

PREPARED AND RETURN TO:

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DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS
FOR
AHERN TOWNHOMES

THIS DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS FOR AHERN TOWNHOMES is made on September 21, 2018, by **AHERN TH PROJECT LLC**, a Florida limited liability company (the "Declarant"), joined by AHERN TOWNHOME ASSOCIATION, INC., a Florida not for profit corporation ("Association").

WHEREAS, Declarant is the owner of the following described real property lying in Duval County, Florida:

LEGAL DESCRIPTION IS ATTACHED HERETO AS EXHIBIT "A"

(the "Property", also referred to as "AHERN TOWNHOMES"), and Declarant desires to develop it as a residential community; and

WHEREAS, Declarant desires, by this Declaration, to provide for the preservation of the values and improvements of the Property and the maintenance of the improvements thereon; and

WHEREAS, Declarant herewith imposes these protective covenants, conditions and restrictions set forth herein upon the Property; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and improvements established as aforesaid to create a not-for-profit corporation pursuant to Chapter 617, Florida Statutes, and to act and serve as a homeowners association pursuant to Chapter 720, Florida Statutes, known as AHERN TOWNHOME ASSOCIATION, INC., to which there has been and will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance, repair or replacement of portions of the Property, and the enforcement of the covenants, restrictions, easements, reservations, regulations, burdens and liens contained herein and the collection and disbursement of the assessments and charges hereafter provided.

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

1. DEFINITIONS.

1.1 "Articles" means the Articles of Incorporation of the Association, a copy of which is attached hereto as Exhibit "B". The Articles are incorporated herein.

1.2 "Assessment" means the Individual Lot Assessment, Special Assessments, Special Lot Assessments and any and all other assessments which are levied or collected by the Association in accordance with the provisions of this Declaration or any other of Community Documents.

1.3 "Association" means AHERN TOWNHOME ASSOCIATION, INC., which is responsible for operating the Property pursuant to this Declaration. The Association is not a condominium association under Chapter 718, Florida Statutes.

1.4 "Board", "Board of Directors" or "Directors" means the Directors of the Association acting as a Board of Directors.

1.5 "Budget" means the budget for the Association.

1.6 "Building" means the structure of which the Dwelling Units are a part.

1.7 "Bylaws" means the Bylaws of the Association, as same may be amended from time to time. A copy of the initial Bylaws is attached hereto as Exhibit "C".

1.8 "City" means the City of Atlantic Beach, Florida.

1.9 "Common Costs" means the expenses for which Owners are jointly and severally liable to the Association as described in Community Documents.

1.10 "Common Property" means all portions of the Property specifically excluding any portion of the Property within a Dwelling Unit as further described in Paragraph 3 hereof.

1.11 "Community Documents" means, in the aggregate, this Declaration, the Articles, the Bylaws, the Rules, and all of the instruments and documents, including without limitation, easements and permits, referred to therein or referred to herein, as same may be modified from time to time.

1.12 "Contributing Lot" means each Lot upon its conveyance from Declarant to an Owner. Contributing Lot shall not mean a Lot upon its conveyance by Declarant to Declarant or any of its affiliates or a mortgagee of a mortgage executed by Declarant who has acquired title by foreclosure or deed-in-lieu of foreclosure, unless specified in a written instrument recorded by Declarant.

1.13 "County" means Duval County, Florida.

1.14 "Declarant" means **Ahern TH Project LLC**, a Florida limited liability company, its successors, grantees, and assigns. Notwithstanding the foregoing, an Owner shall not, solely by the purchase of a Lot or a Dwelling Unit, be deemed a successor or assign of Declarant or entitled to the rights of Declarant under this Declaration or any other Community Documents, unless such Owner is specifically so designated as a successor or assignee of such rights in the respective instrument of conveyance or any other instrument executed by Declarant and recorded in the Public Records of Duval County, Florida. However, if the assignor assigns only a portion of its rights as Declarant hereunder to an assignee, then the term Declarant as used in this Declaration shall mean such assignee only when necessary to give such assignee the specific rights of Declarant hereunder which were specifically assigned to such assignee to the same extent as if the assignee had been the original Declarant, and such assignee shall not have any of the rights of Declarant hereunder which were not specifically assigned to such assignee. In addition, if any Person obtains title to one-half (1/2) or more of the Property then owned by Declarant as a result of the foreclosure of any mortgage or deed in lieu thereof, such Person may elect to become Declarant as to that portion of the Property so acquired by a written election recorded in the Public Records of the County, and regardless of the exercise of such election, such Person may appoint as Declarant any third party who acquires title to all or any portion of the Property, by written appointment recorded in the Public Records of the County. Notwithstanding the foregoing, no Declarant shall (i) grant any easement, pursuant to Section 7.1 or 7.3, (ii) rezone any portion of the Property pursuant to Section 14, or (iii) otherwise amend the Declaration pursuant to Section 17.10, 17.12.2, 17.12.3, 17.12.3.4 or 17.12.4 without the consent of all other Declarants then owning any portion of the Property, such consent shall not be unreasonably withheld, conditioned or delayed. In any event, any subsequent Declarant shall not be liable for any default or obligations incurred by any prior Declarant, except as same may be expressly assumed by the subsequent Declarant.

1.15 "Declaration" means this instrument, as may be amended by the Declarant or the Association in accordance herewith and the Bylaws.

1.16 "Dedicated Property" means those portions of the Plat, if any, lying within the Property that are dedicated or reserved on the Plat or in this Declaration to the Association and/or to JEA.

1.17 "Developer Control Period" means that period of time prior to the time that ninety (90%) of the Lots are conveyed to Owners.

1.18 "Director" means a Director, as defined in the Articles and Bylaws.

1.19 "Dwelling Unit" means a townhome dwelling unit that is located on a Lot, provided that a final certificate of occupancy has been issued therefore by the applicable governmental authority. A Dwelling Unit cannot be transferred, demised, sold or leased apart from the Lot. There shall be only one Dwelling Unit on a Lot.

1.20 "Individual Lot Assessment" means the Assessment due from each Lot, as further described in Paragraph 9.1 hereof.

1.21 "Institutional Mortgagee" means any lending institution owning or holding a first mortgage encumbering a Lot which is any of the following institutions:

1.21.1 any Federal or State Savings and Loan or Building and Loan Association, or any commercial or other bank or real estate investment trust, or any mortgage banking company or any subsidiary thereof; or

1.21.2 any "Secondary Mortgage Market Institution," including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and

any other secondary Mortgage Market Institution as the Board shall hereafter approve in writing which has acquired a first mortgage upon a Lot; or

1.21.3 any and all investors or lenders, or the successors and assigns of such investors or lenders (herein referred to as "Lenders") which have loaned money to Declarant and who hold a mortgage on any portion of the Property securing such a loan; or

1.21.4 such other institutional lenders as the Board shall hereafter approve in writing as Institutional Mortgagees which have acquired a mortgage upon a Lot; or

1.21.5 Declarant, if Declarant owns or holds a mortgage on any portion of the Property, and the transferee of any mortgage encumbering any portion of the Property which mortgage was originally held by Declarant; or

1.21.6 any life insurance company; or

1.21.7 any Lender acquiring or holding a first mortgage on a lot securing the repayment of funds provided by the Lender for the purchase of the Lot by an Owner from Declarant.

1.22 "Lot" means any one of the numbered parcels shown on the plat of the Property recorded in the public records of Duval County, Florida. The term "Lot" shall also be deemed to include the Dwelling Unit constructed thereon or to be constructed thereon, and other improvements thereto, except as may otherwise be provided in the Declaration. No Lot may be subdivided, and no alienation, transfer, demise, sale or lease of a portion of a Lot shall be permitted.

1.23 Intentionally omitted.

1.24 "Member" means a member of the Association.

1.25 "Owner" means the owner or owners of the fee simple title to a Lot and includes Declarant for so long as it is individually the owner of the fee simple title to any Lot.

1.26 "Party Wall" shall mean and refer to the common walls which are built to divide Dwelling Units as a part of the construction of a Building and intended to be placed on the dividing line (whether or not such wall is actually built on the dividing line) between Lots underlying such Building.

1.27 "Person" means any individual, corporation, governmental agency, business trust, estate, personal representative of an estate, trust, trustee, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

1.28 "Plat" means the Plat of the Property, if any, to be recorded in the Public Records of Duval County, Florida.

1.29 "Property" means the real property described in Exhibit "A".

1.30 "Rules" means any rules and regulations adopted by the Association.

1.31 "Special Assessment" means, in addition to other Assessments designated as Special Assessments in Community Documents, those Assessments further described in Paragraph 10.3 hereof.

1.32 "Special Lot Assessment" means an Assessment against an individual Owner, as further described in Paragraph 10.4 hereof.

1.33 "Surface Water Management System" means, the drainage and stormwater retention system for the Property, including without limitation, the drainage system, detention ponds, retention ponds, dry detention areas, drainage facilities, drainage structures, any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, pipes, conduits and/or similar equipment installed therein or used in connection therewith, whether located on, above under or through the Property.

1.34 "Environmental Regulatory Agency" means any governing authority having jurisdiction over the Property contemplated in this document for the surface water management or preservation, restoration or creation of any environmentally sensitive lands. These agencies include, but are not limited to, the City, any County Drainage District (DD), City or County Department of Environmental Resource Management (ERM), St. Johns River Water Management District (SJRWMD), Florida Department of Environmental Protection, the U.S. Army Corps of Engineers (ACOE) and the U.S. Environmental Protection Agency (EPA).

2. DEVELOPMENT PLANS.

2.1 Development. Declarant intends to develop or cause to be developed upon the Property a residential community to be known as AHERN TOWNHOMES. Declarant's general plan of development further contemplates that the Dwelling Units shall be whatever type(s) of structures Declarant may choose. The Property shall be comprised of Lots and Common Property.

3. **COMMON PROPERTY.**

3.1 Common Property. The Common Property shall include all the Property, except any portion thereof within a Dwelling Unit, and specifically including but not limited to all utility, JEA, access and drainage easement areas as shown on the Plat lying within the Property. Common Property shall also be deemed to include the interest of the Association in and to any easement granted in favor of the Association, whether such easement has been granted as of the date hereof or shall be granted thereafter, and shall include any non-exclusive easement wherein Persons, in addition to Declarant, are also beneficiaries under the easement. The Common Property may include, without limitation, entrance ways, utility easements, roadways, roadway swales, sidewalks in the road right-of-way, community walls, landscaping, irrigation system, parking areas, recreational amenities, fencing and landscape buffer areas provided that the mentioning of any particular form of Common Property herein shall not require that such form of Common Property be provided.

3.2 Assumption of Responsibility for Certain Property. Notwithstanding the dedication or reservation of the property to the Association on the Plat, if any, it is the intention of Declarant that such Property will in all respects be included within the Common Property.

3.3 Easements in General. Every Member shall have a non-exclusive right and easement of enjoyment in and to the Common Property, and such easement shall be appurtenant to and pass with title to each Lot, subject to the right of the Association to adopt Rules governing the use and enjoyment thereof, and the right of Declarant or the Association to grant permits, licenses and easements over, through, across and under the Common Property for utilities, roads and other purposes reasonably necessary or useful for the maintenance or operation of the Property. Every Member shall have a non-exclusive easement and right of ingress, egress and access over and across all roadways, sidewalks and other portions of the Common Property as may be designated, designed or used for such purposes.

Any Declarant hereunder shall have the rights and authorities to use, non-exclusively, the easements depicted on the Plat and/or described herein, including reasonable construction and maintenance easements as reasonably necessary to benefit therefrom, and which are, by virtue of this section, hereby declared and established.

