

DECLARATION OF COVENANTS AND RESTRICTIONS

OF

VILLAGE RUN

THIS DECLARATION OF COVENANTS AND RESTRICTIONS OF VILLAGE RUN is made this 4 day of DECEMBER, 1987, by GULFSTREAM DEVELOPMENT CORP., a Florida corporation ("DECLARANT").

DECLARANT hereby declares that the SUBJECT PROPERTY, as herein defined, shall be held, sold, conveyed, leased, mortgaged, and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens, and charges set forth herein, all of which are created in the best interest of the owners and residents of the SUBJECT PROPERTY, and which shall run with the SUBJECT PROPERTY and shall be binding upon all persons having and/or acquiring any right, title or interest in the SUBJECT PROPERTY or any portion thereof, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the SUBJECT PROPERTY, or any portion thereof.

1. DEFINITIONS. The terms used in this DECLARATION, and in the ARTICLES and the BYLAWS, shall have the following meanings, unless the context otherwise requires:

1.1. ARTICLES means the Articles of Incorporation of the ASSOCIATION, as same may be amended from time to time.

1.2. ASSESSMENT means the amount of money which may be assessed against an OWNER for the payment of the OWNER's share of COMMON EXPENSES, and/or any other funds which an OWNER may be required to pay to the ASSOCIATION as provided by this DECLARATION, the ARTICLES or the BYLAWS.

1.3. ASSOCIATION means the corporation established pursuant to the Articles of Incorporation attached hereto as an exhibit.

1.4. BOARD means the Board of Directors of the ASSOCIATION.

1.5. BYLAWS means the Bylaws of the ASSOCIATION, as same may be amended from time to time.

1.6. COMMON AREAS means any property, whether improved or unimproved, or any easement or interest therein, now or hereafter owned by the ASSOCIATION or which is declared to be a COMMON AREA by this DECLARATION.

1.7. COMMON EXPENSES means all expenses of any kind or nature whatsoever incurred by the ASSOCIATION, including, but not limited to, the following:

1.7.1. Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the COMMON AREAS, or any other property to be maintained by the ASSOCIATION as provided in this DECLARATION, including, but not limited to, utilities, taxes, assessments, insurance, operation, maintenance, repairs, improvements, and alterations.

1.7.2. Expenses of obtaining, repairing or replacing personal property in connection with any COMMON AREA or the performance of the ASSOCIATION's duties.

1.7.3. Expenses incurred in connection with the administration and management of the ASSOCIATION.

1.7.4. Expenses declared to be COMMON EXPENSES by the provisions of this DECLARATION, or by the ARTICLES or BYLAWS.

1.7.5. Any amounts payable by the ASSOCIATION to any other association or any governmental authority.

1.8. COMMON SURPLUS means the excess of all receipts of the ASSOCIATION over the amount of the COMMON EXPENSES.

1.9. DECLARANT means the PERSON executing this DECLARATION, or any PERSON who may be assigned the rights of DECLARANT pursuant to a written assignment executed by the then present DECLARANT recorded in the public records of the county in which the SUBJECT PROPERTY is located.

1.10. DECLARATION means this document as it may be amended from time to time.

1.11. INSTITUTIONAL LENDER means the holder of a mortgage encumbering a LOT, which holder in the ordinary course of business makes, purchases, guarantees, or insures mortgage loans, and which is not owned or controlled by the OWNER of the LOT encumbered. An INSTITUTIONAL LENDER may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional-type lender.

1.12. LOT means any platted lot within the SUBJECT PROPERTY, or any other parcel of land located within the SUBJECT PROPERTY, which contains or could contain a UNIT, and shall include any UNIT constructed upon the LOT.

1.13. OWNER means the record owner(s) of the fee title to a LOT.

1.14. PERSON means an individual, corporation, partnership, trust, or any other legal entity.

1.15. SUBJECT PROPERTY means all of the property subject to this DECLARATION from time to time, which as of the execution of this DECLARATION is the property described in Exhibit "A" attached hereto, and includes any property that is hereafter added to this DECLARATION, and excludes any property that is hereafter withdrawn from this DECLARATION, by an amendment.

1.16. UNIT means the residential dwelling constructed upon a LOT.

2. ASSOCIATION. In order to provide for the administration of the SUBJECT PROPERTY and this DECLARATION, the ASSOCIATION has been organized under the Laws of the State of Florida.

2.1. ARTICLES. A copy of the ARTICLES is attached hereto as Exhibit "B." No amendment to the ARTICLES shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

2.2. BYLAWS. A copy of the BYLAWS is attached as Exhibit "C." No amendment to the BYLAWS shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the BYLAWS, except as specifically provided herein.

2.3. Powers of the ASSOCIATION. The ASSOCIATION shall have all of the powers indicated or incidental to those contained in its ARTICLES and BYLAWS. In addition, the ASSOCIATION shall have the power to enforce this DECLARATION and shall have all of the powers granted to it by this DECLARATION. By this DECLARATION, the SUBJECT PROPERTY is hereby submitted to the jurisdiction of the ASSOCIATION.

