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HARMONY RESIDENTIAL PROPERTIES
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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To meet these goals, the following sections detail activities that are regulated, prohibited, or encouraged on a community-wide basis. 6

HARMONY RESIDENTIAL PROPERTIES**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration") is made this 8th day of October, 2002, by Birchwood Acres Limited Partnership, LLLP, a Florida limited liability limited partnership ("Developer").

PART ONE: INTRODUCTION TO THE COMMUNITY**ARTICLE I - CREATION OF THE COMMUNITY**

1.1. Purpose and Intent. Developer, as the owner of the real property described on Exhibit "A," intends by the recording of this Declaration to create a general plan of development for the planned community known as Harmony or Town of Harmony. This Declaration provides a flexible and reasonable procedure for the future expansion of Harmony to include additional real property as Developer deems appropriate and provides for the overall development, administration, maintenance and preservation of the real property now and hereafter comprising Harmony. An integral part of the development plan is the creation of Harmony Residential Owners Association, Inc., an association to be comprised of all owners of residential real property in Harmony, to operate and maintain, or to provide for the operation and maintenance of, various common area and community improvements and to administer and enforce this Declaration and the other governing documents referred to in this Declaration. In addition, it establishes a mechanism by which to realize the goal of creating a community in which good citizenship and community service are encouraged from all residents.

This Declaration does not and is not intended to create a condominium within the meaning of the Florida Condominium Act, Florida Statutes Section 718.101, et seq.

1.2. Binding Effect.

(a) All property described on Exhibit "A," and any additional property which is made a part of Harmony in the future by filing of one or more Supplemental Declarations in the Public Records, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Properties, as well as the occupants of any Unit and their guests and invitees.

(b) This Declaration shall be enforceable by Developer, the Association, any Owner, and their respective successors and assigns, and unless terminated as provided in Section

1.2(c), shall have perpetual duration. If Florida law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless terminated as provided below. Notwithstanding the above, so long as Florida law recognizes the rule against perpetuities, if any of the provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(c) Unless otherwise required by Florida law, this Declaration may not be terminated except by an instrument signed by Owners of at least 75% of the total number of Units within the Properties and by Developer, if Developer owns any portion of Harmony, with such additional approval as may be required pursuant to Section 15.3. Any such instrument shall set forth the intent to terminate this Declaration and shall be recorded in the Official Records of Osceola County, Florida. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement

(d) If any court finally determines that a provision of this Declaration is invalid, in whole or as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

1.3. Governing Documents. This Declaration, any applicable Supplemental Declaration, the Harmony Code: Residential Design Principles and Guidelines, the By-Laws, the Articles of Incorporation, the Use Restrictions and Rules, the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife, as they may be amended and the other documents referenced in this Declaration (the "Governing Documents") create a general plan of development for Harmony which may be supplemented by additional covenants, restrictions, and easements applicable to particular areas within Harmony. In the event of a conflict between or among the Governing Documents and any such additional covenants or easements, or the provisions of any other articles of incorporation, by-laws, rules or policies governing any area within Harmony, the Governing Documents shall control. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Properties from containing more restrictive provisions than this Declaration. The Association shall comply with and shall be entitled to enforce the provisions of any such additional covenants as if set forth in this Declaration. In the event that Developer delegates its right to enforce any deed restrictions or other additional covenants to the Association, the Association shall enforce such additional covenants as if set forth in this Declaration and, to the extent that such additional covenants are more comprehensive or restrictive than the covenants and restrictions contained in the Governing Documents, such additional covenants and restrictions shall control. In addition to the Governing Documents, Harmony is further governed by the CDD and shall at all times be subject to assessments imposed and ordinances, rules and regulations enacted thereby.

1.4. No Rights Created for General Public. The easements, licenses, rights and privileges established, created and granted by this Declaration shall be for the benefit of the

Association, the Developer and the Owners, all as more specifically set forth in this Declaration; and any Owner or the Developer may also grant the benefit of such easement, license, right or privilege to tenants and guests for the duration of their tenancies or visits, but the same are not intended nor shall they be construed as creating any rights in or for the benefit of the general public.