4. **MAINTENANCE RESPONSIBILITIES.** In consideration of the benefits hereinafter contained, and in payment of the Common Costs, Declarant does hereby declare and the Association agrees that the following provisions shall be applicable to the Property, which shall be transferred, demised, sold, conveyed and occupied subject to the terms of this Declaration and the other Community Documents, as follows:

4.1 Maintenance of Lot and Dwelling Unit.

4.1.1 The Association shall be responsible for the general maintenance of the Lot and exterior components of the Dwelling Unit (the "Exterior") in the Association's reasonable business judgment. Maintenance of the Lot shall include the planting, sodding, and maintaining of landscaping, shrubbery, lawns, mowing lawns, and weeding of landscaped areas and keeping any Declarant or Association installed irrigation system functioning. Maintenance of the Exterior includes general cleaning and painting of siding and trim, repair or replacement of siding and/or stucco, and roof repair and replacement, all as subject to Section 9.2 hereof. In the event an Owner damages the Lot, including landscaping, irrigation systems, and/or lawns or the Exterior, or places Owner's property in such fashion so as to increase the cost or difficulty for the Association and its contractors to maintain or repair the Lot or the Exterior, then in addition to all other rights of the Association described in this Declaration, the Association shall be entitled to assess the Owner for (i) the cost or incremental additional cost of the repair or maintenance, and (ii) a reasonable administrative fee, not to exceed One Hundred dollars (\$100.00) per occurrence. All matters relating to the interior of a Dwelling Unit, including matters originating on or upon the Exterior but impacting the interior of a dwelling unit, to the extent affecting the interior of the Dwelling Unit, shall be the Owner's responsibility. The following certain repairs shall be completed with Association consent and only with product pre-approved by the Association, but the Owner shall bear all expenses related thereto: replacement of Air Conditioning outside units, doors, windows, driveway and walkway pavers, and screens, including any screenroom related repairs. Each Owner of a Lot covenants that said Owner shall, at all times, maintain, repair and replace (with the same or substantially similar material or product) at the Owner's sole expense, all improvements on the Owner's Lot, including but not limited to all portions of the Owner's Dwelling Unit, lighting, fences (whether or not installed by Declarant) and screening, where applicable, sprinkler systems, sidewalks, mailboxes and landscaping, utility lines, ducts, conduits, pipes, wires, utility fixtures and appurtenances which service only the Owner's Lot, (excluding only general maintenance of the Lot and Exterior as specifically described above). Owners shall be solely responsible to remove visible moisture

accumulation, repair leaks, and prevent and eliminate excess humidity in their respective Dwelling Unit immediately upon discovery thereof and shall perform periodic inspections of plumbing, drain and condensate lines, air handlers and ducts to prevent the spread of water, prevent leaks and avoid the growth or accumulation of mold, bacteria or other microbial contamination ("**Microbial Contamination**") in the Dwelling Unit or Party Walls. The Owners shall promptly notify the Association in writing of any leaks, water penetration or excess humidity and any Microbial Contamination discovered in the Dwelling Units. If required by Association, the applicable Owner shall engage an indoor environmental specialist acceptable to Association to determine the cause of any leaks, water penetration or excess humidity, the extent of any Microbial Contamination, and the appropriate course of repair and or remediation. Once approved by Association in writing, the applicable Owners, at that Owner's sole cost and expense, shall promptly undertake all repairs and remediation in order to repair such leaks, water penetration or excess humidity and to remediate, in accordance with applicable laws, statutes, regulations and ordinances and with nationally accepted remediation standards. Additionally, the Owners shall prevent the accumulation of other contaminants, including but not limited to carbon dioxide, volatile organic compounds, formaldehyde and other chemicals or gases in their Dwelling Unit or spreading from their Dwelling Unit that are or might be injurious to human health. Owners shall not use any biocides or chemicals in their Dwelling Unit for removal of any contamination that are not EPA-registered for that particular purpose or which could be harmful to occupants of their Dwelling Unit or the Building.

4.1.2 If any Owner fails to carry out any of the Owner's responsibilities pursuant to this Declaration ("Defaulting Owner") (as shall be determined by the Association), the Association shall have the right, but not the obligation, after ten (10) days' written notice to the Defaulting Owner, to enter the Lot, inclusive of the Dwelling Unit, of the Defaulting Owner for the purpose of performing the responsibilities described in the notice. Such entry on the Lot of the Defaulting Owner shall not be deemed a trespass. In the event of emergencies, the Association may, in its sole discretion, dispense with the aforesaid notice. The cost of performing such responsibilities and the expenses of collection (if any), including court costs and reasonable attorneys' fees at all trial and appellate levels, shall be specially assessed against the Defaulting Owner as a Special Lot Assessment and shall become a lien upon the Lot of the Defaulting Owner, in the manner provided in this Declaration. The Defaulting Owner shall be personally liable to the Association for the payment of amounts assessed against him and for all costs of collecting the same plus interest and attorneys' fees as hereinafter provided. If the amounts assessed against the Defaulting Owner are not paid within 15 days of the date of the assessment, the Board may proceed to enforce and collect said Special Lot Assessments against the Defaulting Owner in any manner provided for by the laws of the State of Florida, including foreclosure of the lien and sale of the Lot. For purposes of this subparagraph, unless the Defaulting Owner performs the obligations set forth in such notice, the date of assessment shall be deemed to be the day after the foregoing ten (10) days has elapsed. Said lien shall be effective only from and after the time of recordation among the Public Records of the County of a written, acknowledged statement signed by an officer of the Association setting forth the amount due. All sums expended shall earn interest at the highest rate permitted under the law. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a recordable satisfaction of lien. Nothing contained in this Paragraph 4.1.2 shall be deemed or construed as limiting any remedy or right of enforcement of the Association as may be otherwise provided herein.

4.2 Maintenance of Common Property, Ponds, and Other Property.

4.2.1 The Association shall maintain, operate, manage, and insure any and all Common Property and repair and replace any improvements of any nature thereto including without limitation, the Surface Water Management System, and pay utilities, insurance, taxes and assessments thereon, if any. Notwithstanding the foregoing, the landscaping and lawn located upon the surface of any drainage, utility or like kind easement which may be located upon any portion of a Lot shall be maintained by the Owner of such Lot. Nothing herein contained shall be construed as obligating the Association to maintain insurance, pay taxes or pay assessments on any portion of Common Property lying within a Lot.

4.2.2 Notwithstanding any other provision in this Declaration, the Association shall maintain, operate, manage, and insure the Surface Water Management System for the Property, including without limitation, the drainage system, detention ponds, retention ponds, dry detention areas, drainage facilities, drainage structures, any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, pipes, conduits and/or similar equipment installed therein or used in connection therewith.

5. **PRESERVATION OF VALUES AND IMPROVEMENTS.** In order to preserve the value of the Property and improvements thereto, the following provisions shall be applicable to the Property:

5.1. Owner's Covenant for Use. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot, whether or not it shall be so expressed in such deed or instrument, covenants and agrees that the Lot shall be used, held, maintained, and conveyed solely in accordance with and subject to

the covenants, reservations, easements, restrictions, and lien rights regarding same as are set forth in the Community Documents.

5.2. Alterations and Improvements.

5.2.1. No construction or remodeling of any Dwelling Unit or alterations to any Dwelling Unit shall be permitted to be made (other than within the Dwelling Unit), other than by Declarant, without the prior written approval of the Directors, except that approval shall be given for those improvements which are set forth in Declarant's original plans and specifications (the "Plans and Specifications") for the type of Dwelling Unit (which Plans and Specifications are on file with the City), and such improvements as were originally offered by Declarant as an optional improvement to the Dwelling Unit or Lot (subject to Paragraph 5.2.6). Except for the aforescribed improvements which are permitted, no Dwelling Unit or structure of any kind, including without limitation, additions, improvements, modifications, exterior painting, exterior decorations, landscaping, replacement of exterior doors, windows or window coverings, exterior lighting, mailboxes, pools, fences, walls, pavement, patios, terraces, gazebos, sheds, huts, screening or screened enclosures, tree forts, playhouses or garages, shall be erected or altered, other than by Declarant, unless first approved by the Directors, as provided herein and in the Bylaws. In addition, no basketball hoops shall be placed within any right of way or erected upon any Lot. Any basketball hoop used by an Owner on a Lot shall be of a temporary nature and shall be used so as to not make any objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Property, and shall be removed upon request of the Directors.

5.2.2. The Directors may establish reasonable fees (including, without limitation, fees of any architect or engineer engaged by the Association) to be charged for review of applications hereunder and may require such fees to be paid in full prior to review of any application. This Paragraph 5.2.2 shall not apply to construction of improvements or modifications to the Common Property by or on behalf of the Association or Declarant nor to the construction of any improvements on the Lots by Declarant.

5.2.3. The Directors may promulgate detailed standards and procedures governing improvements and construction and the processing of applications, consistent with those of the Community Documents. The Directors, at their discretion, may create a committee for the purpose of reviewing applications.

5.2.4. Any request for approval by the Directors of any improvement shall be in writing and shall be accompanied by plans and specifications or other details as the Association may deem reasonably necessary in connection with its determination as to whether or not it will approve same. The plans and specifications submitted for approval shall show the nature, kind, shape, height, materials, color, and location of all proposed improvements and certify that such are in compliance with applicable City regulations and ordinances. If the Association deems the plans and specifications deficient, the Association may require such further detail in the plans and specifications as the Association deems necessary in connection with its approval of same, including, without limitation, floor plans, site plans, drainage plans, elevation drawings, and descriptions or samples of exterior materials and colors, and until receipt of the foregoing, the Association may postpone review of any plans submitted for approval. The Association shall not be required to use the services of any architect or engineer in connection with its exercise of architectural approval. The Association shall not be obligated to review or approve any plans and specifications until such fee is paid. Approval of any request shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable improvement of any property, but may be withheld due to aesthetic considerations. In consenting to any proposed improvement, the Association may condition such consent upon changes being made and any such approval shall be deemed a disapproval unless and until the party requesting the approval agrees to the changes. If the Association approves, or is deemed to have approved, any improvement, the Owner requesting approval may proceed to make the improvement in strict conformance with the plans and specifications approved or deemed to have been approved, subject to any conditions of the Association's approval, and shall not make any material changes without the approval of the Association. If the Association approves any improvement, same shall require the Association to approve any similar improvement in the future, and the Association shall have the right in the future to withhold approval of similar improvements requested by any other Owner.

5.2.5. The approval of the Directors of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Directors, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

5.2.6. The Directors may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, natural conditions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly

adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall: (i) be effective unless in writing, (ii) be contrary to the restrictions set forth in the body of this Declaration, or (iii) estop the Directors from denying a variance in other circumstances.

5.2.7. The approval, rejection or withholding of any approval by the Directors of the plans, proposals and specifications and the location of all structures, and every alteration of any structure, shall not be construed or interpreted as a representation or determination by the Directors or Declarant that any building, zoning, plumbing, electrical code or other applicable governmental regulations or requirements have or have not been properly met by the Owner, it being understood that the approval of the Directors or Declarant relates only to the aesthetics of the improvements shown on the plans and specifications, and not to their sufficiency or adequacy. Each Owner shall be responsible for obtaining all necessary technical data and to make application to and obtain the approval of any appropriate governmental agencies prior to commencement of any work or construction. In the event that any improvement constructed to or on a Lot by or on behalf of an Owner is determined by an governmental agency to be in violation of any governmental building code, ordinance, regulation or other requirement, then Owner, at Owner's sole expense, shall promptly take such actions as are necessary to remedy the violation.