2.4. Approval or Disapproval of Matters. Whenever the decision of the OWNERS is required upon any matter, whether or not the subject of an ASSOCIATION meeting, such decision shall be expressed in accordance with the ARTICLES and the BYLAWS, except as otherwise provided herein.

2.5. Acts of the ASSOCIATION. Unless the approval or action of the OWNERS and/or a certain specific percentage of the BOARD is specifically required by this DECLARATION, the ARTICLES or BYLAWS, or by applicable law, all approvals or actions required or permitted to be given or taken by the ASSOCIATION shall be given or taken by the BOARD, without the consent of the

OWNERS, and the BOARD may so approve an act through the proper officers of the ASSOCIATION without a specific resolution. When an approval or action of the ASSOCIATION is permitted to be given or taken, such action or approval may be conditioned in any manner the ASSOCIATION deems appropriate, or the ASSOCIATION may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided to the contrary.

2.6. Membership. All OWNERS shall be members of the ASSOCIATION. Membership as to each LOT shall be established, and transferred, as provided by the ARTICLES and the BYLAWS.

2.7. OWNERS Voting Rights. The votes of the OWNERS shall be established and exercised as provided in the ARTICLES and BYLAWS.

### 3. COMMON AREAS, DUTIES AND OBLIGATIONS OF THE ASSOCIATION.

3.1. Use and Benefit. All COMMON AREAS shall be held by the ASSOCIATION for the use and benefit of the ASSOCIATION and the OWNERS, the residents of the SUBJECT PROPERTY, and their respective guests and invitees, the holders of any mortgage encumbering any PROPERTY from time to time.

3.2. Grant and Modification of Easements. The ASSOCIATION shall have the right to grant, modify or terminate easements over, under, upon, and/or across any property owned by the ASSOCIATION, and shall have the further right to modify, relocate or terminate existing easements in favor of the ASSOCIATION.

3.3. Additions, Alterations or Improvements. The ASSOCIATION shall have the right to make additions, alterations or improvements to the COMMON AREAS, and to purchase any personal property, as it deems necessary or desirable from time to time.

3.4. Utilities. The ASSOCIATION shall pay for all utility services for the COMMON AREAS, or for any other property to be maintained by the ASSOCIATION, as a COMMON EXPENSE.

3.5. Taxes. The ASSOCIATION shall pay all real and personal property taxes and assessments for any property owned by the ASSOCIATION, as a COMMON EXPENSE.

3.6. Insurance. The ASSOCIATION shall purchase insurance as a COMMON EXPENSE, as follows:

3.6.1. Comprehensive General Liability Insurance protecting the ASSOCIATION from claims for bodily injury, death or property damage providing for coverage of at least \$1,000,000 for any single occurrence, or such lesser amount as is approved by the OWNERS.

3.6.2. Blanket Fidelity Bonds for anyone who handles or is responsible for funds held or administered by the ASSOCIATION, covering the maximum funds that will be in the custody or control of the ASSOCIATION or any managing agent, which coverage shall be at least equal to the sum of three (3) months assessments on all LOTS plus reserve funds.

3.6.3. Such other insurance as may be desired by the ASSOCIATION, such as flood insurance, errors and omissions insurance, workman's compensation insurance, or any other insurance.

3.6.4. All insurance purchased by the ASSOCIATION must include a provision requiring at least ten (10) days written notice to the ASSOCIATION before the insurance can be cancelled or the coverage reduced for any reason.

3.6.5. Any deductible or exclusion under the policies shall be a COMMON EXPENSE and shall not exceed \$2,500 or such other sum as is approved by the OWNERS.

3.6.6. Upon request, each INSTITUTIONAL LENDER shall have the right to receive a copy or certificate of the insurance purchased by the ASSOCIATION, and shall have the right to require at least ten (10) days

written notice to the INSTITUTIONAL LENDER before any insurance can be cancelled or the coverage reduced for any reason. Each INSTITUTIONAL LENDER shall have the right upon notice to the ASSOCIATION to review and approve, which approval shall not be unreasonably withheld, the form, content, issuer, coverage and deductibles of all insurance purchased by the ASSOCIATION, and to require the ASSOCIATION to purchase insurance complying with the reasonable and customary requirements of the INSTITUTIONAL LENDER. In the event of a conflict between the INSTITUTIONAL LENDERS, the requirements of the INSTITUTIONAL LENDER holding mortgages encumbering LOTS which secure the largest aggregate indebtedness shall control.

3.7. Default. Any OWNER or INSTITUTIONAL LENDER may pay for any utilities, taxes or assessments, or insurance premiums which are not paid by the ASSOCIATION when due, or may secure new insurance upon the lapse of an insurance policy, and shall be owed immediate reimbursement therefor from the ASSOCIATION, plus interest and any costs of collection, including attorneys' fees.