ARTICLE II - CONCEPTS AND DEFINITIONS

The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

2.1. "Area of Common Responsibility": the Common Area, together with those areas, if any, which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, or by contract become the ownership, management or operational responsibility of the Association.

2.2. "Articles of Incorporation" or "Articles": the Articles of Incorporation of Harmony Residential Owners Association, Inc., as filed with the Secretary of State for the State of Florida.

2.3. "Association": Harmony Residential Owners Association, Inc., a Florida not-for profit corporation, its successors and assigns.

2.4. "Base Assessment": assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units, as determined in accordance with Section 8.2.

2.5. "Board of Directors" or "Board": the body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Florida corporate law.

2.6. "Builder": any Person which purchases one or more Tracts or Lots for the purpose of constructing improvements for later sale to consumers or parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business.

2.7. "By-Laws": the By-Laws of Harmony Residential Owners Association, Inc, a copy of which is attached as Exhibit "E", as they may be amended.

2.8. "CDD": the Harmony Community Development District. **THE CDD IS A SPECIAL PURPOSE GOVERNMENTAL ENTITY CREATED PURSUANT TO FLORIDA STATUTES CH. 190, HAVING ASSESSMENT AND LIEN RIGHTS OVER ALL PROPERTY LOCATED WITHIN HARMONY AND THE POWER TO ADOPT ORDINANCES, RULES AND REGULATIONS THAT GOVERN THE OWNERS, PROPERTY AND HARMONY. CDD ASSESSMENTS WILL BE PAYABLE BY EACH**

OWNER AND ARE SEPARATE FROM AND IN ADDITION TO ASSESSMENTS IMPOSED BY THE ASSOCIATION HEREUNDER. THE CDD IS INDEPENDENT FROM THE ASSOCIATION, AND DEVELOPER DOES NOT CONTROL OR PARTICIPATE IN THE OPERATION OF THE CDD. CDD ASSESSMENTS MAY BE USED, IN PART, FOR THE OPERATION AND MAINTENANCE OF THE STORMWATER DRAINAGE SYSTEM SERVING HARMONY, A SUBSTANTIAL PORTION OF WHICH IS LOCATED WITHIN THE GOLF COURSE PROPERTY. THE CDD AMENITIES MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, OWNERSHIP OF ALL ALLEYS AND ALL PROPERTY THAT LIES BETWEEN LOT BOUNDARIES AND THE CURBS OF ANY PUBLIC STREET, INCLUDING BUT NOT LIMITED TO SIDEWALKS LOCATED THEREON.

2.9. "CDD Amenities": all recreational facilities, parks, roads, alleys, street lighting, sidewalks, easements, drainage systems, water and sewer systems, utilities and all other infrastructure, improvements and property, real and personal, owned by the CDD and available for the use or enjoyment of the Owners and occupants of Units within Harmony, whether by contract between the Association and the CDD or by legal right arising from laws governing the CDD.

2.10. "Class "B" Control Period": the period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors.

2.11. "Common Area": all real and personal property which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The Common Area may include portions of the CDD Amenities.

2.12. "Common Expenses": the expenses incurred or anticipated to be incurred by the Association for the general benefit of all Units, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles of Incorporation. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development, installation of infrastructure or original capital improvements unless approved by a majority of the Association's total Class "A" vote. After the Class "B" Control Period, Common Expenses shall not include expenses for such items unless approved by a majority of the total Class "A" votes and by Developer, as long as Developer owns any Developable Property. However, Common Expenses shall at all times include the repair, maintenance and replacement expenses associated with the initial development, infrastructure and capital improvements.