5.2.8. Nothing herein shall be interpreted as an exemption from compliance with City regulations and ordinances.

5.3. Residential Purposes. Lots shall be used for residential purposes only. No commercial or business occupations may be carried on any Lot except for the construction, development and sale or rental of such Lots and Dwelling Units to be constructed thereon by Declarant and for direct accessory services to the Lots such as utilities, maintenance, and other such services. Notwithstanding the preceding sentence, an Owner may conduct a business from a Dwelling Unit to the extent such business may be conducted solely by means of regular U.S. mail or electronic communications (telephone, facsimile, Internet e-mail and similar means) and does not involve the presence of other persons (e.g., customers, contractors, frequent parcel delivery) within AHERN TOWNHOMES; provided that such business is in compliance with all governmental requirements.

5.4. Single Family Units. Each Dwelling Unit shall be occupied by no more than one family. The term "family" means a group of persons related to each other by blood, adoption or marriage, together with any minor children entrusted to the care of any such persons, or a group of two persons not related by marriage who maintain a common household, together with persons related to them by blood, adoption or marriage, together with any minor children entrusted to the care of any such persons. A family shall also include any person residing in a Dwelling Unit who is performing child care, nursing, housekeeping or other domestic services for the Owner or any member of the family residing therein. In no event shall the total number of persons residing in a Dwelling Unit exceed seven persons.

5.5. Additional Provisions for the Preservation of the Values and Amenities of AHERN TOWNHOMES. In order to preserve the values and amenities of AHERN TOWNHOMES, the following provisions shall be applicable to the Property:

5.5.1. Parking. Vehicles shall be parked only in the driveways serving the Dwelling Units, except as set forth in Paragraph 5.5.2 and except for those certain designated parking locations along Ahern Street and East Coast Drive, which shall be subject to specific rules to be established by the Board of Directors of the Association. No vehicles shall be parked on any roadway, swale or any other unpaved portion of the Property, including unpaved portions of any Lot, unless pursuant to express rules and regulations adopted by the Directors regarding such parking. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Property during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling Unit or the Common Property. No Owner shall conduct or permit to be conducted repairs (except in an emergency) or restorations of any motor vehicle, or other vehicle upon any portion of the Property, except in a garage with the doors thereto closed at all times. The Association shall have the right but not obligation to remove any vehicles located on any portion of the Property which are in violation of this Paragraph 5.5.1. This section shall not apply to any activities of Declarant. All garage doors shall be kept closed at all times except for those immediate periods when an Owner or his agents is accessing the garage.

5.5.2. Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, any trucks, including pick-up trucks with more than 3/4 ton capacity, tractors, mobile homes, recreational vehicles (not including sport-utility vehicles commonly used as private vehicles), campers, camper trailers, boats and any watercraft, and any trailers for boats, watercraft or any vehicles shall not be parked anywhere on the Property, unless parked in an enclosed garage. Unless located within an enclosed garage, stored vehicles, vehicles which are obviously inoperable, and vehicles that do not have a current operating license or tag shall not be permitted on the Property. In addition, in order to preserve the aesthetic values of the community, the Association may require or cause the removal from the

Property any vehicle with substantial body damage unless the owner of the vehicle parks said vehicle inside an enclosed garage. For purposes of this Paragraph 5.5.2, police cars shall not be considered commercial vehicles.

5.5.3. Driveway and Garages. All Lots shall have a paved driveway of stable, hard surface and permanent construction. If any portion of the driveway located within a utility easement or within a dedicated right-of-way is damaged or removed as a result of work on the access or drainage improvements located within such easement or dedicated right-of-way, then to the extent not repaired by the person or entity performing the work, the Owner of the Lot served by such driveway shall promptly repair and replace such damaged portions of the Owner's driveway at the Owner's expense using materials and design similar to that for the driveway which was damaged. Different materials may be used only where the prior written consent of the Directors is obtained. Each Townhome shall be constructed with a two (2) car garage and no garage shall be converted to heated and cooled living space.

5.5.4. No Time-Sharing. No "Time-Share Plan" (as defined in Chapter 721 of the Florida Statutes), or any similar plan shall be permitted for any Dwelling Unit.

5.5.5. Antennas and Aerials. No exterior antenna, aerial, satellite dish or other apparatus for the transmission of, or receiving television, radio or other signals of any kind shall be placed, allowed or maintained upon any portion of a Lot, except those which are not permitted to be prohibited by applicable law, or unless such have been approved by the Directors.

5.5.6. Signs, Flags and Banners. Except for Declarant, no "for sale" signs or "for rent" signs shall be displayed during the Developer Control Period. Thereafter, any "for sale" or "for rent" signs shall be subject to requirements set by the Directors as to number, size, letterings and location. No other sign, advertisement or notice shall be permitted on the Property unless specifically permitted by the prior written consent of the Directors. Flags, banners, pennants and streamers may not be displayed, except that American flags may be displayed subject to requirements set by the Board as to size and location.

5.5.7. Maintenance of Lot. Consistent with Section 4.1.1 of this Declaration, the Association shall have primary responsibility for exterior maintenance of the Lot. However, for those responsibilities of the Owner (being those for which the Association is not responsible), upon the failure of an Owner to maintain the Owner's Lot in accordance with such responsibility or any portion of the Property adjacent thereto for which the Owner has a duty to maintain and any improvements on the Lot or adjacent property and upon the Owner's failure to correct such deficiencies within ten (10) days after written notice by the Association or Declarant, the Association or Declarant, until Declarant no longer owns any portion of the Property, may, at its option, enter upon such Lot or portion of the Property and make such corrections as may be necessary, the cost of which shall be paid for by the Owner. If any Owner fails to make payment as requested, the requested payment shall be collected as a Special Lot Assessment from the Owner as elsewhere described in this Declaration. If Declarant makes such corrections, the Association shall upon written request reimburse Declarant for the expense thereof. The application or operation of this subparagraph shall be in addition to the remedies provided in Paragraph 5.1.2.

5.5.8. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other usual and common domesticated household pets not to exceed a total of three may be permitted in a Lot. This limitation does not apply to fish. However, those pets which, in the sole discretion of the Board, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Property, shall be removed upon request of the Board. If the Owner fails to honor such request, the pet may be removed by the Board, and such action shall not be deemed to be a trespass or conversion. No pets shall be kept, bred or maintained for any commercial purpose. Pets shall at all times whenever they are outside a Dwelling Unit be carried or confined on a leash held by a responsible person. No Owner shall be permitted to maintain on their Lot a pit bull terrier, pit bull terrier mix, or any other dog of mean or violent temperament, or which otherwise evidences such temperament, or any exotic pet including, without limitation, snakes, lizards and spiders of any kind. Each Owner shall promptly remove and dispose of waste matter deposited by their pet. The Directors may adopt Rules relating to the control or presence of pets on the Common Property.

5.5.9. Fences. All fences, other than those installed by Declarant, are subject to the approval of the Directors as set forth in Paragraph 5.2, provided that in no event shall fences of any kind be permitted on the Lot except a first floor courtyard patio fence, which may be allowed at Owner's expense, subject to uniform materials and sizing as determined by the Directors and as may be approved by the Directors. No plant hedges or additional landscaping shall be permitted as a fence substitute without the prior written consent of the Directors as set forth in Paragraph 5.2.

5.5.10. Firearms. The discharge of firearms within the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types and sizes.

5.5.11. Waterbeds, Outdoor Broadcast. No waterbed shall be placed or used in any Dwelling Unit. No exterior broadcast system or other playing of music, radio, television or similar broadcast or live music shall be played on any balcony or veranda at a volume sufficient to reasonably disturb any other Owner.

5.6. Compliance with Documents. Each Owner and the Owner's family members, guests, invitees, and lessees and their family members, guests and invitees shall be bound by and ~~shall~~ be by the Community Documents. The conduct of the foregoing parties shall be considered to be the conduct of the Owner responsible for, or connected in any manner with, such individuals present within AHERN TOWNHOMES. Such Owner shall be liable to the Association for the cost of any maintenance, repair or replacement of any real or personal property located on the Common Property rendered necessary by the Owner's act, neglect or carelessness, or by that of any of the foregoing parties which shall be paid for by the Owner as a Special Lot Assessment.

5.7. Casualty Destruction of Improvements. If a Dwelling Unit, structure or other improvement is damaged or destroyed by casualty loss or other loss, then within 90 days after the time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Dwelling Unit, structure or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Dwelling Unit, structure or improvement and restore or repair the Lot in accordance with the requirements of the Association. As to any such reconstruction of a destroyed Dwelling Unit, structure or improvement, the same shall only be replaced with a Dwelling Unit, structure or improvement as are approved as provided herein.

5.8. Portable Buildings; Clothes Lines and Outside Clothes Drying; Surface Water Management; Outside Storage of Personal Property; Air Conditioning Units; Oil and Gas Tanks, Air Conditioners; Exceptions for Declarant. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any portion of the Property for storage or otherwise, without the prior written consent of the Association. No clothesline or clothes pole shall be erected, and no outside clothes-drying is permitted except where such activity is advised or mandated by governmental authorities for energy conservation purposes, in which event the Association shall have the right to approve the portions of any property used for outdoor clothes-drying purposes. No Owner shall do anything to adversely affect the Surface Water Management System, including without limitation, the grading and drainage of the Property without the prior written approval of the Association, the City and any other Environmental Regulatory Agency, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the Property by Declarant or by the developer of any portion of the Property in accordance with permits issued by the City and any other Environmental Regulatory Agency. The personal property of any Owner shall not be kept outside the Dwelling Unit or fenced or walled in yard without the prior written consent of the Association. Only central air conditioning units are permitted without the prior written consent of the Association. No window air conditioning unit or water softener system shall be installed on the front or any side of a building on a Lot. Except as to the Surface Water Management System the foregoing use and maintenance restrictions shall not apply to Declarant, or to any portion of the Property while owned by Declarant, and shall not be applied in a manner which would unreasonably prohibit or restrict the development of any property and the construction of any Dwelling Units, sales offices, recreational facilities and other improvements thereon, or any activity associated with the sale of any new Units, by Declarant or by the developer of any portion of the Property. Specifically, and without limitation, Declarant shall have the right to: (i) construct any buildings or improvements within the Property, and make any additions, alterations, improvements, or changes thereto; (ii) maintain customary and usual sales, leasing, general office and construction operations on any portion of the Property; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon any portion of the Property for sales, leasing, construction, storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of the Property; and (v) post, display, inscribe or affix to the exterior of a Unit or upon any portion of the Property, signs and other materials used in developing, constructing, selling, leasing or promoting any portion of the Property, subject only to applicable local, state or federal rules, regulations or statutory provisions.

5.9. Mailboxes. No mailbox, paper box, or other receptacle of any kind for use in the delivery of mail, newspapers, magazines or similar material shall be erected on any Lot without prior written approval of Directors as to style and location.

5.10. Tree Preservation. Any tree removal shall be subject to Association approval. All tree removal shall be removed only in accordance with City regulations and ordinances.

5.11. Personal Services. The employees of the Association shall not be required to attend to any personal matters or business of Owners, nor shall they be permitted to leave the Property on any private business of Owners. The uses and functions of such employees shall be governed by the Board. In the event personal services are provided to Owners by any employees of the Association, the Association will not assume any responsibility or be liable for, in any manner, the quality of such services or work provided, not

shall it warrant such services or work. In addition, the Association shall not be liable for any injury to persons or damage to property resulting from any act or omission by those performing such personal work or services for Owners.

5.12. Soliciting. No soliciting will be allowed at any time within the Property.

5.13. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Rubbish, trash, garbage, or other waste shall be kept in closed sanitary containers constructed of metal or rigid plastic, except that during the course of construction upon Lots, the debris created by the builders shall not be required to be kept in closed containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall be maintained in the garage of each Dwelling Unit so as to shield any such equipment from the view of the street or other Lots, except on scheduled garbage pick-up days, except debris created during the course of construction as aforesaid, which shall be removed by the builder upon completion of construction.

6. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION. Membership in the Association shall be established by the acquisition of ownership of fee title to a Lot as evidenced by the recording of an instrument of conveyance in the Public Records of the County. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot. Further, Declarant shall be a Member so long as Declarant owns any portion of the Property. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Community Documents. The voting rights of Members shall be as set forth in the Articles and the By-Laws.

7. EASEMENTS.

7.1. Recognition of Existing Easements. Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved or granted with respect to the Property whether reserved or granted under this Declaration or other instrument of record including the Plat of Ahern Townhomes. Declarant shall have the right to modify, grant or assign any existing or proposed easements. Existing and/or proposed easements include, without limitation, the following easements:

7.1.1. Water Management Easement. There is granted in favor of the Declarant and the Association a perpetual, non-exclusive easement or easements for flowage, drainage, storm water retention and detention on, over, upon, within and under the Property.

7.1.2. Access/Utility and Drainage Easements. There is hereby granted in favor of the Declarant and the Association and, if required, the applicable water management district or districts, and any other entity or public body which Declarant or the Association deem appropriate perpetual, non-exclusive easements or easements for ingress, egress, utilities and drainage on, over, across, through and under the Common Property. There is further granted in favor of the City a right of access to the Property for the purpose of confirming compliance of the Surface Water Management System with the City's requirements and permit.

7.2. Ingress-Egress/Governmental Services. There is granted in favor of the Association and each Member of the Association and lawful resident on the Property a non-exclusive easement or easements for ingress and egress on, over, across and through the paved roadways, sidewalks, swales and other portions of the Common Property. There is granted in favor of the City and the County, its various agencies and services, and to all other applicable governmental agencies, a perpetual non-exclusive easement on, over, across and through the Property and all portions thereof, for the purpose of rendering police, fire and other governmental services on the Property and, when necessary, with respect to adjoining property, public or private, provided all such activities are in accordance with the laws of the United States of America, and specifically the Constitution thereof.

7.3. Grant and Reservation of Easements. There is reserved for Declarant, the Association, and their designees the following perpetual easements on, over, across, through, and under the Property as covenants running with the Property for the benefit of Declarant, the Association, and their designees, for the following purposes and provided that none of such easements shall interfere with the use of the Property for residential purposes, and such easements shall be used only to the extent reasonably necessary for their intended purposes. The following easements may be grants of easements or reservations giving the Declarant the right to grant such easements as the context shall indicate:

7.3.1. Utility Easements. There is reserved unto Declarant and the Association the right to grant non-exclusive or exclusive easements over, under, in and upon any portion of the Property, including, but not limited to, any portion of any Lot, whether or not said Lot has been conveyed, as may be necessary to provide utility services and for ingress and egress for persons and vehicles to provide and maintain such utility services, including, but not limited to, power, electric, sewer, water, drainage, telephone, gas, lighting facilities, street lights, irrigation, television transmission and cable television facilities, telecommunications, limited access service and facilities in connection therewith. For purposes of clarification, the City is not responsible for the maintenance or operation of any water, sewer or drainage infrastructure located on the Property. Respective Owners, or the

Association, as the case may be, shall be responsible to maintain and operate such services within the Property.

7.3.2. Governmental Services Easement. There is reserved unto Declarant and the Association the right to grant non-exclusive easements and on, over, across and through the Property to provide for governmental service including, without limitation, police and fire protection, postal service and ambulance service including rights of ingress, egress, and access for persons and equipment necessary for such purposes, for the benefit of all appropriate governmental and quasi-governmental agencies, Declarant and the Association.

7.3.3. Easement for Encroachment. There is granted an easement for encroachment (including any encroachment due to the overhang of appurtenant structures) in favor of the Declarant, all Owners and the Association, as applicable, if any portion of the Common Property now or hereafter encroaches upon any Lot, or if any improvement to any Lot constructed by Declarant now or hereafter encroaches upon the Common Property, or if the improvements constructed by Declarant on any Lot now or hereafter encroach upon any other Lot, the foregoing being as a result of inaccuracies in survey, construction or reconstruction, or due to settlement or movement. The encroaching improvements shall remain undisturbed for so long as the encroachment exists. The easement herein granted for encroachment shall include an easement for encroachment of overhanging portions of the roof of any dwelling Unit and the maintenance and use of the encroaching improvements in favor of the Person for whose benefit the easement is granted. The easements for encroachment described herein shall not apply to improvements made by an Owner after the conveyance of the Lot.

7.3.4. Access and/or Ingress-Egress Easement. There is reserved unto Declarant the right to grant perpetual, non-exclusive easements for ingress and egress on, over, and across the paved roadway, sidewalks, swales, and other such portions of the Property reasonably designed for ingress and egress purposes.

7.3.5. Landscaping and Lawn Care Easement. There is granted in favor of Declarant, the Association, and their agents a perpetual, non-exclusive easement or easements over all non-Dwelling Unit portions of each Lot for the purpose of landscaping and lawn care. It shall be the Association's responsibility to maintain all landscaping and lawn areas.

7.3.6. Right of Association and Declarant to Enter Upon Lots. There is granted and reserved unto Declarant and the Association, or the designees, agents or employees of either, easements for ingress and egress to enter over, under, in, and upon the Lots for the purpose of fulfilling their duties and responsibilities of administration, maintenance or repair in accordance with this Declaration, including the making of such repair, maintenance or reconstruction to prevent damage or risk of loss to other Owners. Such entry, under, over, in, and upon the Lots shall not be deemed a trespass.

7.3.7. Reservation of Right to Grant or Accept Easements. Declarant, as long as it owns a Lot, and thereafter the Association, shall have the right to grant or accept on behalf of itself or the Association, without further authorization, such grants of easement or other instruments as may from time to time be necessary or desirable over and upon the Property or portions thereof. The foregoing reservation shall include, but not be limited to, the right on the part of Declarant to grant any and all types and kinds of easements through any portion of a Lot (including any Lot previously conveyed by Declarant) for any purposes whatsoever.

7.3.8. Reservation of Utility and HVAC System Easements. The Owner of each Dwelling Unit is granted an easement through the Party Wall and the attic space and under the foundation and slab of each Dwelling Unit making up the townhome building for electrical, communications, and HVAC system purposes, including electrical, lineset, and outside unit placement. This provision shall specifically not include the location of satellite dishes. In the event of any uncertainty regarding the scope of the easement herein granted, the Board shall have the conclusive determination related thereto.

7.4. Declaration of Party Walls Easements. Each Common Wall shared by two Dwelling Units in a Building and lying along the mutual boundary of the Lots on which the Dwelling Units are constructed shall be a Party Wall. Each Owner shall have an easement for the perpetual benefit and use of the Party Wall adjoining such Owner's Dwelling Unit, subject to the provisions of this Paragraph 7.4.

7.4.1. The Owner of each Dwelling Unit is granted an easement for the existence of the Party Wall and any encroachment of the Party Wall onto the adjoining Lot, including, without limitation, any encroachment resulting from initial construction by Declarant, reconstruction by the Association after damage to or destruction of a Dwelling Unit or Dwelling Units, (provided, that the Association shall not have the authority to relocate any Lot boundary or change the legal description of any Lot), or natural settling or shifting. Each Owner is granted an easement and the right to enter the adjoining Dwelling Unit when it is necessary to do so in order to effect repairs to the Party Wall

as required herein, subject to reasonable prior notice to the Owner of such adjoining Unit, but no such repair may be made without the prior knowledge of such adjoining Owner.

7.4.2. Each Owner shall have the responsibility to repair and maintain the drywall and unfinished surface of the exterior portions of the Party Wall lying within such Owner's Dwelling Unit as well as any electrical, plumbing, and mechanical systems therein servicing that Dwelling Unit. The Owners of the Dwelling Units on either side of a Party Wall shall equally share the expense of repair and maintenance of the interior and structural portions of the Party Wall, except when such repair or maintenance is necessary due to the negligent, willful or intentional act or action on the part of one of such Owners. If an Owner shall effect a repair, replacement, renovation, use or modification within such Owner's Dwelling Unit, and such repair, replacement, renovation, use or modification shall cause damage to the Party Wall or shall otherwise require repair, replacement or maintenance to any portion of the Party Wall, then such Owner shall be responsible for the cost thereof. Any repair or reconstruction of the Party Wall shall include substantially similar materials, design and location as that which existed prior to such work. Each Owner shall have the right to a lien against the adjoining Lot for any expenses incurred by such Owner for the repair or maintenance of the Party Wall which expenses are the obligation of the Owner of the adjoining lot as provided in this Paragraph 7.4.2. Such lien may be enforced by the Owner in the same manner as liens for assessments may be enforced by the Association.

7.4.3. Any repair, replacement or modification of a Party Wall shall be to its original construction and subject to the approval of the Directors in the same manner as other matters subject to Architectural Control as provided in Paragraph 5.2. The Owner of the Dwelling Unit sharing the Party Wall which is the subject of the application for repair, replacement or modification shall be given notice of the application.

7.4.4. The rights of any Owner as provided in this Paragraph 7 may be enforced by an Institutional Lender holding a mortgage on the Owner's lot in the same manner as such rights may be enforced by such Owner.

7.4.5. No changes may be made to the structure of any Party Wall.

7.4.6. The provisions of this Paragraph 7 shall apply to any portion of a roof in the vicinity of a common wall in the same manner as if such portion of the roof were part of the Party Wall.

7.4.7. The provisions of this Paragraph 7 shall be a covenant running with the land of each Lot.

8. COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT AND ENFORCEMENT OF LIENS; CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES.

8.1. Affirmative Covenant to Pay Assessments and Common Costs. In order to (1) fulfill the terms, provisions, covenants and conditions contained in the Community Documents; and (2) maintain, operate and preserve the Property, for the use, safety, welfare and benefit of the Owners and their guests, invitees, lessees and licensees, there is hereby imposed upon each Lot the affirmative covenant and obligation to pay to the Association (in the manner herein set forth) all Assessments including, but not limited to, the Individual Lot Assessments, Special Assessments, and Special Lot Assessments, as hereinafter provided. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments in accordance with the provisions of the Community Documents, provided that the Owner shall be personally obligated only for Assessments that fall due during the time the Owner owns the Lot unless otherwise assumed by such Owner, notwithstanding the fact that the Lot may be subject to a lien for Assessments in addition thereto; provided that, in a voluntary conveyance of a Contributing Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for the Owner's share of Common Costs up to the time of conveyance.

8.2. Establishment of Liens. Any and all Assessments made by the Association in accordance with the provisions of this Declaration or any of Community Documents (the "Assessments") with interest thereon at the highest rate allowed by law, late charges and costs of collection, including, but not limited to, reasonable attorneys' fees and court costs, are hereby declared to be a charge and continuing lien upon the Lot against which each such Assessment is made. Each Assessment against a Lot, together with interest thereon at the highest rate allowed by law, late charges and costs of collection thereof, including, but not limited to, reasonable attorneys' fees and court costs, shall also be the personal obligation of the Owner of such Lot. Said lien shall be effective only from and after the time of the recordation among the Public Records of the County, of a written, acknowledged statement (sometimes hereinafter referred to as a "claim of lien" or "lien") by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the lien in recordable form. Notwithstanding anything to the contrary herein contained, when an Institutional Mortgagee of record obtains title to a Lot as a result of foreclosure of its mortgage or deed in lieu of foreclosure, such acquirer of title, its successors or assigns shall not be liable for the share of

Assessments pertaining to such Lot or chargeable to the former Owner of such Lot which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment(s) against the Lot in question is secured by a claim of lien for Assessment(s) that is recorded prior to the recordation of the mortgage of the Institutional Mortgagee which was foreclosed or with respect to which a deed in lieu of foreclosure was given; provided, however, the unpaid share of Assessment(s) shall be collectible from all of the Owners of Contributing Lots, including such acquirer of title and the Owner's successors and assigns.