3.8. Maintenance of COMMON AREAS and other Property. The ASSOCIATION shall maintain all COMMON AREAS and property owned by the ASSOCIATION, and all improvements thereon, in good condition at all times.

3.9. Mortgage and Sale of COMMON AREAS. The ASSOCIATION shall have the right to encumber, sell or transfer any COMMON AREA owned by the ASSOCIATION (i) without the approval of the OWNERS if the BOARD unanimously determines that the mortgage, sale or transfer is in the best interests of the ASSOCIATION or will not materially and adversely affect the OWNERS, or (ii) if the mortgage, sale or transfer is approved by the OWNERS. Notwithstanding the foregoing, any encumbrance, sale or transfer of any COMMON AREA must be approved by all INSTITUTIONAL LENDERS holding a first mortgage encumbering a LOT.

4. EASEMENTS. Each of the following easements are hereby created, which shall run with the land and, notwithstanding any of the other provisions of this DECLARATION, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of this DECLARATION.

4.1. Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the COMMON AREAS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the COMMON AREAS as may from time to time be paved and intended for such purposes, same being for the use and benefit of the OWNERS and the residents of the SUBJECT PROPERTY.

4.2. Perpetual Nonexclusive Easement in COMMON AREAS. The COMMON AREAS shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive appurtenant easement in favor of all OWNERS and residents of the SUBJECT PROPERTY from time to time, and their guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

4.3. Encroachments. If any portion of the COMMON AREAS encroaches upon any LOT; if any UNIT or other improvement encroaches upon any LOT or upon any portion of the COMMON AREAS; or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvements; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the COMMON AREAS made by or with the consent of the ASSOCIATION, (iv) any repair or restoration of any improvements (or any portion thereof) or any UNIT after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any UNIT or the COMMON AREAS; or (v) any non-purposeful or non-negligent act of an OWNER except as may be authorized by the BOARD, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.

4.4. Additional Easements. DECLARANT (so long as it owns any LOT) and the ASSOCIATION, on their behalf and on behalf of all OWNERS, each shall have the right to (i) grant and declare additional easements over, upon, under and/or across the COMMON AREAS in favor of DECLARANT or any person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements benefitting or affecting the SUBJECT

PROPERTY. So long as the foregoing will not adversely interfere with the use of LOTS for dwelling purposes, no consent of any OWNER or any mortgagee of any LOT shall be required or, if same would adversely interfere with the use of any LOT for dwelling purposes, only the consent of the OWNERS and INSTITUTIONAL LENDERS of LOTS so affected shall be required. To the extent required, all OWNERS hereby irrevocably appoint DECLARANT and/or the ASSOCIATION as their attorney-in-fact for the foregoing purposes.

4.5. Sale and Development Easement. DECLARANT reserves and shall have an easement over, upon, across and under the SUBJECT PROPERTY as may be reasonably required in connection with the development, construction, sale and promotion, or leasing, of any LOT or UNIT within the SUBJECT PROPERTY or within any other property owned by DECLARANT.

## 5. USE RESTRICTIONS.

5.1. One UNIT Per LOT. No more than one UNIT shall be constructed on any LOT.

5.2. No Trade or Business. No trade, business, profession, or commercial activity, or any other nonresidential use, shall be conducted upon any portion of the SUBJECT PROPERTY or within any LOT or UNIT. The foregoing shall not prohibit any OWNER from leasing his UNIT.

5.3. Leases. All leases of a UNIT must be in writing and specifically be subject to this DECLARATION, the ARTICLES and the BYLAWS, and copies delivered to the ASSOCIATION upon request.

5.4. Outside Storage of Personal Property. The personal property of any resident of the SUBJECT PROPERTY shall be kept inside the resident's UNIT or a fenced or a walled-in yard, except for patio furniture and accessories, and other personal property commonly kept outside, which must be neat appearing and in good condition.

5.5. Portable Buildings. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any LOT for storage or otherwise, without the prior written consent of the ASSOCIATION.

5.6. Garbage and Trash. Each OWNER shall regularly pick up all garbage, trash, refuse or rubbish on the OWNER's LOT. Garbage, trash, refuse or rubbish that is required to be placed at the front of the LOT in order to be collected may be placed and kept at the front of the LOT after 5:00 p.m. on the day before the scheduled day of collection, and any trash facilities must be removed on the collection day. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be stored inside a UNIT or fenced-in area and screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

