasonable deductible, and 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 responsible for the 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 such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefited parties, as further identified in (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 an A.M. Best Company, Inc. rating of A or better, if reasonably available, or, if not available, the most nearly equivalent rating.
- (b) All policies on the Common Areas shall be for the benefit of the Owners and their Mortgagees as their interests may appear.
- (c) Exclusive authority to adjust losses under policies in force on the Properties obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no mortgagee having an interest in such losses may be prohibited from the 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 of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.
- (e) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:
 - i. that no policy may be canceled, invalidated or suspended on account of any one or more individual Owners;
 - ii. that no policy may be canceled, invalidated, or suspended on account of the conduct of any Director, officer, or employee 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;
 - iii. that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
 - iv. that no policy may be canceled or substantially modified without at least ten (10) days prior written notice to the Association.

- (f) The Association's Board of Directors may, in their discretion, obtain such other types of insurance for the Association, as they deem necessary.

In addition to the other insurance required by this section, the Board of Directors may obtain, as a General Expense, worker's compensation insurance if the Association has any employees and a fidelity bond or bonds on Directors, officers, employees, and other persons handling or responsible for the Association's funds. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten- (10) days' prior written notice to the Association.

Section 2 - Individual Insurance:

By virtue of taking title to a Lot subject to the terms of this Declaration, each Single-Family Lot Owner and Townhome Lot Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry homeowner insurance on the Lot(s) and structures constructed thereon. Each Single-Family Lot Owner and Townhome Lot Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction, and the Owner shall pay the costs of any repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is a Single-Family Lot and is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and return it to substantially the natural state (landscaped in a manner as determined by the Board of Directors) and the Owner shall continue to maintain the Lot in a neat and attractive condition and continue to be responsible for payment of Assessments as provided in Article VI. In the event that the structure is a Townhome Building and all units are totally destroyed and all Owners decide not to rebuild or to reconstruct, then the Owners shall clear the Lots of all debris and return it to substantially the natural state (landscaped in a manner as determined by the Board of Directors) and the Owners shall continue to maintain the Townhome Lots in a neat and attractive condition and continue to be responsible for payment of Assessments as provided in Article VI. Each Single-Family Lot Owner and Townhome Lot Owner is encouraged to purchase and maintain insurance at their own expense, which covers theft, damage and loss to personal property.

Section 3 - Disbursement of Proceeds:

Proceeds from insurance policies of Association shall be disbursed as follows:

- (a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, of 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 disbursing such costs of repairs or reconstruction to the Common Areas; and 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.
- (b) If it is determined, that the damage or destruction to the Common Areas for which the proceeds are paid shall not be repaired or reconstruction, such proceeds shall be retained by and for the benefit of the Association.

Section 4 - Damage and Destruction:

- (a) Immediately after the 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 of Directors, 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 paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty.
- (b) Any damage or destruction to the Common Areas shall be required or reconstructed unless at least eighty (80%) percent of the total vote of the 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) days. No mortgagee shall have the right to participate in the determination of whether the Common Areas damage or destruction shall be repaired or reconstructed.

Section 5 - Repair and Reconstruction:

If the damage or destruction to the Common Areas for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for Assessments. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE XI - INDEMNIFICATION OF DIRECTORS, OFFICERS AND COMMITTEE MEMBERS

Every Director, Officer and Committee Member of the Association shall be indemnified by the Association against all expenses and liability, including attorney's fees, incurred by or imposed upon him in connection with any proceeding to which they may be a party or in which he may become involved by reason of his being or having been a Director, Officer or Committee Member, whether or not they are a Director, Officer or Committee Member at the time such expenses are incurred, except in such cases where the Director, Officer or Committee Member is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties; provided however, that in the event of any claim for reimbursement or indemnification hereunder based upon a settlement or indemnification, the indemnification herein shall apply only if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, Officer or Committee Member may be entitled. Additionally, the Association shall obtain adequate Director's and Officer's liability insurance.

ARTICLE XII - SALES ACTIVITY AND DECLARANT'S RIGHTS

Notwithstanding any provision herein to the contrary, until the Declarant has completed, sold and conveyed all of the Lots within the Properties, neither the Owners, nor the Association nor their use of the Common Areas shall interfere with the completion of the contemplated improvements and the sale of Lots and any other sales activity of the Declarant, whether related to the Properties or other developments of the Declarant. The Declarant (or its duly authorized agents or assigns) may make such use of the unsold Lots and the Common Areas as may facilitate such completion and sale including, but not limited to, the maintaining of sales offices, construction trailers, model homes, and/or parking lots for the showing of the property, and the display of signs, billboards, flags, placecards and visual promotional materials. The Declarant shall have the right to use unimproved Lots for temporary parking of prospective purchasers and such other parties as Declarant determines. Each Lot and the Common Area is hereby subjected to an easement for the purposes set forth herein.

ARTICLE XIII - MORTGAGEES' RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of mortgages on Lots in the Properties.

Section 1 - Notices of Action:

A holder, insurer, or guarantor of a mortgage which is an Institutional Lender, who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot legal description), therefore becoming an "eligible holder", will be entitled to timely written notice of:

- 1) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a mortgage held, insured, or guaranteed by such eligible holder;
- 2) Any delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to the mortgage of such eligible holder, insurer, or guarantor, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;
- 3) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or
- 4) Any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2 - Special FHLMC Provision:

So long as required by the FHAVA Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing three Sections of this Article. Unless two-thirds (2/3) of the first mortgagees or Owners give their consent, the Association shall not:

- 1) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Areas, which the Association owns, directly or indirectly (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Properties shall not be deemed a transfer). Written approval from FHAVA is also required as long as Declarant is in control of the Association and providing FHAVA financing.
- 2) Change the method of determining the obligation, Assessments, dues, or other charges which may be levied against an Owner;
- 3) By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Areas;
- 4) Fail to maintain fire and extended coverage insurance, as required by this Declaration; or
- 5) Use hazard insurance proceeds for any Common Areas losses for other than the repair, replacement, or reconstruction of such Properties.

The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from mortgagees or Members where a larger percentage vote is otherwise required for any of the actions contained in this Section.

Mortgagees may, jointly or single, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas and may pay overdue premiums on casualty insurance policies, or secure new casualty insurance coverage upon the lapse of a policy, for the Common Areas, and mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 3 - No Priority:

No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

Section 4 - Notice to Association:

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owner's Lot.

Section 5 - Amendment by Board:

Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provision of this Article or make any such requirements less stringent, the Board, without approval of the Owners or the City of Port St. Lucie, may cause an amendment to this Article to be recorded to reflect such changes.

Section 6 - Applicability of Article XIII:

Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Florida law for any of the acts set out in this Article.

Section 7 - Failure of Mortgagee to Respond:

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

ARTICLE XIV - GENERAL PROVISIONS

Section 1 – Duration:

The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, the Association, the City of Port St. Lucie, or the Owner of any Lot subject to this Declaration, and their assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of at least eighty percent (80%) of the Lots and at least eighty percent (80%) of all Mortgagees, or its successors, has been recorded, agreeing to change or terminate said covenants and restrictions in whole or in part.

Section 2 – Notice:

Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. If any Member's address changes from the address on the Member's warranty deed, it is the Member's responsibility to notify the Association immediately via certified mail with such Member's new mailing address.