8.3. Late Charges and Collection of Assessments by Association. If any Owner shall fail to pay any Assessment or installment thereof charged to such Owner within 14 days after the same becomes due, then a late charge of \$100, accruing as of the due date, may be levied by the Board for each month the Assessment is unpaid, which late charge may be secured by the filing of a claim of lien. If an Assessment is not paid within 30 days of its due date, the Association shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to all other remedies available to the Association:

8.3.1. To accelerate the entire amount of any Assessments for 12 months from the date of the last overdue Assessment based on the then current Individual Lot Assessment amount, notwithstanding any provisions for the payment thereof in installments;

8.3.2. To advance on behalf of the Owner(s) in default, funds to accomplish the needs of the Association up to and including the full amount for which such Owner(s) is liable to the Association and the amount or amounts of monies so advanced, together with interest at the highest allowable rate, and all costs of collection thereof, including, but not limited to, reasonable attorneys' fees at pretrial, trial and appellate levels, may thereupon be collected by the Association and such advance by the Association shall not waive the default;

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

8.3.4. To file an action at law to collect said Assessment plus late charges, interest at the highest rate allowed by law from the due date of such Assessment, court costs and reasonable attorneys' fees without waiving any lien rights or rights of foreclosure in the Association.

8.4. Rights of Declarant and Institutional Mortgagees to Pay Assessments and Receive Reimbursement. Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lots. Further, Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Common Costs on behalf of the Association when the same are overdue and when lapses in policies or services may occur. Declarant and any Institutional Mortgagees paying overdue Common Costs on behalf of the Association will be entitled to immediate reimbursement from the Association plus any costs of collection including, but not limited to, reasonable attorneys' fees, and the Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

8.5. Working Capital Fund. Declarant may establish a "Working Capital Fund" for the operation of the Association, which may be collected by Declarant from each Lot purchaser at the time of conveyance of each Lot to such purchaser in an amount equal to Eight Hundred (\$800.00) Dollars. The share of each Lot of the Working Capital Fund, if collected, shall be 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 Directors will have cash available to meet any legitimate Association expense, or to acquire insurance, additional equipment, or services deemed necessary or desirable by the Board of Directors, and may be expended at any time for such purposes. Amounts paid into the fund at closing are not to be considered advance payment of Assessments or as a reserve fund, and are not refundable or transferable.

9. METHOD OF DETERMINING ASSESSMENTS.

9.1. Determining Amount of Assessments. The total anticipated Common Costs for each fiscal year shall be set forth in a Budget prepared by the Directors as required under the Community Documents and shall be generally based upon maintenance responsibilities, including those described in Section 4 hereof, development of maintenance reserves and other factors consistent with reasonable association operation. The total anticipated Common Costs (other than those Common Costs which are properly the subject of a "Special Assessment" as hereinafter set forth) shall be apportioned equally among the Contributing Lots by dividing the total anticipated Common Costs which are reflected by the Budget, other than those Common Costs which are properly the subject of Special Assessment (adjusted as hereinafter set forth) by the total number of Contributing Lots at the time of adoption of the Budget, with the quotient thus arrived at being the "Individual Lot Assessment." All questions regarding the number of Contributing Lots subject to this Declaration shall be decided by the Directors.

9.2. Reserves for exterior maintenance; Painting. Upon the turn over of the Association by the Declarant to the Residents, the Association shall begin collecting reserves for exterior siding, stucco and roof maintenance repair and replacement. Prior to turn over, while the Association is run by the Declarant, no reserves of any type shall be required to be collected, as the siding, stucco, roofing and other improvements will be new and subject, generally, to the Limited Warranty and to the extent such repairs and replacements are not covered thereby, each Unit Owner shall be assessed to pay for their own Dwelling Unit's repairs and replacements and for such maintenance, repair, painting or replacement, subject to the requirements of this Declaration.

9.3. Assessment Payments. Individual Lot Assessments which have commenced on a Contributing Lot shall be prorated for the quarter in which the Contributing Lot came into existence, and shall thereafter be payable quarterly in advance on the first day of each quarter of each year, or as otherwise determined from time to time by the Directors. For any Budget year, Declarant may elect to pay: (i) the portion of the actual Common Costs, less any provision for reserves, that do not exceed budgeted amounts and which were properly incurred by the Association during that year which is greater than the sums received by the Association from the payment of Common Costs for that year by Owners other than Declarant; or (ii) such amount as Declarant would otherwise be obligated to pay if it had been subject to the annual assessment for Common Costs for that year on those Contributing Lots within the Property of which it is the Owner. Unless Declarant otherwise notifies the Directors at least 60 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Declarant's obligations hereunder may be satisfied in the form of a cash subsidy or by "in kind" contributions of service or materials, or a combination of these. Notwithstanding the foregoing, until such time as Declarant no longer appoints a majority of the directors of the Association, or until Declarant notifies the Association in writing that Declarant elects to pay Assessments as in the case of any other Owner, Declarant shall not be liable for Assessments for any Units owned by Declarant, but in lieu thereof, Declarant shall be responsible for all Assessments actually incurred by the Association in excess of the Assessments and any other income receivable by the Association. In any event, during the period when Declarant is not liable for Assessments, the Association will not be required to fund the portion of any reserve account reflected in the budget which is attributable to any Units owned by Declarant. Notwithstanding the foregoing, in the event the Association incurs any Common Costs not ordinarily anticipated in the day-to-day management and operation of the Property, including but not limited to expenses incurred in connection with lawsuits against the Association, or incurred in connection with damage to property, or injury or death to any person, which are not covered by insurance proceeds, the liability of Declarant for such Common Costs shall not exceed the amount that Declarant would be required to pay if it was liable for Assessments as any other Owner, and any excess amounts payable by the Association shall be assessed to the other Owners. Other than as provided in this paragraph, Declarant shall have no obligation to contribute or pay any amount for Assessments or Common Costs as to Lots owned by Declarant. Notwithstanding anything provided herein, Declarant shall never be obligated to pay any amounts for any reserve fund even though the lack of payment of reserves for accounting purposes may be deemed to be an expense of the Association.

9.4. Special Assessments. Special Assessments include, in addition to other Assessments designated as Special Assessments in the Community Documents, those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of constructing or acquiring improvements for Common Property, or the cost of reconstructing or replacing such improvements and such Assessments as may be necessary for the Association to carry out its obligations under the Community Documents. Special Assessments shall be assessed in the same manner as the Individual Lot Assessment. No Lots owned by Declarant shall be subject to any Special Assessments without the prior written consent of Declarant. Special Assessments shall be paid in such installments or in a lump sum as the Directors shall from time to time determine.

9.5. Special Lot Assessment. Special Lot Assessment means those Assessments against an individual Owner which are levied by the Association for maintaining, preserving, and restoring the Common Property and Lots upon such Owner's failure to fulfill the Owner's obligations to do same under the provisions of Community Documents and such other Assessments which are designated as Special Lot Assessments under this Declaration. Special Lot Assessments shall be in addition to the Individual Lot Assessment and shall be enforceable by the Association as other Assessments, provided that no Lot owned by Declarant shall be subject to any Special Lot Assessments without the prior written consent of Declarant. Any damage to any portion of the Property which is caused by an Owner or the Owner's family, tenants, guests, invitees or licensees shall be the responsibility of such Owner, and shall be charged against such Owner and such Owner's Lot as a Special Lot Assessment.

9.6. Liability of Owners for Individual Lot Assessments, Special Assessments and Special Lot Assessments. By the acceptance of a deed or other instrument of conveyance of a Contributing Lot, each Owner thereof, except for Declarant to the extent Declarant is an Owner, acknowledges that each Contributing Lot and the Owners thereof are jointly and severally liable for their own Individual Lot Assessment and their applicable portion of any Special Assessments (as to Special Assessments, subject to the limitations thereon relating to Lots owned by Declarant), as well as for all other Assessments for which they are liable as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Contributing Lots for the Common Costs (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special

Assessments insofar as Declarant is concerned and the limitations on the liability of Institutional Mortgagees, their successors and assigns). Further, such Owners recognize and covenant that they are individually liable for Special Lot Assessments (subject to any specific limitations provided for herein). Subject to such specific limitations, it is recognized and agreed by each Owner, for himself and the Owner's heirs, personal representatives, successors and assigns, that if Owners fail or refuse to pay their Individual Lot Assessment or any portion thereof or their respective portions of any Special Assessments or any other Assessments, including Special Lot Assessments, then the other Owners may be responsible for increased Individual Lot Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owners, and such increased Individual Lot Assessment or Special Assessments or other Assessments can and may be enforced by the Association in the same manner as all other Assessments hereunder as provided in this Declaration. The limitations applicable to Lots owned by Declarant also apply to any portion of an Assessment arising from the failure of any Owner to pay a Special Assessment or a Special Lot Assessment, or any portion thereof. Failure of an Owner to make use of the rights granted in this Declaration shall not terminate the Owner's obligation to pay any Assessments hereunder.

10. COMMON COSTS; CERTAIN ASSESSMENT CLASSIFICATIONS. The following expenses are hereby declared to be Common Costs which the Association shall assess and collect and which the Owners are obligated to pay as provided herein or as may be otherwise provided in Community Documents:

10.1. Taxes. Any taxes or special assessments levied or assessed at any and all times upon any Common Property or any improvements thereto or thereon by any and all taxing authorities, community development districts established by Chapter 190, Florida Statutes, and water drainage districts, including, without limitation, all taxes, charges, assessments and impositions, and liens for public improvements, special charges and assessments, and in general all taxes and tax liens which may be assessed against the Common Property and against any and all personal property and improvements, which are now or which hereafter may be placed thereon, including any interest, penalties and other charges which may accrue thereon, as opposed to any such levies or assessments against an individual Lot which shall be paid by the Owner thereof, shall be Common Costs.

10.2. Maintenance, Repair and Replacement.

10.2.1. Any and all expenses of the Association necessary to maintain, preserve, repair and replace the Common Property, and any improvements thereon under the terms of the Community Documents and in conformity with all applicable federal, state, County or municipal laws, statutes, local ordinances, orders, rulings and regulations shall be Common Costs.

10.2.2. Any and all expenses of the Association necessary to maintain, preserve, repair, and replace certain improvements or landscaping located on the Property, as provided in this Declaration, which under the terms of this Declaration the Association is obligated to maintain, preserve, repair and replace shall be Common Costs.

10.2.3. Any and all expenses of the Association for the repair, maintenance or replacement of any sprinkler system maintained by the Association.

10.3. Administrative Expenses. The costs of administration for the Association in the performance of its functions and duties under Community Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses shall be Common Costs. In addition, the Association may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate, or an otherwise related entity of Declarant) to assist in the operation of the Property and to perform or assist in the performance of certain obligations of the Association under Community Documents. The fees or costs of any management company or contractor so retained shall be deemed to be part of the Common Costs.

10.4. Compliance with Laws. The Association shall take such action as it determines to be necessary or appropriate in order for the Common Property and the improvements thereon to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, and the expenses of the Association hereunder shall be Common Costs.

10.5. Indemnification. The costs and expenses of fulfilling the covenant of indemnification set forth in Paragraph 13 shall be a Common Cost.

10.6. Failure or Refusal of Lot Owners to Pay Assessments. Funds needed for Common Costs due to the failure or refusal of Owners to pay Assessments levied shall, themselves, be deemed to be Common Costs and properly the subject of an Assessment, provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Owners to pay a Special Assessment or a Special Lot Assessment shall, itself, be deemed to be a Special Assessment subject to the limitations thereon with respect to Lots owned by Declarant.

10.7. Utility Charges. Any charges levied for utilities providing services for the Common Property, whether supplied by a private or public firm, including without limitation all charges for water, gas, electricity, telephone, sewer and any other type of utility or service charge, shall be Common Costs.