2.13. "Community-Wide Standard": the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties, which shall not be lower than the standards, if any, established by Developer or jointly established by the boards of the Harmony Residential Owners Association, Inc., and the Harmony Commercial Owners Association, Inc., for all properties within Harmony. Such standard is expected to evolve over time as development progresses and may be more specifically on a general basis or with respect to particular property, as determined from time to time by the Board of Directors, Developer, and

the Harmony Design Committee established pursuant to Article IV. By way of example, the alleys, whether owned by the Association or the CDD, might be maintained to a lower standard than that applicable to other roadways in the Properties, with the alleys being maintained only to a minimum standard which is sufficient to permit vehicular access and avoids the creation of drainage problems.

2.14. "Harmony Code": the Harmony Code: Residential Design Principles and Guidelines, if any, adopted and published from time to time pursuant to Article IV.

2.15. "Developable Land": all of the real property described on Exhibits "A" and "B" of this Declaration, as it may be amended, whether or not the same has been subjected to this Declaration in accordance with Article IX exclusive of any wetlands, bodies of water, and property subject to conservation easements or similar easements requiring that it be maintained in its natural state.

2.16. "Developer": Birchwood Acres Limited Partnership, LLLP, a Florida limited liability limited partnership, or any successor, successor-in-title, or assign who is assigned any of the rights, duties, responsibilities and obligations of Birchwood Acres Limited Partnership, as declarant of this Declaration, pursuant to a recorded instrument executed by the immediately preceding successor, successor-in-title, or assign to those rights, duties, responsibilities and obligations, but only to the extent of such assignment.

2.17. "Development Order": that certain Development Order for Birchwood Development of Regional Impact, adopted by the Board of County Commissioners for Osceola County, Florida, on September 14, 1992, and recorded on February 16, 1995, in Book 1240, Page 1448, et. seq., of the Official Records of Osceola County, Florida, as amended.

2.18. "Environmental Assessment": assessments levied in accordance with Section 8.7.

2.19. "Golf Course": one or more parcels of land adjacent to or within the Properties which are privately owned by Developer, its successors, successors-in-title, or assigns, and which are operated as golf courses, and all related and supporting facilities and improvements operated in connection with such courses. **THE GOLF COURSE IS NOT A COMMON AREA OR CDD AMENITY AND NO USE RIGHTS OR PRIVILEGES THEREIN ARE EXPRESSED OR IMPLIED HEREIN. NO REPRESENTATION OR WARRANTY IS EXPRESSED OR IMPLIED THAT THE GOLF COURSE SHALL BE IMPROVED OR OPERATED IN ANY MANNER.**

2.20. "Governing Documents": this Declaration, any applicable Supplemental Declaration, the Harmony Code: Residential Design Principles and Guidelines, the By-Laws, the Articles of Incorporation, the Use Restrictions and Rules and the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife, as they may be amended from time to time.

2.21. "Harmony or Town of Harmony": all property which is now or hereafter made subject to this Declaration or the Nonresidential Declaration.

2.22. "Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife": the initial restrictions, guidelines and goals concerning companion animals, habitat and wildlife of the Association, a copy of which is attached as Exhibit "F", as they may be amended as they may be supplemented, modified and repealed pursuant to Article III.

2.23. "Improvements": shall mean any and all buildings, structures, sheds, driveways, parking areas, paved areas, fences, and other physical improvements hereafter located, constructed, installed or placed on a Tract or Lot, or attached or affixed to a Unit, and any and all modifications, alterations and replacements thereto, and any additional improvements Owner may elect to erect on a Tract, Lot or Unit from time to time with Developer's prior written consent.

2.24. "Lakes": Those certain lakes designated as Buck Lake and Cat Lake in the Development Order.