Section 3 – Enforcement:

Enforcement of this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction either to restrain violation or to recover damages, and against the land to enforce any lien created by this Declaration. Failure by the Declarant, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. This Declaration may also be enforced by the Architectural Review Board. The Association is hereby empowered to adopt reasonable Rules and Regulations for the imposition of fines (as per Section 5 of Article VI) to be levied against any Owner for failure to comply with the terms of this Declaration or Rules and Regulations of the Association. Any Rule or Regulation subjecting any Owner to fines shall include provisions for notice, hearing, appeal and fines. Fines shall constitute an Assessment due to the Association and upon failure to pay such fine within the period prescribed by the Association shall become a charge and continuing lien upon the Owner's Lot.

Section 4 – Severability:

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 5 – Amendment:

This Declaration may be amended from time to time by recording among the Public Records of the County an instrument executed by the President or a Vice President and attested to by the Secretary of the Association, indicating (if required pursuant to the terms hereof) that a meeting called for purposes of amendment was held and that the requisite number of Members formally approved the amendment, subject, however, to the following provisions:

- A. Except as provided herein below, an amendment initiated by any party other than Declarant must obtain the approval of at least two thirds (67%) of the votes of Members; provided that until the later of such time as the Declarant (i) relinquishes control of the Association, or (ii) no longer owns any property in Heritage Oaks at Tradition, all amendments must include the joinder of Declarant.
- B. Subject to the requirements of this Declaration, as long as Declarant owns any Lot or property within the Property, the Declarant shall have the absolute and unconditional right to alter, modify, supplement, change, revoke, rescind or cancel any or all the provisions contained in this Declaration including, but not limited to provisions relating to the addition of property subject to this Declaration, use restrictions and Assessments, without the joinder and consent of the Owners, the Association or any other individual or entity and the foregoing parties hereby waive any right to consent to such changes. Such changes may affect the entire Property or only specific portions of the Property, but shall be subject to applicable government approvals. Further, the Declarant may amend this Declaration at any time for the purpose of subjecting additional real property within Heritage Oaks at Tradition to this Declaration, without the joinder and consent of any other Owners, the Association, Mortgagees or any party.
- C. In addition to other government approvals which may be required, any amendment to this Declaration which would affect the surface water management system, including the water management portions of the Common Areas, must have the prior approval of the Community Development Districts.

- D. Any modifications to this Declaration applicable to or affecting the Master Declarant must have the prior approval of the Master Declarant.
- E. Any duly adopted amendment to this Declaration shall run with and bind the Property for the same period and to the same extent as do the covenants and restrictions set forth herein.

No amendment shall discriminate against any Owner or class or group of Owners, unless the Owners so affected join in the execution of the amendment. No amendment shall change the number of votes of any Owner or increase any Owner's proportionate share of the General Expense, unless the Owners and Institutional Lenders of such Lots so affected by such amendment join in the execution of the amendment. No amendment may prejudice or impair the priorities of Institutional Lenders granted hereunder unless all Institutional Lenders join in the execution of the amendment. No amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to Declarant, unless Declarant joins in the execution of the amendment.

Section 6 – Litigation:

No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of eighty percent (80%) of the Board of Directors. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Articles of Incorporation or Bylaws of the Association to the contrary, a Board member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of Members representing eighty percent (80%) of the total vote of the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of Assessments, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes per Section 5 hereof, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 7 – Community Development District.

The Association acknowledges that the Property lies within Westchester No. 4 Community Development District and is also subject to Westchester Community Development District No. 1 (collectively, the "Community Development District"), both of which are local units of special purpose government created in accordance with Florida Statutes, Chapter 190 ("CDD") to provide certain community services to the area in which the Properties are located. The Community Development District imposes and levies taxes or assessments, or both taxes and assessments on the property through a special taxing district. These taxes and assessments pay the construction, operation and maintenance costs of certain public facilities and services of the District and are set annually by the governing board of the District. These taxes and assessments are in addition to county and all other local governmental taxes and assessments and all other taxes and assessments provided for by law.

The officers, agents, employees and independent contractors of the Community Development District shall have a non-exclusive easement to enter upon any portion of the Properties for the purpose of performing or satisfying the duties and obligations of the Community Development District.

The Association shall have the power, and is hereby authorized, to contract with and to cooperate with both districts in order to ensure that their respective responsibilities are discharged. The Association is further authorized to act on behalf of its Members to ensure that the level of services provided by the both districts is consistent with the Community-Wide Standard.

Each Owner, by acceptance of his or her deed or recorded contract or sale, is deemed to covenant and consent to the creation of the District and to executing a separate document so consenting to the creation of the Community Development District, if requested to do so by Declarant.

Section 8 – Use of the Word "Tradition": No Person shall use the words "Tradition" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the terms "at Tradition" or "of Tradition" in printed or promotional matter where such term is used solely to specify that particular property is located within the Tradition Community.

Section 9 – Plat: In addition to this Declaration, the Property shall be subject to the additional covenants, restrictions, reservations and other terms and provisions set forth in the dedication or shown on the Plat of the Property, which is recorded or to be recorded in the Public Records of St. Lucie County and other matters of record.

Section 10 - Non-Condominium:

- A. The Association is not intended to be a condominium association and is not being created in accordance with Florida Statute, Chapter 718, in existence as of the date of recording this Declaration.
- B. The Common Areas are not intended to be condominium property under Florida Statute, Chapter 718, in existence as of the date of recording this Declaration and is not part of the common elements of any condominium.

Section 11 - Gender and Names: The use of the singular herein shall include the plural and the use of any gender shall include all genders.

Section 12 - Caption: The captions used in this Declaration and the exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon or used in construing the text of this Declaration or any exhibits hereto.

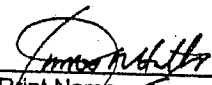
Section 13 - Effective Date:

This Declaration shall become effective upon its recordation in the Public Records of the County.

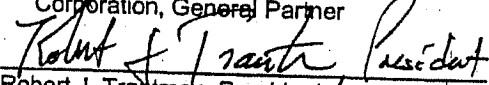
IN WITNESS WHEREOF, Homes by Kennedy II, Ltd., a Florida Limited Partnership, has caused this instrument to be executed in its corporate name by its duly authorized officers, and its corporate seal to be affixed this 26th day of January, 2005.

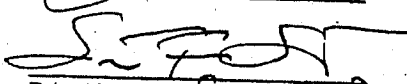
HOMES BY KENNEDY II, LTD., a Florida Limited Partnership

WITNESSES:


Print Name JAMES R. HELLS

By: Kennedy Construction Associates, Inc., a Florida Corporation, General Partner

By: 
Robert J. Trautman, President


Print Name SEAN P. D. WITH
(Corporate Seal)

STATE OF FLORIDA

COUNTY OF BROWARD

Personally appeared before me, the undersigned officers, Robert J. Trautman, President of Kennedy Construction Associates, Inc., a Florida corporation, who is personally known to me or, who has produced _____ as identification, and who acknowledged before me that he executed the foregoing Declaration as such officer for and in behalf of said corporation, as its act and deed.

WITNESS my hand and official seal this 26th day of January, 2005.