5.7. Vehicles and Boats. Only automobiles, vans, and other vehicles manufactured and used as private passenger vehicles, may be parked within the SUBJECT PROPERTY overnight without the prior written consent of the ASSOCIATION, unless kept within an enclosed garage. In particular and without limitation, without the prior written consent of the ASSOCIATION, no vehicle containing commercial lettering, signs or equipment, and no truck, recreational vehicle, camper, trailer, or vehicle other than a private passenger vehicle as specified above, and no boat, may be parked or stored outside of a UNIT overnight. No overnight parking is permitted on any streets, lawns, or areas other than driveways and garages, without the consent of the ASSOCIATION. Notwithstanding the foregoing, automobiles owned by governmental law enforcement agencies are expressly permitted. The foregoing restrictions shall not be deemed to prohibit the temporary parking of commercial vehicles while making delivery to or from, or while used in connection with providing services to, the SUBJECT PROPERTY. All vehicles parked within the SUBJECT PROPERTY must be in good condition and repair, and no vehicle which does not contain a current license plate or which cannot operate on its own power shall be parked within the SUBJECT PROPERTY outside of an enclosed garage for more than 24 hours, and no major repair of any

vehicle shall be made on the SUBJECT PROPERTY. Motorcycles, motorbikes, mopeds, all-terrain vehicles, and the like are not permitted to be operated within the SUBJECT PROPERTY or parked overnight outside of an enclosed garage, except with the prior written consent of the APPROVING PARTY which may be withdrawn at any time, and any permitted motorized vehicle must be licensed for street use and equipped with appropriate noise muffling equipment so that the operation of same does not create an unreasonable annoyance to the residents of the SUBJECT PROPERTY.

5.8. Pets. No animals, livestock or poultry of any kind shall be permitted within the SUBJECT PROPERTY except for common household domestic pets. No pit bull terriers are permitted without the consent of the ASSOCIATION. Any pet must be carried or kept on a leash when outside of a UNIT or fenced-in area. No pet shall be kept outside of a UNIT, or in any screened porch or patio, unless someone is present in the UNIT. No pet shall be permitted to go or stray on any other LOT without the permission of the OWNER of the LOT. Any pet must not be an unreasonable nuisance or annoyance to other residents of the SUBJECT PROPERTY. Any resident shall immediately pick up and remove any solid animal waste deposited by his pet on the SUBJECT PROPERTY, except for designated pet-walk areas, if any. No commercial breeding of pets is permitted within the SUBJECT PROPERTY. The ASSOCIATION may require any pet to be immediately and permanently removed from the SUBJECT PROPERTY due to a violation of this paragraph.

5.9. Landscaping. The initial landscaping of any HOME, and any material modifications, additions, or substitutions thereof, must be approved by the ASSOCIATION. The OWNER of each LOT containing a HOME shall be required to maintain the landscaping on his LOT, and on any contiguous property between his LOT and the pavement edge of any abutting road or the waterline of any abutting lake or canal, all in accordance with the landscaping plans approved by the ASSOCIATION, and in accordance with the provisions of this DECLARATION and the requirements of any controlling governmental authority. All such landscaping shall be maintained by the OWNER in first class condition and appearance and, as reasonably required, mowing, watering, trimming, fertilizing, and weed, insect and disease control shall be performed by the OWNER. All landscaped areas shall be primarily grass, and shall not be paved or covered with gravel or any artificial surface without the prior written consent of the ASSOCIATION. All dead or diseased sod, plants, shrubs, trees, or flowers shall be promptly replaced, and excessive weeds, underbrush or unsightly growth shall be promptly removed.

5.10. Maintenance. Each OWNER shall maintain his UNIT and all improvements and personal property upon his LOT in first class condition at all times. The exterior of all UNITS including but not limited to roofs, walls, doors, windows, patio areas, pools, screenings, and awnings shall be maintained in first class condition and repair and in a neat and attractive manner. All exterior painted areas shall be painted as reasonably necessary, with colors which are harmonious with other UNITS, and no excessive rust deposits on the exterior of any UNIT, peeling of paint or discoloration of same shall be permitted. No OWNER shall change the exterior color of his UNIT without the consent of the ASSOCIATION. All sidewalks, driveways and parking areas within the OWNER's LOT or serving the OWNER's UNIT shall be cleaned and kept free of debris; and cracks, damaged and/or eroding areas on same shall be repaired, replaced and/or resurfaced as necessary.

5.11. Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall, or portable air conditioning units are permitted.

5.12. Clotheslines and Outside Clothes Drying. No clotheslines or clothespoles 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 LOT used for outdoor clothes-drying purposes and the types of devices to be employed in this regard, which approval must be in writing.

5.13. Nuisances. No nuisances shall be permitted within the SUBJECT PROPERTY, and no use or practice which is an unreasonable source of annoyance

to the residents within the SUBJECT PROPERTY or which shall interfere with the peaceful possession and proper use of the SUBJECT PROPERTY by its residents shall be permitted. No unreasonably offensive or unlawful action shall be permitted, and all laws, zoning ordinances and regulations of all controlling governmental authorities shall be complied with at all times by the OWNERS.

5.14. Outside Antennas and Flag Poles. No outside signal receiving or sending antennas, dishes or devices are permitted without the consent of the ASSOCIATION. The foregoing shall not prohibit any antenna or signal receiving dish owned by the ASSOCIATION which services the entire SUBJECT PROPERTY. No flag poles are permitted without the consent of the ASSOCIATION.