2.25. "Lake Access and Use License Agreement": That certain Lake Access and Use License Agreement between the Association and Developer or its successors or assigns providing for limited access and use rights of the Lakes and certain adjacent areas and facilities by the Members pursuant to the terms and conditions set forth therein. **THE LAKES ARE NOT COMMON AREAS OR CDD AMENITIES AND ACCESS AND USE OF THE LAKES SHALL BE ENJOYED STRICTLY IN ACCORDANCE WITH AND SUBJECT TO THE TERMS AND CONDITIONS OF THE LAKE ACCESS AND USE LICENSE AGREEMENT AND APPLICABLE RULES AND REGULATIONS.**

2.26. "Laws" shall mean all federal, state, county, municipal and other governmental constitutions, statutes, ordinances, codes, regulations, resolutions, rules, requirements and directives and all decisions, judgments, writs, injunctions, orders, decrees or demands of courts, administrative bodies and other authorities construing any of the foregoing. "Law" shall be the singular reference to Laws.

2.27. "Lot" shall mean a separate platted parcel of land within the Properties. **CERTAIN TRACTS OR LOTS THAT ARE LOCATED WITHIN OTHERWISE RESIDENTIAL AREAS MAY BE DESIGNATED AS COMMERCIAL LOTS AND UTILIZED FOR COMMERCIAL PURPOSES. COMMERCIAL TRACTS AND LOTS WILL BE GOVERNED BY THE NONRESIDENTIAL DECLARATION. EACH PROSPECTIVE OWNER IS HEREBY ADVISED TO REVIEW THE PLAT FOR THE PROPERTY CONTAINING AND SURROUNDING ANY TRACT, LOT OR UNIT TO BE ACQUIRED BY A PROSPECTIVE OWNER IN ORDER TO DETERMINE THE PRESENCE OF ANY COMMERCIAL TRACTS OR LOTS.**

2.28. "Master Plan": the land use plan for the development of the Harmony community included in the Development Order as "Map H" as it may be amended, which plan

includes the property described on Exhibit "A" and may include all or a portion of the property described on Exhibit "B" which Developer may from time to time subject to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Developer to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit "B" from the Master Plan bar its later annexation in accordance with Article IX.

2.29. "Member": a Person entitled to membership in the Association, as provided in Section 6.2.

2.30. "Mortgage": a mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to a Tract, Lot or Unit.

2.31. "Mortgagee": an institutional or governmental holder of a Mortgage which makes, holds, insures or guarantees residential Mortgage loans in the ordinary course of its business.

2.32. "Neighborhood": any of the several areas into which the Properties may be divided for purposes of Neighborhood based voting which may be employed on certain occasions in order to facilitate the conduct of Association business of concern to a particular Neighborhood, communication between the Board and the respective Owners, and the administration of the community.

2.33. "Nonresidential Association": Harmony Nonresidential Owners Association, Inc., a not for profit corporation formed under the laws of the State of Florida to serve as a mandatory membership owners association having jurisdiction over all of the property made subject to the Nonresidential Declaration.

2.34. "Nonresidential Declaration": that certain Harmony Nonresidential Properties Declaration of Covenants, Conditions and Restrictions to be filed by Developer and recorded in the Official Records of Osceola County, as it may be amended from time to time.

2.35. "Original Assessment": assessments levied in accordance with Section 8.1.

2.36. "Owner": one or more Persons who hold the record title to any Tract, Lot or Unit but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

2.37. "Person": a natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.38. "Private Amenities": certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of or within the Properties, which are privately owned and operated by Persons other than the Association for recreational and related purposes, on a club membership basis, use fee basis, or otherwise, and shall include, without limitation, the Golf Course, if any.

2.39. "Properties" or "Residential Properties": the real property described in Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article IX.