NOTARY PUBLIC

Print Name:

Commission Number:

My commission expires:



EXHIBIT "A"

TO

**DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS
FOR HERITAGE OAKS AT TRADITION**

Property Subject to Declaration

All of the Plat of TRADITION PLAT NO. 18, according to the Plat thereof as recorded in Plat Book 44, Pages 30 through 44 inclusive, of the Public Records of St. Lucie County, Florida.

EXHIBIT "B"

TO

DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS
FOR HERITAGE OAKS AT TRADITION

Description of Common Areas

All of the Plat of TRADITION PLAT NO. 18, according to the Plat thereof as recorded in Plat Book 44, Pages 30 through 44 inclusive, of the Public Records of St. Lucie County, Florida.

Less and excluding there from:

Lots 1 through 524 inclusive (single family) and any and all property owned by and/or dedicated to the Community Development District such as but not necessarily limited to water management tracts and preserve areas.

ON BOOK 217 PAGE 1401

EXHIBIT "C"

TO

DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR HERITAGE OAKS AT TRADITION

Initial Rules and Regulations of the Architectural Review Board

1. No carports shall be permitted.
2. Any Owner who desires to construct an improvement or structure of any kind on his Lot shall submit two complete sets of plans and specifications and samples (including colors) of proposed building materials to the Architectural Review Board (the "ARB") and must receive ARB approval from both the Association and the Master Association and all related governmental approvals/permits prior to commencing construction.
3. The exteriors shall be consistent with the theme adopted by the Declarant.
4. No fences are permitted other than as installed by the Declarant or as approved by the ARB. An Owner that chooses to fence in their yard (as approved by the ARB) must install a gate with a minimum width of 48" or Owner will assume the responsibility of mowing and maintaining the fenced-in portion of their yard should the Association decide to provide maintenance of lawn areas. This responsibility will not relieve the owner of any portion of the General Assessments. All fences must be constructed with white aluminum picket and rail at a height of five feet. Fence installation by Owner may require additional landscaping based on specific Lot location and exposure and may not encroach upon any lake maintenance easements.
5. Exterior covered porch areas can only be enclosed with screen enclosures.
6. Screen enclosures must be constructed with white aluminum frame and charcoal screen.
7. No aluminum, insulated roofs are permitted with screen enclosures.
8. All gutters must be white aluminum.
9. Playground equipment installed by homeowners, with ARB approval, must include adequate landscape material to provide screening from neighboring properties, must not block the lake views of any neighbors and must not be visible from the street.
10. No window or wall air-conditioning units are permitted.
11. All mailboxes or receptacles for the delivery of newspapers, magazines or mail shall be approved by the ARB prior to installation on any Lot, and shall be of the type originally installed by the Declarant.
12. No plant materials (except for annuals) shall be installed except by the approval and authority of the ARB and the further approval of the Association, and if approved, shall be installed by the contractor approved by the Association and shall consist of xeriscape landscape materials where and whenever appropriate.

EXHIBIT "C"

TO

**DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS
FOR HERITAGE OAKS AT TRADITION**

Initial Rules and Regulations of the Architectural Review Board

(continued)

13. PVC privacy fencing will only be approved for the "Southern" model as an expanded courtyard option.
14. No sign of any kind, including "For Sale" signs, shall be displayed to the public view on the Properties, without the prior consent of the Board of Directors of the Association. Additionally, any Lot Owner may display a sign of reasonable size (i.e. no greater than 12" by 12") provided by a contractor for security services within ten (10) feet of any entrance to the home.
15. The Board of Directors may, from time to time, establish hurricane shutter specifications (for both temporary and permanent installations) which comply with the applicable building code, and which establish the permitted colors, styles and materials for hurricane shutters, and the manner in which such hurricane shutters may be used. Temporary/permanent hurricane shutters may be installed/closed only when danger of a hurricane is imminent, usually when the National Weather Service or other recognized service indicates that a hurricane watch or warning is in effect. Such shutters must be completely removed/opened and the property restored to its original condition within 14 (fourteen) days from when such storm is no longer a threat to the community. In the event of a severe storm or hurricane, all exterior furniture, potted and/or unsecured plants and garden equipment, ornaments and any other unsecured items which may cause property damage to Association property or the property of other Owners must be moved indoors.
16. The ARB will make every reasonable attempt to be fair and equitable, but will not necessarily be bound by past decisions. The ARB reserves the right to disapprove applications for improvements that require a variance from the established guidelines if it believes that such changes are not in the best interest of the future of Heritage Oaks at Tradition, even if a precedent was set by a prior decision.

The ARB reserves the right to make a decision that is unique to a specific Owner which may differ from decisions made for other Owners due to the particular location and/or orientation of such Owner's respective Lot.

From time to time, the ARB will make a decision that, in retrospect, is not in the best interests of the community. The ARB reserves the right to recognize such a situation and document it in the minutes of a meeting, and no longer permit its use as a precedent. The same right applies if the ARB makes an error in allowing a change or addition to these Rules and Regulations.
17. All regulations, rules and restrictions contained in this Declaration of Restrictions and Protective Covenants, including but not limited to the general restrictive covenants pursuant to Article VIII, are applicable to each homeowner.

BYLAWS

OF

**HERITAGE OAKS AT TRADITION
HOMEOWNERS' ASSOCIATION, INC.**

BYLAWS

OF

**HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC.
(A Not-for-Profit Corporation Under the Laws of the State of Florida)**

ARTICLE I - IDENTITY

Section 1. The name of this corporation is HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC. hereinafter referred to as the "Corporation" or "Association".

Section 2. The initial principal office of the Corporation is 600 West Hillsboro Blvd., Suite 101, Deerfield Beach, FL 33441.

Section 3. The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation Not-for-Profit" and the year of the incorporation.

Section 4. All terms used herein which are defined in that certain Declaration of Restrictions and Protective Covenants for Heritage Oaks at Tradition, as it may be amended from time to time (the "Declaration"), shall have the same meaning herein as therein.

ARTICLE II - PURPOSES

The Association is organized to serve as the instrumentality of Owners in the Property for the purpose of controlling and regulating use of the amenities therein; of promoting, assisting and providing adequate and proper maintenance of the Property for the benefit of all Owners therein; the maintenance of the land and facilities; to exercise all powers and discharge all responsibilities granted to it as a corporation not-for-profit under the laws of the State of Florida, its Articles of Incorporation, these Bylaws and the Declaration; to acquire, hold, convey and otherwise deal with real and/or personal property in the Association's capacity as a homeowners association and to otherwise engage in such additional lawful activities for the benefit, use, convenience and enjoyment of its Members as it may deem proper.

ARTICLE III - DIRECTORS AND OFFICERS

Section 1. Directors.

A. The affairs of the Association shall be managed by a Board of Directors which shall consist of not less than three (3), and no more than nine (9) Members. Each Director shall have one (1) vote. The initial Board shall consist of the individuals named in the Articles of Incorporation of the Association, who shall serve until the earlier of the following events:

- The meeting in which the Declarant relinquishes control of the Association (the "Turnover Meeting")
- Replacement by the Declarant
- Resignation by the Board Member

B. At the Turnover Meeting and at each annual meeting thereafter, the Board of Directors shall be elected by the Members of the Association.