5.15. Further Subdivision. No LOTS shall be further subdivided without the prior written consent of the ASSOCIATION if same would result in the creation of more LOTS than before such resubdivision. Notwithstanding the foregoing, portions of a LOT may be conveyed to the OWNER(S) of contiguous LOT(S) in order to increase the size of the contiguous LOT(S), so long as any remaining portion of the divided LOT not so conveyed is independently useful for the construction of a UNIT that complies with the requirements of this DECLARATION. If all of any LOT is divided between the contiguous LOTS in order to increase the size of the contiguous LOTS, then the OWNERS of the divided LOT shall be required to divide among themselves the vote and ASSESSMENT responsibility of the divided LOT pursuant to an instrument recorded in the Public Records of Sarasota County, Florida and approved by the ASSOCIATION.

5.16. Garbage Containers, Oil and Gas Tanks. All garbage and refuse containers, oil tanks, and bottled gas tanks, shall be underground or placed in walled-in or landscaped areas as approved by the ASSOCIATION so that they shall be substantially concealed or hidden from any eye-level view from any street or adjacent property.

5.17. Signs. No signs shall be placed upon any LOT, and no signs shall be placed in or upon any UNIT which are visible from the exterior of the UNIT, without the prior written consent of the ASSOCIATION, except for one customary and usual "For Sale" advertising the LOT for sale or rent. In the event any sign is installed on any LOT or on the exterior of any UNIT which violates this Paragraph, the ASSOCIATION shall have the right to remove such sign without notice to the OWNER, and the removal shall not be deemed a trespass and the ASSOCIATION shall not be liable to the OWNER for the removal or for any damage or loss to the sign.

5.18. Boats. No boats may be kept or stored outside of any UNIT, without the prior written consent of the ASSOCIATION.

5.19. Surface Water Management. No OWNER or any other PERSON shall do anything to adversely affect the surface water management and drainage of the SUBJECT PROPERTY without the prior written approval of the ASSOCIATION and any controlling governmental authority, including but not limited to the excavation or filling in of any lake or any portion of the SUBJECT PROPERTY, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the SUBJECT PROPERTY by DECLARANT or by the developer of any portion of the SUBJECT PROPERTY in accordance with permits issued by controlling governmental authorities.

5.20. Swimming Pools. No above-ground swimming pools, spas, or the like, shall be installed without the consent of the ASSOCIATION.

5.21. Fences or Walls. Fences or walls shall only be permitted in the rear of a LOT, and must be maintained in good condition at all times. The ASSOCIATION, in approving any fence or wall as elsewhere provided, shall have the right to require all fences and walls throughout the SUBJECT PROPERTY to be of a specified standard type of construction and material, and shall have the right to prohibit any other types of fences and/or walls, and shall further have the right to change such standard from time to time as the ASSOCIATION deems appropriate. No fences or walls shall be installed without the consent of the ASSOCIATION as to the location and type of the fence or wall.

5.22. Rules and Regulations. The ASSOCIATION may adopt additional reasonable rules and regulations relating to the use and maintenance of the SUBJECT PROPERTY. Copies of such rules and regulations and amendments shall be furnished by the ASSOCIATION to any OWNER upon request.

5.23. Exceptions. The foregoing use and maintenance restrictions shall not apply to DECLARANT, or to any portion of the SUBJECT PROPERTY while owned by DECLARANT, and shall not be applied in a manner which would prohibit or restrict the development of any portion of the SUBJECT PROPERTY and the construction of any UNITS and other improvements thereon, or any activity associated with the sale or leasing of any UNITS, by DECLARANT. In addition, DECLARANT shall have the right to exempt any other builder or developer from any of the foregoing use and maintenance restrictions. Specifically, and without limitation, DECLARANT shall have the right to, and any other builder or developer who is exempted from the foregoing restrictions by DECLARANT shall have the right to: (i) construct any UNITS or improvements within the SUBJECT PROPERTY, and make any additions, alterations, improvements, or changes thereto, (ii) maintain customary and usual sales, leasing, general office and construction operations on any PROPERTY; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon any 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 PROPERTY; and (v) post, display, inscribe or affix to the exterior of a UNIT or upon any PROPERTY, signs and other materials used in developing, constructing, selling or promoting any PROPERTY.

## 6. ASSESSMENT FOR COMMON EXPENSES.

6.1. Each OWNER of a LOT shall be responsible for the payment to the ASSOCIATION of ASSESSMENTS for COMMON EXPENSES for each LOT owned by the OWNER, which amount shall be assessed to the OWNER as described below. In addition, each OWNER shall be responsible for the payment to the ASSOCIATION of any ASSESSMENTS owed by the prior OWNER, except for any ASSESSMENTS owed by DECLARANT, and except as provided in Paragraph 7.1.5 of this DECLARATION.