10.8. Extraordinary Items. Extraordinary items of expense under Community Documents such as expenses due to casualty losses and other extraordinary circumstances shall be the subject of a Special Assessment, subject to the limitations thereon with respect to Lots owned by Declarant, shall be Common Costs.

10.9. Costs of Reserves. The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation or deferred maintenance of Common Property and improvements thereto or with respect to other improvements, landscaping or equipment which the Association may elect to maintain, repair and replace pursuant to this Declaration, in amounts determined sufficient and appropriate by the Association from time to time shall be Common Costs. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association, and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same. No Reserves shall be imposed as Common Costs or otherwise collected from Lot Owners as long as the Declarant owns a Lot, unless Declarant gives its prior written consent thereto.

10.10. Matters of Special Assessments Generally. Amounts needed for capital improvements or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which are not inconsistent with the terms of any of Community Documents must also be approved by the affirmative vote of a majority of all Members (at any meeting thereof having a quorum) when the total amount of the Special Assessment for any one item or purpose is in excess of \$5,000.00, except that no approval need be obtained for a Special Assessment for the replacement or repair of presently existing improvements or personal property on the Common Property. Declarant shall not be obligated for Special Assessments as to Lots owned by Declarant.

10.11. Insurance. The premiums for all insurance of any type maintained by the Association shall be Common Costs.

10.12. Miscellaneous Expenses. The cost or expense of all items pertaining to or for the benefit of the Association or any Common Property, or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Common Costs by the Board shall be a part of the Common Costs.

10.13. The foregoing provisions regarding Common Costs shall apply to such costs incurred with respect to the Common Property at any time, regardless of whether the Common Property has been conveyed to the Association as provided in Paragraph 3.

11. INSURANCE.

11.1. The Association. The Association shall purchase the following insurance coverages subject to the following provisions, and the cost of the premiums therefore shall be a part of the Common Costs:

11.1.1. Public Liability Insurance. A comprehensive policy or policies of public liability insurance naming the Association and Declarant, until the end of the Developers Control Period as provided in the Articles, or until Declarant no longer owns any Lots, whichever is later, as named insured's thereof and including, if appropriate, the Owners as insureds thereunder, as insuring against any and all claims or demands made by any Person or Persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Common Property, or by the Association in performing its duties and obligations under this Declaration, and legal liability arising out of lawsuits related to contracts to which the Association is a party, including without limitation, injuries resulting from the use of improvements made to the Common Property, and for any other risks insured against by such policies, with limits of not less than \$1,000,000.00 for damages incurred or claimed for personal injury for any one occurrence (with no separate limit stated for the number of claims) and not less than \$100,000.00 for property damage incurred or claimed for any one occurrence (with no separate limit stated for the number of claims). Such coverage shall include as appropriate and if reasonably available, without limitation, protection against water damage liability, liability for owned and non-owned and hired automobiles and liability for property of others. The insurance purchased shall contain, if obtainable, a "Severability of Interest Endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of an Owner because of the negligent acts of either the Association, Declarant, or any other Owners or deny the claim of either the Declarant or Association because of negligent acts of the other or the negligent acts of an Owner.

11.1.2. Casualty Insurance. To the extent determined by the Board, if at all, casualty property insurance for (i) exterior walls, party walls, siding, stucco, roofing and roofing materials of the Dwelling Units (Owners shall be individually responsible for all matters not covered thereby, including interior buildout), and (ii) all improvements, if any, now or hereafter located upon the Common Property, including fixtures, personal property and equipment thereon, in amount equal to

the current full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage. Such insurance is to afford protection against (i) as to the Common Property, such risks as shall customarily be covered with respect to areas similar to the Common Property in developments similar to the Property in construction, location and use; and (ii) at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage. If the improvements to the Common Property are not the type of improvement for which casualty insurance is customarily obtained, the Board shall have no obligation to obtain casualty insurance for such improvement to the Common Property.

11.1.3. Fidelity Coverage. At the Board's sole discretion, adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Directors and all others who handle and are responsible for handling funds of the Association. Such coverage is to be in the form of fidelity bonds which meet the following requirements to the extent same are reasonably obtainable at a reasonable cost in the judgment of the Board:

11.1.3.1. Such bonds shall name the Association as an obligee;

11.1.3.2. Such bonds shall be written in an amount equal to at least the sum of three (3) months' Assessments on all Lots, plus the reserves, if any; and

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

11.1.4. Directors' and Officers' Liability Coverage: At the Board's sole discretion, policies of Directors' and Officers' liability insurance in an amount determined by the Board to be adequate to insure the Directors and Officers of the Association against personal liability arising in connection with the performance of their duties not covered by the coverage maintained pursuant to subparagraph 3 above.

11.1.5. Termite Bond. The Association shall purchase a termite bond for the Dwelling Units.

11.1.6. Other Insurance. The Association may procure such other Insurance as the Board of Directors may determine.

11.2. Owners' Responsibility. The Association shall not procure insurance on any Lot or the Dwelling Unit constructed thereon, or personalty contained therein. Accordingly, Owners of Lots shall purchase their own insurance for their Lot and Dwelling Unit and personalty located therein, and for any risk they may incur by ownership of a Lot, and for the use of Common Property. Each Lot and the improvements thereon shall be insured by the Owner thereof with fire and extended coverage insurance for loss by fire or other hazards, and such insurance shall be for the maximum insurable value of the Lot and improvements thereto, without deduction for depreciation. The Association shall have the right, but not the obligation, to require Owners to provide to the Association, proof of the insurance required by this Paragraph as well as proof of payment of the premiums for such insurance. In the event of damage or destruction by fire, flood or other casualty to any Dwelling Unit or other portion of the Lot, the Owner shall be obligated to rebuild and/or repair, as necessary, the Dwelling Unit thereon, subject to the terms, provisions and requirements of this Declaration and the Directors. The repair and building of the Dwelling Unit shall be done in a good and workmanlike manner and such repairs and rebuilding shall be performed expeditiously. Notwithstanding anything herein to the contrary, in the event that a Dwelling Unit or any other improvements to a Lot are damaged or destroyed and Assessments have commenced as to such Lot, in no event shall the Assessments with respect to such Lot be reduced, canceled or abated.

12. **LEASING OF LOTS AND DWELLING UNITS.** Every lease shall be subordinate to any lien filed by the Association under this Declaration, whether such lien was filed before or after the commencement of the lease. If an Owner leases the Owner's Lot or Dwelling Unit, a lease together with the names of the lessees shall be delivered to the Association prior to the occupancy by the lessee. No portions of a Lot or Dwelling Unit, including without limitation a room or parking space, may be leased; only the entire Unit and appurtenances may be leased as specifically permitted herein. No Lot and Dwelling Unit may be leased for a term of less than twelve (12) months per lease. The Association shall have the right to establish a procedure for screening tenants; accordingly, the Association may then have the right to disapprove tenants. Such lease shall contain a covenant that the lessee acknowledges that the Lot and Dwelling Unit are subject to Community Documents and is familiar with the provisions hereof, and the uses and restrictions contained therein, and agrees to abide by all such provisions. If a lease does not contain such a covenant, then such lease shall nonetheless be deemed to include such covenant. This paragraph shall also apply in the event of subleasing of a Lot and Dwelling Unit to the same extent as to the leasing of a Lot and Dwelling Unit. Each Owner hereby assigns to the Association on a non-exclusive basis the rights, but not the obligations, of a landlord as set forth in Chapter 83, Part II, Florida Statutes, as may be amended, including without limitation

the right to pursue the remedies set forth therein; provided, however, that nothing shall require that the Association exercise such rights.

13. RIGHTS OF INSTITUTIONAL MORTGAGEES.

13.1. General Lender Rights. Upon written request to the Association by an Institutional Mortgagee, or the insurer or guarantor of any Institutional Mortgage encumbering a Lot or residence on a Lot, such Institutional Mortgagee, insurer or guarantor, if its request specifies the name, address and factual basis of entitlement of the requesting party, shall be entitled to prompt written notice of:

13.1.1. any condemnation or casualty loss that affects either a material portion of the Property or any Lot or Dwelling Unit on a Lot encumbered by its Institutional Mortgage;

13.1.2. any 60 day delinquency in the payment of Assessments or charges owed by the Owner of any Lot or Dwelling Unit on a Lot on which it holds the Institutional Mortgage;

13.1.3. a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

13.1.4. any proposed action which requires the consent of a specified percentage of Institutional Mortgagees.

13.2. Financial Statement. Any Institutional Mortgagee, upon written request, shall be entitled to receive from the Association a financial report for the immediately preceding fiscal year.

13.3. Amendments. Any Institutional Mortgagee who has registered its name with the Association shall be provided with written notice prior to the effective date of any proposed, material amendment to this Declaration, or the Articles or Bylaws, or prior to the effective date of any termination of an agreement with a management company.

13.4. Additional Lender Rights. In the event that any party which has financed the Construction of the Improvements (as hereinafter defined) (the "Acquiring Party") acquires title to any Lot(s) owned by Declarant (or on which Declarant held a mortgage which was assigned to the Acquiring Party) as a result of the foreclosure of a mortgage(s) thereon or the giving of a deed in lieu of foreclosure or in satisfaction of debt, such party shall automatically succeed to all rights, benefits and privileges of Declarant hereunder (and under the Articles, Bylaws and Rules and Regulations of the Association), except to the extent the Acquiring Party specifically disclaims any of such rights, benefits or privileges in a written notice to the Association. Notwithstanding the foregoing or anything to the contrary contained in this Declaration (or in the aforesaid Articles, Bylaws or Rules and Regulations), the Acquiring Party shall in no manner be obligated or liable for any duties, obligations, warranties, liabilities, acts or omissions of Declarant (i) occurring or arising from facts existing (regardless of when same became known or should have become known) prior to the date the Acquiring Party succeeds to the rights, benefits and privileges of Declarant or (ii) otherwise not directly attributable to the Acquiring Party solely in its own right. The foregoing shall be in addition to, and not in derogation of, the Acquiring Party's rights, benefits and privileges as same may exist elsewhere in, under or in connection with this Declaration (or the aforesaid Articles, Bylaws or Rules and Regulations). The Construction of the Improvements shall mean and refer to all of the improvements constructed upon the Property except for the construction of the dwelling units and improvements made or constructed for the exclusive benefit of any one Lot.

14. **DEVELOPMENT STANDARDS.** Construction upon the Lots shall comply with the following Development Standards:

No Townhome or other structure shall be constructed on a Lot which fails to meet the applicable zoning requirements of the Property. Only the Declarant shall be entitled to revise, amend, or rezone any portion of the Property.

15. SURFACE WATER MANAGEMENT SYSTEM.

15.1. Association Responsibilities. The Association shall be responsible for operating and maintaining the Property in a manner consistent with the requirements of all Environmental Regulatory Agencies with regard to the flowage, drainage and retention of surface water. The Surface Water Management System shall consist of the procedures, grading plan, improvements and facilities whether above, on, over, upon, through, within or under the Property, to be employed for such purposes, as set forth in the City or any other such governmental requirements as may be amended from time to time. The Association shall be responsible for operating and maintaining the Surface Water Management System in accordance with the foregoing requirements and any requirements imposed in connection with any surface water management permit issued by any Environmental Regulatory Agency including the City. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the City, SJRWMD and any other Environmental Regulatory Agency. For purposes of responsibility to the SJRWMD and the City, the Association shall be responsible to the SJRWMD, the City

and any other Environmental Regulatory Agency for the maintenance, operation and repair of the Surface Water Management System. Filling, excavation, construction of fences, raising, lowering or altering the established grade, topography or drainage flow, pattern or rate or otherwise obstructing the surface water flow on the Property is prohibited. Any damage to any portion of the Surface Water Management System whether caused by natural or human-induced phenomena, shall be promptly repaired and returned to the condition required by the surface water management permits by the Association.