C. Directors shall be elected as follows: Prior to each annual meeting, the Board of Directors may appoint a Nominating Committee consisting of up to three (3) non-Director Members. If appointed, the Nominating Committee shall

solicit nominations for candidates for the Board from all Members in good standing and consider all nominations for candidacy. Only one Member per Lot may be nominated. A Member may nominate himself or herself or another Member as a candidate for the Board at the annual meeting from the floor. The election shall be by written ballot (unless dispensed with by unanimous consent). Members shall vote in person at the annual meeting or by proxy prior to the meeting. Directors for the Board must be elected by a plurality of the votes cast; with each Member voting being entitled to cast his/her votes for each of as many nominees as there are vacancies to be filled.

D. There shall be no cumulative voting.

E. The organizational meeting of the newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected and no further notice of the organizational meeting shall be necessary.

F. Until such time as Developer relinquishes control of the Association, no director or officer need be a Member of the Association. Thereafter, all Directors and officers must be Members of the Association and no person and his or her spouse shall serve on the Board at the same time. Additionally, until such time as Developer relinquishes control of the Association, all Directors and officers shall be appointed solely by the Developer. No officer or director appointed by the Developer can be removed except by the Developer.

Section 2. Officers. The executive officers of the Association shall be: President, Vice President, Secretary and Treasurer and such other officers as the Board of Directors may appoint. The officers named in the Articles of Incorporation shall serve until replaced by the Developer, until their resignation or until the turnover of the Association by the Developer, whichever shall occur first. Officers elected at the first meeting of the Board shall hold office until the next annual meeting of the Directors or until their successors shall have been appointed and shall qualify. So long as Developer retains the right of appointment of all Members of the Board of Directors, no officer appointed by the Board shall serve the Association until such time as Developer approves the appointment. Upon the appointment of an officer by the Board of Directors, whether the appointment occurs at the annual meeting or otherwise, the Board shall forthwith submit the name of such newly appointed office or officer, as the case may be, in writing to Developer. Developer shall approve or disapprove said officer or officers, within thirty (30) days after receipt of said name or names. In the event Developer fails to act within such time period, such failure shall be deemed approval by Developer.

Section 3. Resignation, Vacancy, Removal.

A. Resignation: Any director or officer of the Association may resign at any time, by instrument in writing. Resignations shall take effect at the time specified therein and if no time is specified, resignations shall take effect at the time of receipt by the President or Secretary of the Association. The acceptance of a resignation shall not be necessary to make it effective.

B. Director Vacancy: When a vacancy occurs on the Board of Directors, the vacancy shall be filled by Developer until such time as Developer relinquishes control of the Association. Subsequent to the turnover meeting, a vacancy occurring on the Board of Directors shall be filled by the remaining Members of the Board and at the next Board meeting, the Board shall elect a person to serve for the remainder of the unexpired term. The Developer shall be entitled at any time, and from time-to-time, to remove or replace any director originally appointed by the Developer. The Developer may waive or relinquish, in whole or in part, any of its right to appoint any one or more of the Directors it is entitled to appoint.

C. Officer Vacancy: When a vacancy occurs in an office for any reason before an officer's term has expired, the office shall be filled by the Board of Directors at its next meeting by electing a person to serve for the unexpired term or until a successor has been elected by the Board of Directors and shall qualify. So long as Developer has or retains the right of appointment of all members of the Board of Directors, no officer appointed hereunder shall serve the Association until such time as Developer has approved the appointment.

D. Status of Developer: The Developer shall be deemed to be a Member of the Association from and after the date of the recordation of the Declaration in the public records of the County, which membership shall continue so long as Developer owns any Lot(s) within the Property.

E. Removal: Any officer may be removed with or without cause by a majority vote of the full Board of Directors at a meeting of Directors called at least in part for the purpose of considering such removal. Any officer or director may be removed with or without cause and, for any reason, upon a petition in writing by a majority of the Members of the Association approved at a meeting of Members called at least in part for this purpose, by a majority vote of the membership; provided, however, that removal by a vote of the membership shall not apply so long as Developer has the right to appoint all Members of the Board of Directors. The petition calling for the removal of such officer or director shall set forth a time and place for the meeting of Members and notice shall be given to all Members of such meeting in the manner provided in these Bylaws for the giving of notices of special meetings. At any such meeting, the officer or director whose removal is sought shall be given the opportunity to be heard. In addition, during the period of time during which Developer has or retains the right of appointments of all Members of the Board of Directors, any officer or member of the Board of Directors may be removed with or without cause by Developer at its discretion.

Section 4. Indemnification of Directors, Officers and Committee Members.

Every director, Officer and Committee Member of the Association shall be indemnified by the Association against liability and expenses which he may incur by reason of his/her being or having been a Director, Officer or Committee Member of the Association in accordance with the terms of the Articles of Incorporation of the Association (hereinafter referred to as the "Articles of Incorporation") and the Declaration.

Section 5. Compensation.

No Director or Officer shall receive any compensation from the Association for acting as such, provided any Director or Officer may be reimbursed for expenses incurred on behalf of the Association upon approval of the other Directors.

ARTICLE IV – POWERS & DUTIES OF THE ASSOCIATION AND THE EXERCISE THEREOF

The Association shall have all powers granted to it by common law, Florida Statutes, the Declaration, the Articles of Incorporation and these Bylaws, all of which shall be exercised by its Board of Directors unless the exercise thereof is otherwise restricted in the Declaration, these Bylaws or by law. The powers of the Association shall include, but not be limited to, the following:

1. All of the powers specifically provided for in the Declaration, the Articles of Incorporation and these Bylaws.
2. To prepare and adopt an annual budget in which there shall be established the contribution of each owner to the General Expenses and other expenses of the Association.
3. To levy and collect Assessments against Lots, as provided for in the Declaration.
4. To collect from Members Master Association Assessments which are made and levied by the Master Association, and promptly remit such funds to the Master Association, as provided for in the Declaration.
5. To expend monies collected for the purpose of paying the General Expenses and other expenses of the Association.
6. To keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred.
7. To purchase equipment, supplies and material required for the maintenance, repair, replacement, operation and management of the Common Area and that portion of the Lots outside the Units.
8. To insure and keep insured the Buildings and Improvements within the Property and insure against casualties and liabilities as provided in the Declaration.