6.2. Prior to the beginning of each fiscal year of the ASSOCIATION, the BOARD shall adopt a budget for such fiscal year which shall estimate all of the COMMON EXPENSES to be incurred by the ASSOCIATION during the fiscal year. The BOARD shall then establish the ASSESSMENT for COMMON EXPENSES for each LOT, which shall be equal and shall be determined by dividing the total amount to be assessed for COMMON EXPENSES by the number of LOTS for which ASSESSMENTS for COMMON EXPENSES are to be made pursuant to the budget. The ASSOCIATION shall then notify each OWNER in writing of the amount, frequency and due dates of the ASSESSMENT for COMMON EXPENSES. From time to time during the fiscal year, the BOARD may modify the budget, and pursuant to the revised budget or otherwise, the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the ASSESSMENTS for COMMON EXPENSES. If the expenditure of funds for COMMON EXPENSES is required in addition to funds produced by ASSESSMENTS for COMMON EXPENSES, the BOARD may make special ASSESSMENTS for COMMON EXPENSES, which shall be levied in the same manner as hereinbefore provided for regular ASSESSMENTS, and shall be payable in the manner determined by the BOARD, as stated in the notice of any special ASSESSMENTS for COMMON EXPENSES. In the event any ASSESSMENTS for COMMON EXPENSES are made payable in equal periodic payments, as provided in the notice from the ASSOCIATION, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the ASSOCIATION notifies the OWNER in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any ASSESSMENTS for COMMON EXPENSES be due less than ten (10) days from the date of the notification of such ASSESSMENTS.

## 7. DEFAULT.

### 7.1. Monetary Defaults and Collection of Assessments.

7.1.1. Late Fees and Interest. If any ASSESSMENT is not paid within ten (10) days after the due date, or if any check for any ASSESSMENT is



dishonored, the ASSOCIATION shall have the right to charge the applicable OWNER a late or bad check fee of ten (10%) percent of the amount of the ASSESSMENT, or Twenty-Five (\$25.00) Dollars, whichever is greater, plus interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular ASSESSMENT, then the ASSESSMENT shall be due ten (10) days after written demand by the ASSOCIATION.

7.1.2. Lien for ASSESSMENTS. The ASSOCIATION has a lien on each LOT for unpaid ASSESSMENTS owed to the ASSOCIATION by the OWNER of such LOT, and for late fees and interest, and for reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, and all sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances in order to preserve and protect the ASSOCIATION's lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the LOT is located, stating the description of the LOT, the name of the record OWNER, and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure all sums set forth in the claim of lien, together with all ASSESSMENTS or other moneys owed to the ASSOCIATION by the OWNER until the lien is satisfied. The lien is in effect until all sums secured by it have been fully paid or until the lien is barred by law. The claim of lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.

7.1.3. Collection and Foreclosure. The ASSOCIATION may bring an action in its name to foreclose a lien for ASSESSMENTS in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid ASSESSMENTS without waiving any claim of lien, and the applicable OWNER shall be liable to the ASSOCIATION for all costs and expenses incurred by the ASSOCIATION in connection with the collection of any unpaid ASSESSMENTS, and the filing, enforcement, and/or foreclosure of the ASSOCIATION'S lien, including reasonable attorneys' fees whether or not incurred in legal proceedings, and all sums paid by the ASSOCIATION for taxes and on account of any other mortgage, lien, or encumbrance in order to preserve and protect the ASSOCIATION'S lien. The BOARD is authorized to settle and compromise the ASSOCIATION'S lien if the BOARD deems a settlement or compromise to be in the best interest of the ASSOCIATION.

7.1.4. Rental and Receiver. If an OWNER remains in possession of his UNIT and the claim of lien of the ASSOCIATION against his LOT is foreclosed, the court, in its discretion, may require the OWNER to pay a reasonable rental for the UNIT, and the ASSOCIATION is entitled to the appointment of a receiver to collect the rent.

7.1.5. Subordination of Lien. Where any person obtains title to a LOT pursuant to the foreclosure of a first mortgage of record, or where the holder of a first mortgage accepts a deed to a LOT in lieu of foreclosure of the first mortgage of record of such lender, such acquirer of title, its successors and assigns, shall not be liable for any ASSESSMENTS or for other moneys owed to the ASSOCIATION which are chargeable to the former OWNER of the LOT and which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien recorded prior to the recording of the foreclosed or underlying mortgage. The unpaid ASSESSMENTS or other moneys are COMMON EXPENSES collectable from all of the OWNERS, including such acquirer and his successors and assigns. The new OWNER, from and after the time of acquiring such title, shall be liable for payment of all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be assessed to the OWNER'S LOT. Any person who acquires a LOT, except through foreclosure of a first mortgage of record or deed in lieu thereof, including, without limitation, persons acquiring title by sale, gift, devise, operation of law or by purchase at a judicial or tax sale, shall be liable for all unpaid ASSESSMENTS and other moneys due and owing by the former OWNER to the ASSOCIATION, and shall not be entitled to occupancy of the UNIT or enjoyment of the COMMON AREAS, or of the recreational facilities as same may exist from time to time, until such time as all unpaid ASSESSMENTS and other moneys have been paid in full.