15.2. Part of Common Property Assessments. The Surface Water Management System shall form part of the Common Property. The expense of operating and maintaining same shall be an item of Common Costs for which Members may be assessed by the Association. In addition to an assessment as provided herein, the Association may recover from a Member funds necessary for maintenance or repairs, or both maintenance and repair to the Surface Water Management System caused by the acts or neglect of that Member or Members, their agents, tenants, or invitees.

15.3. Maintenance of Conservation Areas, if any. The Association shall be responsible for complying with the requirements of the any agreement, plan or requirement relating to wetland mitigation, and shall meet all conditions associated with wetland mitigation, maintenance and monitoring.

15.4. Permit Records. The Association shall be responsible for maintaining, as a part of the Official Records of the Association, a copy of the surface water management permits, issued by the City and the SJRWMD, together with any additional permits issued in connection with the maintenance, monitoring and operation of the Surface Water Management System or of any conservation or wetlands mitigation areas.

15.5. Amendments. Any proposed amendment to any provisions of this Declaration, the Bylaws or the Articles of Incorporation of the Association, which amendment would affect the Surface Water Management System or the maintenance, operation and monitoring of any wetland mitigation areas shall be first submitted to the City and the SJRWMD for a determination by said agencies of whether the amendment necessitates a modification of the surface water management permits.

15.6. Enforcement by SJRWMD and City. City and SJRWMD each have the right to take enforcement action, including a civil action for an injunction and penalties against the Association to compel it to correct any outstanding problems with the Surface Water Management System or in mitigation or conservation areas under the responsibility or control of the Association.

15.7. Dissolution of Association. In the event that the Association is permanently dissolved, terminated or liquidated for any reason, the responsibility for the operation and maintenance of the Surface Water Management System must be transferred to and accepted by an entity which complies with the regulations of the SJRWMD and be approved by the SJRWMD and the City prior to such dissolution, termination or liquidation.

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17. GENERAL PROVISIONS.

17.1. Notices. Any notice or other communication required or permitted to be given or delivered hereunder shall be properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (1) any Owner, at the address of the Person whose name appears as the Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Lot owned by such Owner; and (2) the Association, certified mail, return receipt requested, at the address of record for the Association per the State of Florida Division of Corporation, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing; and (3) Declarant, certified mail, return receipt requested, at 830-13 A1A North, Suite 120, Ponte Vedra Beach, Florida 32082, or such other address or addresses as Declarant shall hereafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners. Upon request of an Owner, the Association shall furnish to such Owner then current address of Declarant as reflected by the Association records. Notwithstanding the foregoing, notices of meetings of members of the Association, the Board of Directors and the Directors shall be affected in the manner provided in the By-Laws.

17.1.1. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, Community Documents and the books, records and financial statements of the Association to Owners and to Institutional Mortgagees or the insurers or guarantors of any mortgages encumbering Lots, which mortgages are held by Institutional Mortgagees.

17.1.2. Rights of Listed Mortgagee. Upon receipt by the Association, identifying the name and address of the Institutional Mortgagee holding a mortgage on a Lot or the insurer or guarantor thereof (such holder, insurer, or guarantor is herein referred to as a "Listed Mortgagee"), together with written request therefor from such Listed Mortgagee specifying the address to which the following items are to be sent, the Association shall timely send to such Listed Mortgagee the following (until the Association receives a written request from such Listed Mortgagee to discontinue sending the following items or until the mortgage is discharged of record):

17.1.2.1. A copy of any notice of a meeting of the Association or of the Board which is thereafter sent to the Owner of such Lot; and

17.1.2.2. A copy of any financial statement of the Association which is thereafter sent to the Owner of such Lot; and

17.1.2.3. 30 days' prior written notice of the cancellation or termination by the Association of any policies of insurance covering the Common Property or any improvements thereon, or any fidelity bonds of the Association, as well as copies of any notices of cancellation by others received by the Association with respect thereto; and

17.1.2.4. Written notice of any condemnation or eminent domain proceeding or proposed acquisition arising therefrom with respect to the Common Property; and

17.1.2.5. Written notice of any material amendment to, or the abandonment or termination of, this Declaration in accordance with the terms hereof or of any proposed action which would require the consent of Institutional Mortgagees; and

17.1.2.6. Written notice of any failure by an Owner of a Lot encumbered by a first mortgage held by such Listed Mortgagee to perform the Owner's obligations under Community Documents, including, but not limited to, any delinquency in the payment of any Assessments where such failure or delinquency has continued for a period of 90 days.

17.1.3. Failure to Send. The failure of the Association to send any such notice to any such Listed Mortgagees shall have no effect on any meeting, act or thing which was to have been the subject of such notice nor affect the validity thereof, nor shall the Association have any liability for any damage or costs which results or arises from the failure to send such notice.

17.2. Protecting Legal Title to Common Property.

17.2.1. No one may grant, lease, convey, pledge, encumber, assign, hypothecate or mortgage any interest in the Common Property without the Association's prior written consent.

17.2.2. The Association may incur indebtedness giving a right to a lien of any kind on the Common Property, which liens shall be subject to Community Documents, provided that such indebtedness receives the prior affirmative vote of two-thirds of Members.

17.2.3. All Persons contracting with the Association or Owners, or Persons furnishing materials or labor thereto, as well as all Persons whomsoever, shall be bound by the provisions of this Article.

17.3. Rules. The Board shall have the power and authority from time to time to enact Rules and Regulations ("Rules") governing the use, enjoyment, safety, maintenance, repair and preservation of the Common Property. Rules shall be adopted only at duly constituted meetings of the Board after giving notice as required in Community Documents. Rules may include, without limitation, provisions for the use, enjoyment, operation, maintenance, repair and preservation of the Common Property, the Property, provisions governing the number of guests occupying dwelling units, and parking. No Rule may conflict with any term or provision of Community Documents or constitute an amendment of any material term thereof unless same shall be adopted in the manner provided herein for the amendment of this Declaration.

17.4. Enforcement.

17.4.1. The covenants and restrictions contained herein, the Community Documents and Other Instruments of Record (as hereinafter defined) may be enforced by Declarant, the Association, any Owner or any Institutional Mortgagee holding a mortgage on any portion of the Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any Person, violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to all costs thereof including, but not limited to, reasonable attorneys' fees.

17.4.2. Notwithstanding the availability of any other remedies set forth herein the Association shall also have the power to assess reasonable fines to enforce any of the provisions of Community Documents and any Rules adopted thereunder and shall enforce such fines in accordance with the laws of the State of Florida.

17.4.3. The Association shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to easements.

17.4.4. In the event of a violation by any Owner (other than the nonpayment of any Assessment or other moneys) of any of the provisions of this Declaration, or of the Articles or Bylaws, the Association shall notify the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written Notice, or if the violation is not capable of being cured within such seven (7) day period, if the Owner fails to commence and diligently proceed to completely cure as soon as practicable such violation within seven (7) days after written notice by the Association, the Association may, at its option:

17.4.4.1 Impose a fine as provided in Paragraph 17.4.5; and/or

17.4.4.2 Commence an action to enforce the performance on the part of the Owner, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

17.4.4.3 Commence an action to recover damages; and/or

17.4.4.4 Take any and all action reasonably necessary to correct such failure, which action may include, but is not limited to, removing any building or improvement for which architectural approval has not been obtained, or performing any maintenance required to be performed by this Declaration.

All expenses incurred by the Association in connection with the enforcement of this Declaration action against any Owner, including reasonable attorneys' fees whether or not incurred in legal proceedings, shall be assessed against the applicable Owner, and shall be due upon written demand by the Association.

17.4.5. The amount of any fine shall be determined by the Directors in accordance with the laws of the State of Florida. Prior to imposing any fine, the Owner shall be afforded an opportunity for a hearing after reasonable notice to the Owner of not less than 14 days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, Bylaws or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. The Owner shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association. At the hearing, the Directors shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Directors so determine, they may impose such fine as it deems appropriate by written notice to the Owner. If the Owner fails to attend the hearing as set by the Directors, the Owner shall be deemed to have admitted the allegations contained in the notice to the Owner. Any fine imposed by the Directors shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the Directors' decision at the hearing. Notwithstanding the foregoing, the Association shall not have the right to impose any fine against Declarant or against any other developer of any portion of the Property.

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

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

17.7. Attorneys' Fees. Any provisions herein for the collection or recovery of attorneys' fees shall be deemed to include, but not be limited to attorneys' fees for the attorneys' services at all trial and appellate levels, unless the context clearly indicates a contrary intention, whether or not suit is instituted.

17.8. Severability. If any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. Further, the invalidation of any of the covenants or restrictions or terms and conditions of this Declaration or reduction in the scope or term of the same by reason of judicial application of the legal rules against perpetuities or otherwise, shall in no way affect any other provision which shall remain in full force and effect for such period of time and to such extent as may be permitted by law.

17.9. Certain Rights of Declarant. Notwithstanding anything to the contrary herein contained, no improvements constructed by Declarant shall be subject to the approval of the Board. Furthermore, notwithstanding anything to the contrary contained in this Declaration, nothing herein contained shall, or shall be construed to, limit, or in any way affect the rights of Declarant and its successors and assigns to use all portions of the Property in conjunction with, and as part of, its program of sale, leasing, construction and development of and within the Property including, without limitation, the right to use portions of the Property owned by Declarant or the Association to store construction materials, assemble construction components,

park vehicles, transact business, maintain models and a sales office, place signs, employ sales personnel, and show Lots, without any cost to Declarant and its successors, nominees and assigns for such rights and privileges. Declarant and its successors, nominees, and assigns shall have the right to construct, maintain, and repair such structures or improvements including the carrying on of all activities appurtenant thereto or associated therewith as Declarant deems necessary or appropriate for the development of the Property. Declarant may, pursuant to its programs of construction, temporarily suspend or interrupt the use of Common Property. Further, the provisions and covenants set forth in Paragraph 5 of this Declaration shall not apply to Declarant or Declarant's designees, successors or assigns to the extent Paragraph 5 conflicts with the rights of Declarant contained in this Paragraph 17.10. The rights and privileges of Declarant as set forth in this Paragraph, which are in addition to and are in no way a limit on any other rights or privileges of Declarant under any of Community Documents, shall terminate upon Declarant's no longer owning any portion of the Property, or upon such earlier date as Declarant shall notify the Association in writing of Declarant's voluntary election to relinquish the aforesaid rights and privileges. This paragraph may not be suspended, superseded, or modified in any manner by any amendment to this Declaration unless such amendment is first consented to in writing by Declarant. For the purposes of this Paragraph, the term "Declarant" shall include any "Lender" which has loaned money to Declarant to acquire or construct improvements upon the Property, or its successors and assigns, if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to Declarant, or acquires title thereto by deed in lieu of foreclosure.

17.10. Declarant reserves the right to record, modify, amend, revise and add to, at any time and from time to time, one or more subdivision plats or resubdivision plats setting forth such information as Declarant may deem necessary with regard to the Property, including without limitation the locations and dimensions of the Lots, Dwelling Units, Common Property, roads, utility systems, drainage systems, utility easements, drainage easements, access easements and set-back line restrictions without the joinder or permission of any Owner, the Association or any other person. Notwithstanding the foregoing, this provision shall not exempt Declarant from obtaining the consent and joinder of any Institutional Mortgagee consistent with any applicable loan documents encumbering the Property required thereby.

17.11. Disputes as to Use. If there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and the determination rendered with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property or any parts thereof in accordance with Paragraph 17.10 shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Association.