9. To employ the personnel required for the operation of the Association and the Common Area and that portion of the Lots outside the Units.
10. To allow utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.
11. To pay utility bills for utilities serving the Common Area.
12. To contract for the management of the Association and to delegate to its contractor as manager, such duties and services as the Board shall authorize.
13. To make reasonable Rules and Regulations and traffic regulations and to amend them from time to time.
14. To improve the Common Area, subject to the limitations of the Declaration.
15. To enforce by any legal means the provisions of the Articles of Incorporation, the Bylaws, the Declaration and the rules and regulations and traffic regulations promulgated by the Association.
16. To collect delinquent Assessments by suit or otherwise and to abate nuisances and enjoin or seek damages from Owners for violation of the provisions of the Declaration, the Articles of Incorporation, these Bylaws, the Rules and Regulations or the traffic regulations.
17. To pay all taxes and assessments which are liens against the Common Area.
18. To control and regulate the use of the Common Area by the Owners and to promote and assist adequate and proper maintenance of that property.
19. To borrow money and the power to select depositories for the Association's funds and to determine the manner or receiving, depositing and disbursing those funds and the form of check and the person or persons by whom the same shall be signed, when not signed as otherwise provided by these Bylaws. Borrowings are not to exceed 5% of the budgeted gross expenses of the Association for the current fiscal year and must be approved by two-thirds (2/3) of the Board members.
20. To acquire real and personal property for the benefit and use of its Members and to dispose of the Property in accordance with the Declaration and the Articles of Incorporation.
21. To enter into a long term contract with any person, firm, corporation or real estate management or maintenance agent of any nature or kind, to provide for the maintenance, operation or repair and upkeep of the Common Area, the lake easements, and of any facilities on lease to the Association or otherwise provided for the Member's usage. The contract may provide that the total operation of the managing agent, firm or corporation shall be at the cost of the Association as a General Expense. The contract may further provide that the managing agent shall be paid from time to time a reasonable fee either stated as a fixed fee or as a percentage of the total costs of maintenance, operation, repair and upkeep or of the total funds of the Association handled and managed by the managing or maintenance agent. Such fee, if any, shall be another of the management function costs to be borne by the Association, as a General Expense, unless the contract provides to the contrary.
22. To establish additional officers and/or Directors of this Association and to appoint all officers, except as otherwise provided herein.
23. To appoint such committees as the Board of Directors may deem appropriate.
24. To establish such reserve funds, as may be required from time to time by the Board of Directors, in accordance with the provisions of the Declaration.

25. To bring suit and to litigate on behalf of the Association, the Members and the Owners' provided, however, that except as specifically set forth in this Paragraph 24, the Association shall not have the power to bring suit or to litigate on behalf of the Association, the Members or the Owners without the express prior written consent of at least eighty (80%) of the Owners. The foregoing restrictions shall not apply to suits or litigation on behalf of the Association to collect Assessments, enforce liens, bring injunctive actions or to otherwise enforce the Articles of Incorporation, the Bylaws, the Declaration, the Rules and Regulations or the traffic regulations promulgated by the Association, nor shall these restrictions apply to the Association's defense of any suits or litigation brought against the Association. The foregoing restrictions shall not apply while the Developer is in control of the Association.
26. To make available to any prospective purchase of a unit, any Owner of a unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the Unit and all other books, records and financial statements of the Association.
27. To ensure that the Community Development District's, (if any) responsibilities are properly discharged: The Board is authorized to act on behalf of the Members to ensure that the level of services provided by the Community Development District (if any), is consistent with community standards.
28. To possess, employ and exercise all powers necessary to implement, enforce and carry into effect the powers above described, including the power to acquire, hold, convey and deal in real and personal property.

ARTICLE V – DUTIES OF OFFICERS

Section 1. President. The President shall be the chief executive officer of the Association and shall:

- A. Act as presiding officer at all Association and Board of Director meetings.
- B. Call special meetings of the Board of Directors.
- C. Sign, with the Secretary or Treasurer as the Board of Directors so requires, all checks, contracts, Promissory notes, leases, deeds and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons.
- D. Perform all acts and duties usually required of a chief executive to insure that all orders and resolutions of the Board of Directors are carried out.
- E. Act as ex-officio member of all committees, except the Fining Committee, and render an annual report at the annual meeting of Members.

Section 2. Vice President. The Vice President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. The Vice President also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

Section 3. Secretary. The Secretary shall have the following duties and responsibilities:

- A. Attend all regular and special meetings of the Members of the Association and of the Board of Directors and keep all records and minutes or proceedings thereof or cause the same to be done.
- B. Have custody of the corporate seal and affix the same when necessary or required.
- C. Attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings, keep membership books and, if applicable, receive all applications for membership.
- D. Perform such other duties as the Board of Directors may determine and on all occasions in the execution

of duties, act under the supervision, control and direction of the Board of Directors.

- E. Have custody of the minute book of the meetings of the Board of Directors and Members and act as transfer agent of the corporate books.

Section 4. Treasurer. The Treasurer shall:

- A. Attend all meetings of the Membership and of the Board of Directors.
- B. Receive such monies as shall be paid into his/her hands for the account of the Association and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for such disbursements and be custodian of all securities, contracts, leases and other important documents of the Association which he/she shall keep safely deposited.
- C. Supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association and deliver such books to his/her successor. The Treasurer shall prepare and distribute to all of the Members of the Board of Directors prior to each annual meeting and whenever else required, a summary of the financial transactions and condition of the Association from the preceding year. The Treasurer shall make a full and accurate report on matters and business pertaining to his/her office to the Members at the annual meeting and make all reports required by law. The Treasurer shall prepare or supervise the preparation of the annual budget and present it to the Board of Directors for its consideration.
- D. The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Association as a General Expense. In the event the Association enters into a management agreement, it shall be proper to delegate such of the Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

Section 5. Vice President / Treasurer. The Vice President/Treasurer shall be permitted as one person/officer to conduct the aforesaid duties and responsibilities of both offices.

ARTICLE VI – MEMBERSHIP & VOTING

Section 1. Qualification for Membership. The qualifications for membership and the manner of admission to membership, and termination of such membership, shall be as follows: A person or entity shall automatically become a Member of the Association upon acquisition of fee simple title to any Lot, by filing a deed therefore in the public records of St. Lucie County, Florida. Membership shall continue until such time as the Member transfers or conveys his interest of record or the interest is transferred or conveyed by operation of law, at which time membership, with respect to the Lot conveyed, shall automatically be conferred upon the transferee. Membership shall be appurtenant to any may not be separated from, ownership of property subject to the Declaration.

No person or entity holding an interest of any type or nature whatsoever in a Lot only as security for the performance of an obligation shall be a member of the Association. Developer, by including additional property within the imposition of the Declaration, may cause additional membership in the Association and may designate the ownership basis for such additional membership. The Developer shall be a Member of the Association from and after the date of recordation of the Declaration, which membership shall continue so long as Developer owns any Lot(s) within the Property.

Section 2. Voting. The Association shall have two (2) classes of voting membership, Class "A" and Class "B", as more fully set forth in Article IV of the Declaration; the terms of which pertaining to membership are specifically incorporated herein by reference. Each member (Class "A" voter), except the Declarant (Class "B" voter), shall be entitled to one vote for each Lot in which they hold interest required for Membership. The Declarant shall be entitled to 1,000 votes, so long as Declarant retains control of Association as outlined in Article XVI herein. Votes may be exercised or cast by a Member in person or by proxy. Proxies may be filed with the Secretary of the Association prior to the meeting. A proxy shall be valid for a period up to ninety (90) days after the date of the meeting for which it was originally given and

entitle the holder thereof to vote until the Secretary shall have received a written revocation of such proxy executed by the grantor of such proxy or until the death or legal incompetence of the grantor. When more than one (1) person holds such interest or interests in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any such Lot. With respect to each Lot owned by other than a natural person or persons or with respect to each Lot owned by more than one person, the Owner(s) shall file with the Secretary of the Association a notice designating the name of an individual who shall be authorized to cast the vote of such Owner(s). In the absence of such designation, the Owner(s) shall not be entitled to vote on any matters coming before the membership, nor shall the presence of such Owner(s) at a meeting be considered in determining whether the quorum requirement has been met. If a Lot shall be owned by husband and wife as tenants by the entirety, no certificate need be filed with the Secretary naming the person authorized to cast votes for said Lot and either spouse, but not both, may vote in person or by proxy and be considered in determining whether the quorum requirement has been met at any meeting of the Members, unless prior to such meeting, either spouse has notified the Secretary in writing that there is a disagreement as to who shall represent the Lot at the meeting, in which case the certificate requirements set forth above shall apply.