7.1.6. Assignment of Claim and Lien Rights. The ASSOCIATION, acting through its BOARD, shall have the right to assign its claim and lien rights for the recovery of any unpaid ASSESSMENTS and any other moneys owed to the ASSOCIATION, to any third party.

7.1.7. Unpaid ASSESSMENTS Certificate. Within 15 days after written request by any OWNER or any INSTITUTIONAL LENDER holding or making a mortgage encumbering any LOT, the ASSOCIATION shall provide the OWNER or INSTITUTIONAL LENDER a written certificate as to whether or not the OWNER of the LOT is in default with respect to the payment of ASSESSMENTS or with respect to compliance with the terms and provisions of this DECLARATION, and any person or entity who relies on such certificate in purchasing or in making a mortgage loan encumbering any LOT shall be protected thereby.

7.1.8. Application of Payments. Any payments made to the ASSOCIATION by any OWNER shall first be applied towards any sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances which may have been advanced by the ASSOCIATION in order to preserve and protect its lien, next toward reasonable attorneys' fees incurred by the ASSOCIATION incidental to the collection of assessments and other moneys owed to the ASSOCIATION by the OWNER and/or for the enforcement of its lien; next towards interest on any ASSESSMENTS or other moneys due to the ASSOCIATION, as provided herein, and next towards any unpaid ASSESSMENTS owed to the ASSOCIATION, in the inverse order that such ASSESSMENTS were due.

7.2. Non-Monetary Defaults. In the event of a violation by any OWNER or any tenant of an OWNER, or any person residing with them, or their guests or invitees, (other than the non-payment of any ASSESSMENT or other moneys) of any of the provisions of this DECLARATION, the ARTICLES, the BYLAWS or the Rules and Regulations of the ASSOCIATION, the ASSOCIATION shall notify the OWNER and any tenant of 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 or tenant fails to commence and diligently proceed to completely cure such violation as soon as practicable within seven (7) days after written notice by the ASSOCIATION, or if any similar violation is thereafter repeated, the ASSOCIATION may, at its option:

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

7.3.1. Commence an action to recover damages; and/or

7.3.2. Take any and all actions reasonably necessary to correct such failure, which action may include, where applicable, but is not limited to, removing any addition, alteration, improvement or change which has not been approved by the ASSOCIATION, or performing any maintenance required to be performed by this DECLARATION.

All expenses incurred by the ASSOCIATION in connection with the correction of any failure, plus a service charge of ten (10%) percent of such expenses, and all expenses incurred by the ASSOCIATION in connection with any legal proceedings to enforce this DECLARATION, 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. The ASSOCIATION shall have a lien for any such ASSESSMENT and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such ASSESSMENT, and may take such action to collect such ASSESSMENT or foreclose said lien as in the case and in the manner of any other ASSESSMENT as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the County in which the SUBJECT PROPERTY is located.

7.4. Negligence. An OWNER shall be liable and may be assessed by the ASSOCIATION for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, to the extent otherwise provided by law and to the extent that such expense is not met by the proceeds

of insurance carried by the ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a LOT or UNIT, or the COMMON AREAS.

7.5. Responsibility of an OWNER for Occupants, Tenants, Guests, and Invitees. Each OWNER shall be responsible for the acts and omissions, whether negligent or willful, of any person residing in his UNIT, and for all guests and invitees of the OWNER or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the COMMON AREAS, or any liability to the ASSOCIATION, the OWNER shall be assessed for same as in the case of any other ASSESSMENT, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the ASSOCIATION. Furthermore, any violation of any of the provisions of this DECLARATION, of the ARTICLES, or the BYLAWS, by any resident of any UNIT, or any guest or invitee of an OWNER or any resident of a UNIT, shall also be deemed a violation by the OWNER, and shall subject the OWNER to the same liability as if such violation was that of the OWNER.

7.6. No Waiver. The failure of the ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this DECLARATION, the ARTICLES, or the BYLAWS, shall not constitute a waiver of the right of the ASSOCIATION to enforce such right, provision, covenant or condition in the future.

7.7. Rights Cumulative. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this DECLARATION, the ARTICLES or the BYLAWS, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION from executing any additional remedies, rights or privileges as may be granted or as it might have by law.

7.8. Enforcement By or Against other Persons. In addition to the foregoing, this DECLARATION may be enforced by DECLARANT (so long as DECLARANT is an OWNER), or the ASSOCIATION, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this DECLARATION, including attorneys' fees, shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this DECLARATION. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this DECLARATION against any person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any person, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees.

8. TERM OF DECLARATION. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time, one hundred (100%) percent of the OWNERS execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). Any termination of this DECLARATION shall be effective on the date the instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT, or holds any mortgage encumbering any lot.

9. AMENDMENT.

OWNER to the same liability as if such violation was that of the OWNER.