17.12. Term, Amendment, Termination and Modification.

17.12.1. The covenants and restrictions of this Declaration shall run with the and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of 30 years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years, unless an instrument in writing, signed by at least two thirds (2/3) of the then Members, has been recorded within the year preceding the beginning of each successive period of ten years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

17.12.2. In addition to any other right of amendment or modification provided for in this Declaration, in which case those provisions shall apply, Declarant shall have the right, until the termination of the Developer Control Period, in its sole discretion and by its sole act without the joinder or consent of any Person, unless provided otherwise herein, by an instrument filed of record, to modify, enlarge, amend, delete, waive or add to provisions of this Declaration; provided, however, that the Association shall, forthwith but not more than ten days after request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request. Failure to so join and consent to an amendment or modification, if any, shall not be cause to prevent such modification or amendment from being made by Declarant or to affect the validity thereof. Notwithstanding the foregoing this provision shall not exempt Declarant from obtaining the consent and joinder of any Institutional Mortgagee consistent with any applicable loan documents encumbering the Property required thereby.

17.12.3. Except as otherwise set forth herein, the process of amending or modifying this Declaration shall be as follows:

17.12.3.1. Until the termination of the Developer Control Period, all amendments or modifications shall be first approved in writing and joined by Declarant which joinder and approval may be withheld in the sole discretion of Declarant.

17.12.3.2. By the vote of two-thirds of all Members, together with the approval or ratification of a majority of the Board. The aforementioned vote of Members may be evidenced by an instrument of

writing signed by the required number thereof or by the affirmative vote of the required number thereof at any regular or special meeting of the Association called and held in accordance with the Bylaws, evidenced by a certificate of the Secretary of the Association. Amendments for correction of scrivener's errors or other defects in this Declaration may be made by Declarant alone until the termination of the Developer Control Period, and thereafter by the Board alone without the need of consent of the Owners or any other Person.

17.12.3.3. After the termination of the Developer Control Period, a true copy of any amendment to this Declaration shall be sent via certified mail by the Association to Declarant within five days of its adoption.

17.12.3.4. Further, Declarant may, in its sole discretion, with the approval of no other Person, including without limitation any mortgagees, being required, amend this Declaration if necessary to do so for purposes of fulfilling the requirements of any governmental entity or quasi-governmental entity, including, but not limited to, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), and the Federal Housing Administration (FHA). Nothing contained herein, however, shall require Declarant to make an amendment to this Declaration for any purpose whatsoever. Declarant may, but need not, obtain the joinder of HUD on any such amendment.

17.12.4. Notwithstanding the other provisions of Paragraph 17.12, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Association or any Institutional Mortgagee, under this Declaration or any other of Community Documents without the specific written approval of Declarant, the Association or Institutional Mortgagee affected thereby. Notwithstanding any other provision of this Paragraph 17.13, Declarant shall have the right, power and authority to make any amendment to this Declaration without the joinder of any other person, entity or agency, except Institutional Mortgagees, within ninety days of the date this Declaration is recorded in the Public Records of Duval County, Florida.

17.12.5. A true copy of any amendment to this Declaration shall be sent certified mail (herein called the "Mailing") by the Association to the Declarant and to all Institutional Mortgagees holding a mortgage on any portion of the Property requesting notice as provided herein. The amendment shall become effective upon the recording of a Certificate of Amendment to this Declaration setting forth the amendment or modification among the Public Records of the County, but the certificate shall not be recorded until 30 days after the Mailing, unless such 30 day period is waived in writing by Declarant and all Institutional Mortgagees holding mortgages on any portion of the Property.

17.12.6. Supplements are not amendments and need only be executed as set forth in Paragraph 2.2.

17.13. Delegation and Enforcement. The Association, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board or community development district established pursuant to Chapter 190, Florida Statutes, from time to time and whether or not related to Declarant.

17.14. Dissolution of Association. Any Owner may petition the Circuit Court for the appointment of a receiver in the event of dissolution of the Association.

17.15. Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiation settlement and agreements with a condemning authority for acquisition of the Common Property or a part thereof by any condemning authority. If the Association receives any award or payment arising from any taking of Common Property or any improvements thereon as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of the remaining Common Property and improvements thereon to the extent deemed advisable by the Association, and the remaining balance of such net proceeds, if any, shall be retained by the Association, and used as determined by the Association.

17.16. Approval of Association Lawsuits by Owners. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths of all Owners prior to the payment of legal or other fees to Persons engaged by the Association for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

- 17.16.1. the collection of Assessments;
- 17.16.2. the collection of other charges which Owners are obligated to pay, pursuant to Community Documents;
- 17.16.3. the enforcement of the covenants and restrictions contained in Community Documents, including but not limited to those regarding tenants;

17.16.4. in an emergency, when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Common Property or to Owners; or

17.16.5. defending any condemnation proceeding.

17.16.6. the enforcement of any contract duly entered by the Association.

17.16.7. seeking compensation for physical damage to any portion of the Common Property due to the intentional or negligent acts of any third party.

17.17. Non-Liability of Declarant. Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any Person other than Declarant. ALL AHERN TOWNHOMES OWNERS OR MEMBERS AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL AHERN TOWNHOMES MEMBERS, OWNERS AND OCCUPANTS OF ANY DWELLING UNIT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE BOARD DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE BOARD MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH AHERN TOWNHOMES MEMBER, OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLING UNITS AND TO THE CONTENTS OF DWELLING UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY, IF ANY. THE CURRENT CONCEPTUAL PLANS AND/OR REPRESENTATION, IF ANY REGARDING THE COMPOSITION OF THE COMMON PROPERTY ARE NOT A GUARANTEE OF THE FINAL COMPOSITION OF THE COMMON PROPERTY. DECLARANT HAS NO OBLIGATION OR RESPONSIBILITY TO CONSTRUCT OR SUPPLY ANY SUCH COMMON PROPERTY OF THE ASSOCIATION AND NO PARTY SHALL BE ENTITLED TO RELY UPON ANY STATEMENT CONTAINED HEREIN AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON PROPERTY TO BE OWNED, LEASED BY, OR DEDICATED TO THE ASSOCIATION. DECLARANT, SO LONG AS IT CONTROLS THE ASSOCIATION, FURTHER SPECIFICALLY RETAINS THE RIGHT TO ADD TO, DELETE FROM, OR MODIFY ANY OF THE COMMON PROPERTY REFERRED TO HEREIN. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE DEFINITION OF "COMMON PROPERTY" AS SET FORTH IN THIS DECLARATION ARE FOR DESCRIPTIVE PURPOSES ONLY AND SHALL IN NO WAY BIND OR OBLIGATE DECLARANT TO CONSTRUCT OR SUPPLY ANY ITEM AS SET FORTH IN SUCH DESCRIPTION. FURTHER, NO PARTY SHALL BE ENTITLED TO RELY UPON SUCH DESCRIPTION AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON PROPERTY TO BE OWNED, LEASED BY OR DEDICATED TO THE ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND DEDICATION OR CONVEYANCE OF ANY SUCH ITEM. THE CURRENT CONCEPTUAL PLANS AND/OR REPRESENTATION, IF ANY, REGARDING THE NUMBER OR LOCATION OF THE ENTRANCES TO THE PROPERTY ARE NOT A GUARANTEE OF THE FINAL LOCATION OR NUMBER OF THE ENTRANCES. DECLARANT HAS NO OBLIGATION OR RESPONSIBILITY TO CONSTRUCT OR SUPPLY ANY SUCH ENTRANCES AND NO PARTY SHALL BE ENTITLED TO RELY UPON ANY STATEMENT CONTAINED HEREIN AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE ENTRANCES. THE ASSOCIATION FURTHER SPECIFICALLY RETAINS THE RIGHT TO ADD TO, DELETE FROM, OR MODIFY ANY OF ENTRANCES REFERRED TO HEREIN.

17.18. Indemnification and Exculpation.

17.18.1. Indemnification.

17.18.1.1. The Association shall defend, indemnify and hold Declarant, its directors, officers, agents and employees and the Association's directors, officers, agents and employees (collectively the "Indemnified Parties") harmless from and against any and all claims, suits, actions, threatened actions, injury, loss, liability, damages, causes of action and expenses of any nature (including but not limited to any derivative action brought by the Association on behalf of any Owner) ("Indemnified Loss") which may be incurred by the Indemnified Parties in connection with or arising directly or indirectly from any personal injury, loss of life and/or damage or encroachment to property in, about or abutting the Common Property, the Lot, or the Property, or any part thereof, directly or indirectly from any act or omission of the Indemnified Parties. The Indemnification provided in this Section shall apply whether or not any Indemnified Party is acting in the Owner's capacity as Declarant, director, officer, or agent at the time any Indemnified Loss is incurred. Indemnified Losses pursuant to this Paragraph shall include, but not be limited to, all costs, attorneys' fees (including all appellate levels), expenses, and liabilities.

17.18.1.2. The indemnification pursuant to this Paragraph shall include any and all expenses that any Indemnified Party incurs to enforce its rights pursuant to this Declaration, including pursuance of an order for specific enforcement of any of the provisions, conditions, covenants or restrictions contained herein.

17.18.2. Exculpation.

17.18.2.1. Any liability of Declarant arising out of or in connection with this Declaration or the agreement for the purchase of any Lot, whether relating to a Lot, the Property or the Common Property, shall be limited solely to the cost of correcting defects in work, equipment or components furnished that were warranted in specific written warranties given by Declarant to Owners.

17.18.2.2. No Person shall be liable for special or consequential damages including, but not limited to, loss of profits or revenue, loss of use, loss of capital, cost of substitute housing or equipment, facilities or services, or claims by third parties. Repairs or replacements shall not interrupt or prolong the term of any written warranty or extend the obligation of Declarant to replace or repair the property warranted.

17.18.2.3. Any rights, privileges, or warranties contained herein shall not be assigned or assignable but are personal between the original Owners, or the Association and Declarant.

17.18.2.4. Each Owner by acceptance of conveyance of a Lot acknowledges that there have been no oral or implied warranties by any Declarant or any other Person affecting the Lot, the Property or the Common Property.

17.18.2.5. A conveyance of a Lot to an Owner shall supersede and render null and void any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, except for specific written warranties made by Declarant.

17.18.2.6. The directors, officers, agents and employees of Declarant or the Association shall not be subject to personal liability of any nature arising or by reason of the construction, use or sale of the Lot, the Property or the Common Property. Each Owner by acceptance of a deed to any Lot waives, on behalf of such Owner and such Owner's family, tenants, guests and invitees, any claim or right that it may have against such Person and agrees that any and all claims for liability or loss arising by reason of this Declaration, or the construction, use or sale of the Lot, the Property or the Common Property shall be against Declarant only and shall be limited by and subject to the provisions of this Declaration.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Declaration has been signed by the Declarant and the Association, on the day and year first above written.

Signed, sealed and delivered in the presence of:

DECLARANT:

AHERN TH PROJECT LLC, a Florida limited liability company

By:

Print Name:

Its:

Print Name:

Print Name:

KRISTIN L. HOLLIDAY

ASSOCIATION:

AHERN TOWNHOME ASSOCIATION, INC., a Florida not for profit corporation

By:

Print Name:

Its:

Print Name:

Print Name:

KRISTIN L. HOLLIDAY

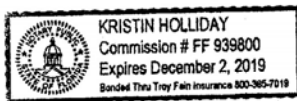
STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 21ST day of September, 2018, by Richard Johnston as Manager of AHERN TH PROJECT LLC, a Florida limited liability company, who is personally known to me or has produced _____ as identification.



STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 21ST day of September, 2018, by Richard Johnston as President of AHERN TOWNHOME ASSOCIATION, INC., a Florida not for profit corporation, who is personally known to me or has produced _____ as identification.



Print Name:

Notary Public, State of Florida at Large

Commission No.:

My Commission Expires:

EXHIBIT "A"

LEGAL DESCRIPTION

The Plat of AHERN TOWNHOMES, according to the plat thereof, as recorded in Plat Book 71, Pages 96 and 97, of the current Public Records of Duval County, Florida.