ARTICLE VII – MEETINGS

Section 1. Meetings of Members.

- A. **Place of Meetings:** All meetings of the Association shall be held at the office of the Association or may be held at such time and place as shall be stated in the notice thereof.
- B. **Annual Meetings:** Annual Members' meetings shall be held in St. Lucie County upon such date as shall be selected by the Board of Directors. No meeting shall be held on a legal holiday. The meeting shall be held at such time as the Directors shall appoint. The purpose of such meeting shall be the election of Directors and the transaction of other business authorized to be transacted by Members. The order of business shall be as determined by the Board of Directors.
- C. **Special Meetings:** Special meetings shall be held whenever called by the President or by a majority of the Board of Directors and must be called by the Secretary, upon receipt of a written request from Members of the Association holding a majority of the total votes of the Membership. Business transacted at all special meetings shall be confined to the objects and actions to be taken as stated in the notice of the meeting.
- D. **Quorum:** A quorum for the transaction of business at the annual meeting or any special meeting shall consist of thirty percent (30%) of the total votes of the membership, being present either in person or by proxy, but the Members present at any meeting although less than a quorum, may adjourn the meeting to a future date.
- E. **Voting Required to Make Decisions:** When a quorum is present at any meeting, the vote of a majority of the Member's votes present in person or by proxy shall decide any question brought before the meeting, unless the Declaration, the Articles of Incorporation, these Bylaws or any applicable statute provides otherwise.

Section 2. Directors' Meetings.

- A. **Annual Meeting:** The annual meeting of the Board of Directors shall be the organizational meeting and shall be held immediately following the adjournment of the annual meeting of Members or within ten days thereafter. The Board of Directors may establish a schedule of regular meetings to be held at such place as the Directors may designate.
- B. **Special Meetings:** Special meetings of the Board of Directors may be called by the President, upon notice to each Director to be delivered by telephone, mail or in person. Special meetings may also be called on written request of three (3) Directors. All notices of special meetings shall state the purpose,

time and place of the meeting.

- C. **Quorum:** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the acts of a majority of the Directors present at such meeting at which a quorum is present, shall be the acts of the Board of Directors except where approval by a greater number is required by the Declaration, the Articles of Incorporation or these Bylaws. At any meeting at which a quorum is not present, the presiding officer may adjourn the meeting from time to time and at any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.
- D. **Joinder:** The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.
- E. **Written Action:** Any action required to be taken at a meeting of the Directors may be taken without a meeting if written consent in writing setting forth the action so to be taken is signed by all of the Directors and is filed in the minutes of the proceedings of the Boards. Such consent shall have the same effect as a unanimous vote.
- F. **Order of Business:** The order of business at Directors' meetings shall be as determined by the Board of Directors. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.
- G. **Telephone Meeting:** Any regular or special meeting of the Board of Directors may be held by telephone conference, at which each participating member can hear and be heard by all other participating members.
- H. **Presiding Officer:** In the absence of the presiding officer, the other Directors present shall designate one of their number to preside.
- I. All meetings of the Board must be open to all Members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney – client privilege.

ARTICLE VIII – NOTICE OF MEMBERS' MEETINGS

Section 1. **Annual Meeting.** Written notice of the annual meeting of Members shall be served upon or mailed to each Member entitled to notice, at least ten (10) days, and no more than sixty (60) days, prior to the meeting. Such notice shall be hand delivered or mailed to each Member at its address as it appears on the books of the Associations. Proof of such mailing may be given by the affidavit of the person giving the notice.

Section 2. **Board Meetings.** Except for the annual meeting, notices of all Board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency, and except as may be otherwise required by law. In the alternative, if notice is not posted in a conspicuous place in the community, notice of each Board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency.

Section 3. **Waiver.** Nothing herein is to be construed to prevent Members from waiving notice of meetings or acting by written agreement without meetings.

ARTICLE IX – PROCEDURE

Robert's Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with

the Articles of Incorporation and Bylaws of the Association or with the Statutes of the State of Florida.

ARTICLE X – ASSESSMENTS AND MANNER OF COLLECTION

The Board of Directors shall have the power to levy and enforce Assessments against Lots and Owners, as set forth in the Declaration.

ARTICLE XI – FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year; provided, however, that the Board of Directors is authorized to change to a different fiscal year at such time as the Board deems it advisable.

Section 2. Depositories. The funds of the Association shall be deposited in such accounts as may be selected by the Board of Directors, including checking and savings accounts in one (1) or more banks and/or savings and loan associations, with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. Association funds shall be withdrawn only over the signature of the President or such other persons as the Board may authorize. The Board may require more than one (1) signature on checks and bank drafts. The funds shall be used only for Association purposes.

Section 3. Reserve Accounts. The Association shall establish and maintain such reserve accounts as shall be required from time to time by the Board of Directors, in accordance with the provisions of the Declaration. Payments to the reserve account and other incidental expenses incurred by the Association administering and carrying out this provision shall be a General Expense.

Section 4. Fidelity Bonds. Fidelity bonds may be required by the Board of Directors for all officers and employees of the Association and from any contractor, director, or officer handling or responsible for Association funds. The premiums for such bonds may be paid by the Association as a General Expense.

Section 5. Records. The Association shall maintain accounting records according to good practice which shall be open to inspection by Members at reasonable times. Such records shall include a record of receipts and expenditures and accounts for each Member, which accounts shall designate the name and address of the Member, the due dates and amount of each Assessment, the amounts paid upon the account and the balance due. A register for the names of all Mortgagees who have notified the Association of their liens and to which lien holder the Association will give notice of default if required, shall also be maintained.

Section 6. Annual Statement. The Board of Directors shall present annually to the Members, a full and clear, compiled or reviewed financial statement of the business and condition of the Association, as prepared by an independent accountant.

Section 7. Insurance. The Association shall procure, maintain and keep in full force and effect, such insurance as may be required by the Declaration to protect the interests of the Association, its Officers, Directors, and Committee Members and the Members.

Section 8. Expenses. The receipts and expenditures of the Association may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices.

Section 9. Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the General Expenses and other expenses of the Association, and to provide and maintain funds for the accounts established by the Board of Directors, in accordance with good accounting practices.

ARTICLE XII – RULES & REGULATIONS AND TRAFFIC REGULATIONS

The Board of Directors may, from time to time, adopt rules and regulations governing the details of the operation and use of the Property and traffic regulations governing the use of the Streets, provided that the Rules and Regulations and traffic regulations shall be equally applicable to all Members except the Developer and uniform in application and effect.

ARTICLE XIII – VIOLATIONS & DEFAULTS

In the event of a violation of any of the provisions of the Declaration, these Bylaws, the Rules and Regulations or traffic regulations adopted by the Association or the Articles of Incorporation, the Association shall have all rights and remedies provided by law, including without limitation (and such remedies shall be cumulative) the right to sue for damages, the right to impose a special Assessment for non-compliance, as provided in the Declaration, the right to injunctive relief and in the event of a failure to pay Assessments or to abide by the architectural restrictions in the Declaration, the right to foreclose its lien as provided in the Declaration; and in every such proceeding, the Owner at fault shall be liable for court costs and the Association's attorney's fees, including such costs and attorneys' fees on appeal. A suit to collect unpaid Assessments may be prosecuted by the Association without waiving the lien securing such unpaid Assessments, costs and attorney's fees.