7.6. No Waiver. The failure of the ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this DECLARATION, the ARTICLES, or the BYLAWS, shall not constitute a waiver of the right of the ASSOCIATION to enforce such right, provision, covenant or condition in the future.

7.7. Rights Cumulative. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this DECLARATION, the ARTICLES or the BYLAWS, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION from executing any additional remedies, rights or privileges as may be granted or as it might have by law.

7.8. Enforcement By or Against other Persons. In addition to the foregoing, this DECLARATION may be enforced by DECLARANT (so long as DECLARANT is an OWNER), or the ASSOCIATION, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this DECLARATION, including attorneys' fees, shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this DECLARATION. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this DECLARATION against any person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any person, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees.

8. TERM OF DECLARATION. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time, one hundred (100%) percent of the OWNERS execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). Any termination of this DECLARATION shall be effective on the date the instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT, or holds any mortgage encumbering any LOT.

9. AMENDMENT.

DECLARATION-11

the ARTICLES, and the BYLAWS, in that order, shall control.

11.2. Authority of ASSOCIATION and Delegation. Nothing contained in this DECLARATION shall be deemed to prohibit the BOARD from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the BOARD by this DECLARATION including, but not limited to, the right to exercise architectural control and to approve any deviation from any use restriction, and the BOARD is expressly authorized to so delegate any power or right granted by this DECLARATION.

11.3. Severability. The invalidation in whole or in part of any of these covenants, conditions, reservations and restrictions, or any section, subsection, sentence, clause, phrase, word or other provision of this DECLARATION shall not affect the validity of the remaining portions which shall remain in full force and effect.

DECLARATION-12

11.4. Validity. In the event any court shall hereafter determine that any provisions as originally drafted herein violate the rule against perpetuities, the period specified in this DECLARATION shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rules of law.

11.5. Assignment of DECLARANT's Rights. Any or all of the rights, privileges, or options provided to or reserved by DECLARANT in this DECLARATION, the ARTICLES, or the BYLAWS, may be assigned by DECLARANT, in whole or in part, as to all or any portion of the SUBJECT PROPERTY, to any person or entity pursuant to an assignment recorded in the public records of the county in which the SUBJECT PROPERTY is located. Any partial assignee of any of the rights of DECLARANT shall not be deemed the DECLARANT, and shall have no other rights, privileges or options other than as are specifically assigned. No assignee of DECLARANT shall have any liability for any acts of DECLARANT or any prior DECLARANT unless such assignee is assigned and agrees to assume such liability.

11.6. Inapplicability of Condominium Act. It is acknowledged that the ASSOCIATION is not intended to be a condominium association, and is not intended to and shall not be governed by the provisions of Florida Statutes, Chapter 718.

11.7. Modification of Development Plan. DECLARANT reserves the right at any time and from time to time to modify the development plan for all or any portion of the SUBJECT PROPERTY, and in connection therewith to develop UNITS upon the SUBJECT PROPERTY which are substantially different from the UNITS planned for the SUBJECT PROPERTY from time to time, and in the event DECLARANT changes the type, size, or nature of the UNITS or other improvements to be constructed upon the SUBJECT PROPERTY, DECLARANT shall have no liability therefor to any OWNER. In addition, DECLARANT makes no representations or warranties as to the manner in which any other property outside of the SUBJECT PROPERTY will be developed, and shall have no liability to any OWNER as regards the development of any other property in or around the SUBJECT PROPERTY.

IN WITNESS WHEREOF, DECLARANT has executed this DECLARATION this 4th day of December, 1987.

WITNESSES:

GULFSTREAM DEVELOPMENT CORP., a Florida corporation

Nancy H. Meyers  
John Sedwitz

By: Norma J. Treadwell  
Its Vice President

STATE OF FLORIDA     )  
                                  )     SS:  
COUNTY OF Broward    )

The foregoing instrument was acknowledged before me this 4th day of December, 1987, by Norma J. Treadwell, Vice President of GULFSTREAM DEVELOPMENT CORP., a Florida corporation, on behalf of the corporation.

Notary Public, State of Florida at Large  
My Commission Expires January 14, 1990  
Bonded thru Huckleberry, Sibley & Harvey Insurance and Bonds, Inc.

Nancy H. Meyers  
Notary Public, State of Florida at Large  
(Notary Seal)

My commission expires:

THIS INSTRUMENT PREPARED BY:

ERIC A. SIMON, ESQ.  
BORKSON, SIMON & MOSKOWITZ, P.A.  
1500 N.W. 49th Street  
Fort Lauderdale, Florida 33309  
(305) 491-2000

VILLRUN.PGS

EXHIBIT "A" TO DECLARATION OF  
COVENANTS AND RESTRICTIONS OF VILLAGE RUN

All of the Plat of East Village Model Center, according to the Plat thereof, recorded in Plat Book 30, Page 45 of the Public Records of Sarasota County, Florida.