ARTICLE XIV – AMENDMENT

Until turnover, Declarant may unilaterally amend these Bylaws. Thereafter, these Bylaws may be amended only by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of Voting Members representing a majority of the total votes of the Association, including a majority of the votes held by Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No change or amendment to these Bylaws that adversely impacts the Declarant shall have any force or effect as to the Declarant as long as Declarant owns Lots in the Property, unless Declarant consents in writing to such change or amendment. No amendment shall be effective until recorded in the public records of St. Lucie County, Florida.

ARTICLE XV – NOTICES

Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

- A. If to a Member or Voting Member, at the address which the Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address last known of such member or Voting Member; or
- B. If to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

ARTICLE XVI – DEVELOPER'S CONTROL

Anything contained herein to the contrary notwithstanding, the Developer shall have the right to retain control of the Association until the earlier of the following events: (i) after the date the Developer has conveyed title to 90% of the Lots located within the Property; or (ii) such earlier time as is determined by Developer, in the developer's sole discretion. Prior to ninety (90) days after the happening of the earliest of the foregoing events, the Association shall conduct the Turnover Meeting. So long as Developer retains control of the Association, Developer shall have the right to appoint all members of the Board of Directors and to approve the appointment of all Officers of the Association and no action of the membership of the Association shall be effective unless and until approved by the Developer. So long as Developer owns any lots within the Property, these Bylaws shall not be amended to adversely impact the Developer, unless approved by the Developer in writing.

ARTICLE XVII - VALIDITY

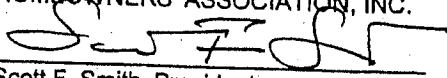
If any Bylaw, rule, regulation or traffic regulation shall be adjudged invalid, such fact shall not affect the validity of any other Bylaw, rule or regulation or traffic regulation.

ARTICLE XVIII - CONFLICT

These Bylaws and the Articles of Incorporation of the Association shall be construed, in case of any ambiguity or lack of clarity, to be consistent with the provisions of the Declaration. In the event of any conflict between the provisions of Florida law, the terms of the Declaration, the Articles of Incorporation or these Bylaws, the following order of priority shall apply: The provisions of Florida law, the Declaration, the Articles of Incorporation and the Bylaws.

The foregoing was adopted as the Bylaws of HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC., a not-for-profit corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on the 8th of December, 2004.


HERITAGE OAKS AT TRADITION
HOMEOWNERS' ASSOCIATION, INC.



Scott F. Smith, President

(CORPORATE SEAL)

ATTEST:



Michael E. Ehrlich, Secretary

ARTICLES OF INCORPORATION

OF

**HERITAGE OAKS AT TRADITION
HOMEOWNERS' ASSOCIATION, INC.**

State of Florida



Department of State

I certify from the records of this office that HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on November 16, 2004.

The document number of this corporation is N04000010859.

I further certify that said corporation has paid all fees due this office through December 31, 2004, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Nineteenth day of November, 2004



CR2EO22 (2-03)

Glenda E. Hood
Glenda E. Hood
Secretary of State

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, filed on November 16, 2004, as shown by the records of this office.

The document number of this corporation is N04000010859.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Nineteenth day of November, 2004



CR2EO22 (2-03)

Glenda E. Hood

Glenda E. Hood
Secretary of State

ARTICLES OF INCORPORATION

OF

HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC. (A Florida Corporation Not-for-Profit)

04 NOV 16 PM 2:50

The undersigned hereby executes these Articles of Incorporation for the purpose of forming a corporation not for profit under Chapter 617 (1990) of the Florida Statutes (the "Florida Not for Profit Corporation Act") and certifies as follows:

ARTICLE I - NAME

The name of this corporation shall be HERITAGE OAKS AT TRADITION HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association" and its duration shall be perpetual.

ARTICLE II - PURPOSE

The purpose for which the Association is organized is to engage a non-profit organization in protecting the value of the "Property" of the members of the Association, to exercise all the powers and privileges and to perform all of the duties and obligations of the Association as defined and set forth in that certain Declaration of Restrictions and Protective Covenants for HERITAGE OAKS AT TRADITION, as it may be amended from time-to-time (the "Declaration") to be recorded in the office of the Clerk of the Circuit Court in and for St. Lucie County, Florida, including the establishment and enforcement of payment of charges and assessments contained therein and to engage in such other lawful activities as may be to the mutual benefit of the Members and their property. All terms used herein which are defined in the Declaration shall have the same meaning herein as therein. The Association is subordinate to the authorities of Tradition Community Association, Inc., (the "Master Association"), a Florida non-profit corporation, pursuant to the authorities granted to the Master Association in its Community Charter For Tradition applicable to the property and recorded in the Official Records Book 1700, Pages 868-1009, Public Records of St. Lucie County, Florida, its Articles of Incorporation and its Bylaws, as amended from time to time; and, as set forth in the Declaration.

ARTICLE III - POWERS

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

Section 1. Common Law and Statutory Powers. The Association shall have all of the common law and statutory powers of a corporation not-for-profit which are not in conflict with the terms of these Articles and the Declaration.

Section 2. Necessary Powers. The Association shall have all of the powers reasonably necessary to implement its purpose, including, but not limited to, the following:

- A. To own, operate, manage and convey the Common Area in accordance with the purpose and intent contained in the Declaration;
- B. To levy and collect Assessments against Members to defray the General Expenses and other expenses of the Association;
- C. To collect from Members Master Association Assessments which are made and levied by the Master Association, and promptly remit such funds to the Master Association;
- D. To use the proceeds of Assessments in the exercise of its powers and duties;
- E. To maintain, repair, replace and operate the Common Area, and to maintain any easements (lakes, retention areas, culverts and related appurtenances, etc.) that may exist.
- F. To reconstruct Improvements upon the Property after casualty and to further improve the Property;

- G. To make and amend the Bylaws for the Association and regulations regarding the use of the Property;
- H. To pay all taxes and other assessments which are liens against the Common Area;
- I. To enforce by legal means the provisions of the Declaration, these Articles, the Bylaws, the Rules and Regulations and the traffic regulations for the use of the Property;
- J. To establish and maintain such reserve funds, as may be required from time-to-time by the Board of Directors, in accordance with the provisions of the Declaration;
- K. To bring suit and to litigate on behalf of the Association, the Members and the Owners; provided, however, that except as specifically set forth in this Paragraph K, the Association shall not have the power to bring suit to litigate on behalf of the Association, the Members or the Owners without the express prior written consent of at least eighty percent (80%) of the Owners. The foregoing restriction shall not apply to suits or litigation brought on behalf of the Association to collect assessments, enforce liens, bring injunctive action or to otherwise enforce these Articles of Incorporation, the Bylaws, the Declaration, the Rules and Regulations or the traffic regulations promulgated by the Association nor shall this restriction apply to the Association's defense of any suits or litigation brought against the Association. The foregoing restrictions shall not apply while Developer is in control of the Association;
- L. To provide for management and maintenance and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the collection of Assessments, preparation of records, enforcement of rules and traffic regulations and maintenance of the Common Area. The Association shall, however, retain at all times the powers and the duties granted it by common law, Florida Statutes and local ordinances including, but not limited to, the making of Assessments, the promulgation of rules and the execution of contracts on behalf of the Association;
- M. To possess, enjoy and exercise all powers necessary to implement, enforce and carry into effect the powers above described, including the power to acquire, hold, convey and deal in real and personal property;
- N. To employ personnel, retain independent contractors and professional personnel and enter into service and management contracts to provide for the maintenance, operation, management and administration of the Common Area and to enter into any other agreements consistent with the purposes of the Association;
- O. To provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Association mandate to keep and maintain the Common Area in a proper and aesthetically pleasing condition;
- P. To perform any acts required or contemplated by it under the Declaration.

Section 3. Funds and Title to Properties. All funds and title to all properties acquired by the Association and the proceeds thereof shall be held only for the benefit of the Members in accordance with the provisions of the Declaration. No part of the income, if any, of the Association shall be distributed to the Members or Officers of the Association.

Section 4. Limitation. The powers of the Association shall be subject to and be exercised in accordance with the provisions of the Declaration.

ARTICLE IV – MEMBERSHIP

Qualification for, and admission to, membership in the Association shall be regulated by the Declaration and the Bylaws of the Association.

ARTICLE V – BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors consisting of not less than three (3) and no more than nine (9) Directors. Until such time as Developer relinquishes control of the Association, as described in the Declaration, Developer shall have the right to appoint all members of the Board of Directors and to approve the appointment of all Officers of the Association and no action of the membership of the Association shall be effective unless, and until, approved by the Developer. Further, until such time as Developer relinquishes control of the Association, as aforesaid, no Director or Officer need be a member of the Association; thereafter, all Directors and Officers must be Members of the Association except such Directors that are appointed by the Developer, as provided herein. The number of Directors constituting the initial Board is three (3) and they shall serve until such time as Developer relinquishes control of the Association or until replaced by Developer.

The Developer shall be entitled at any time, and from time-to-time, to remove or replace any Director originally appointed by the Developer. The Developer may waive or relinquish in whole or in part any of its rights to appoint any one or more of the Directors it is entitled to appoint. Commencing with the first annual meeting of Members to occur concurrent with the date on which Developer relinquishes control of the Association, the Directors shall be elected by the Members of the Association at the annual meeting.

The following persons shall constitute the initial Board of Directors:

<u>Name</u>	<u>Address</u>
Scott F. Smith	600 West Hillsboro Blvd., Suite #101 Deerfield Beach, FL 33441
James R. Hills	Same as above
Michael E. Ehrlich	Same as above

ARTICLE VI – OFFICERS

The affairs of the Association shall be managed by the Officers of the Association subject to the directions of the Board. Officers shall be elected by the Board of Directors at the annual meetings of the Directors, as provided in the Bylaws. Until such time as Developer relinquishes control of the Association, as provided in the Declaration, Developer shall have the right to approve all of the Officers elected. The initial Officers shall consist of a President, Vice President, Secretary and Treasurer. The President shall be elected from amongst the Directors, but no other Officer need be a Director. The same person may hold the title of Vice President and Treasurer. However, the offices of President and Secretary may not be held by the same person, nor may the offices of President and Vice President be held by the same person.

The following persons shall serve as the initial Officers:

<u>Name</u>	<u>Title</u>
Scott F. Smith	President
James R. Hills	Vice President / Treasurer
Michael E. Ehrlich	Secretary

ARTICLE VII – TERM

The term for which the Association is to exist shall be perpetual. In the event of dissolution of the Association (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Association shall be transferred only to another not-for-profit corporation or dedicated or conveyed to an appropriate governmental agency agreeing to accept such dedication or conveyance.

ARTICLE VIII – INDEMNIFICATION OF DIRECTORS, OFFICERS AND COMMITTEE MEMBERS

Every Director, Officer and Committee Member of the Association shall be indemnified by the Association, except in such cases where the Director, Officer or Committee Member is adjudged guilty of willful misfeasance or malfeasance in the performance of their duties, as provided in the Declaration.

ARTICLE IX – BYLAWS

The Bylaws of the Association may be adopted, amended, altered or rescinded as provided therein; provided, however, that at no time shall the Bylaws conflict with these Articles of Incorporation or the Declaration. Until such time as Developer relinquishes control of the Association, no amendments to the Bylaws shall be effective unless Developer shall have joined in and consented thereto in writing. Any attempt to amend, alter or rescind contrary to these prohibitions shall be of no force or effect. No change or amendment to the Bylaws that adversely impacts the Developer shall have any force or effect as to the Developer as long as Developer owns Lots in the Property, unless Developer consents in writing to such change or amendment.

ARTICLE X - AMENDMENTS

These Articles of Incorporation of the Association may be amended, altered or rescinded as provided in the Florida Not for Profit Corporation Act, provided however, that no such amendments shall conflict with the terms of the Declaration or the Bylaws, or adversely affect the rights of Developer, without Developer's prior written approval. Any attempt to amend, alter or rescind contrary to these prohibitions shall be of no force or effect. No change or amendment to these Articles that adversely impacts the Developer shall have any force nor effect as to the Developer as long as the Developer owns Lots in the Property.

ARTICLE XI - REGISTERED AGENT AND REGISTERED OFFICE

The name of the initial registered agent shall be Scott F. Smith and the street address of the registered office of the Association shall be 600 W. Hillsboro Blvd., Suite #101, Deerfield Beach, FL 33441. The Association shall have the right to designate subsequent registered agents without amending these Articles of Incorporation. The corporate address shall be the same.

ARTICLE XII - INCORPORATOR

The name and the street address of the Incorporator shall be Scott F. Smith, 600 W. Hillsboro Blvd., Suite #101, Deerfield Beach, FL 33441.

IN WITNESS WHEREOF, the Incorporator has executed these Articles of Incorporation, this 15th day of November, 2004.

Signed, sealed and delivered
in the presence of:

[Signature]
WITNESS: Print Name JAMES R. HEUS

[Signature]
Scott F. Smith
Incorporator

04 NOV 16 PM 2:50

[Signature]
WITNESS: Print Name MICHAEL EHRLICH

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing Articles of Incorporation were acknowledged before me this 15th day of November 2004, by Scott F. Smith, the incorporator named therein, who is personally known to me or who produced a Driver's License as identification and who did not take an oath.

My commission expires:



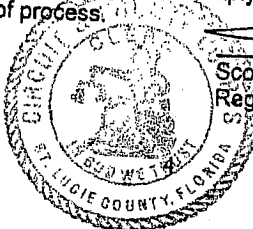
[Signature]
Notary Public
State of Florida at Large

STATE OF FLORIDA

ACCEPTANCE BY REGISTERED AGENT

Having been named to accept service of process for the above named corporation at the place designated in these Articles of Incorporation, I hereby agree to act in this capacity and agree to comply with the provisions of Chapter 48.091, Florida Statutes, relative to keeping said office open for service of process.

TRUE AND CORRECT COPY OF THE
ORIGINAL.



Scott F. Smith
Registered Agent

By [Signature]
Deputy Clerk
Date 1-28-05