2.40. "Rental Qualification": written evidence of the Board's approval of leasing, as leasing is more particularly described in the Use Restrictions and Rules, of a particular garage apartment or similar accessory structure on a Lot containing living quarters in addition to the primary dwelling Unit on such Lot. A written application for Rental Qualification with respect to a garage apartment or similar accessory structure will be reviewed by the Board or its designated administrator following delivery of such application to the Board made prior to submission of an application for a Certificate of Occupancy for the primary dwelling Unit on a Lot and, following preliminary approval by the Board, which shall be granted or withheld in the Board's sole and absolute discretion, written evidence of Rental Qualification with respect to such apartment or structure will only be delivered upon receipt by Developer of payment in the amount of all applicable impact fees that may be due in connection with such approved apartment or structure plus receipt by Developer of compensation for the affect that such approved apartment or structure may have on density limitations that are applicable to the development of Harmony or the Town of Harmony. All such impact fees paid to Developer shall be applied to the payment of actual impact fees that may be due with respect to such Lot, or to reimburse, at current levels, any person that has previously paid impact fees that may be applied to the Lot. Upon written request made with respect to a particular Lot, Developer shall identify the amount of compensation that will be required to be paid in connection with the anticipated affect that Rental Qualification of an apartment or structure will have on density limitations.

2.41. "Service Area": two or more Tracts, Lots or Units which receive benefits or services from the Association which are not provided to all Tracts, Lots or Units, as described in Section 7.14. A Tract, Lot or Unit may be part of more than one Service Area, and Service Areas may overlap. Where the context permits or requires, the term "Service Area" shall also refer to the Service Area Committee, if any, established in accordance with the By-Laws to act as a liaison between the Board and the Owners of Tracts, Lots or Units within a particular Service Area.

2.42. "Service Area Assessments": assessments levied against the Units, or unimproved Tracts or Lots, in a particular Service Area to fund Service Area Expenses, as described in Section 8.3.

2.43. "Service Area Expenses": the actual or estimated expenses incurred or anticipated to be incurred by the Association for the benefit of the Owners and occupants of Tracts, Lots and Units within a particular Service Area.

2.44. "Special Assessment": assessments levied in accordance with Section 8.5.

2.45. "Specific Assessment": assessments levied in accordance with Section 8.6.

2.46. "Supplemental Declaration": an amendment or supplement to this Declaration filed in the Official Records of Osceola County, Florida, for such purposes as this Declaration may provide.

2.47. "Tract": any parcel of land in the Properties other than those subdivided into Lot or Units.

2.48. "Unit": an improved portion of the Properties which may be independently owned and is intended for use and occupancy as an attached or detached residence for a single family; provided, however, a garage apartment or similar accessory structure on a Lot containing living quarters in addition to the primary dwelling Unit on such Lot (and under common ownership) shall not be deemed a separate Unit. The term shall refer to the land, if any, which is part of the Unit and any improvements thereon. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit.

In the case of a Tract or Lot or other parcel of vacant land or land on which improvements may be constructed or are actually under construction, the parcel shall for all purposes hereunder, including but not limited to the imposition of assessments and voting rights, be deemed to contain the number of Units which may be permitted for development thereon or otherwise specified to be included on such land, Tract or Lot, or the number of Units specified (either expressly or on a per acre basis) for such parcel in any applicable Supplemental Declaration, until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel. Thereafter, each Tract or Lot described by such plat shall be deemed to constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

2.49. "Use Restrictions and Rules": the initial use restrictions and rules of the Association set forth on Exhibit "C," as they may be supplemented, modified and repealed pursuant to Article III.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

ARTICLE III - USE AND CONDUCT

3.1. Framework for Regulation. Developer has established a general plan of development for the Properties as a master planned community in order to enhance all Owners' quality of life and collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the community. The Properties are subject to the land development, architectural, and design provisions described in Article IV, the other provisions of this Declaration governing individual conduct and uses of or actions upon the Properties, and the guidelines, rules and restrictions promulgated pursuant to this Article, all of which establish affirmative and negative covenants,

easements, and restrictions on the Properties. Each Owner's use of any portion of the Properties shall comply at all times with all applicable Laws and permits including, but not limited to the Development Order, Osceola County zoning ordinances, permits of the South Florida Water Management District and Army Corps of Engineers and all other documents of record affecting the Properties.

All provisions of the Governing Documents, including the Use Restrictions and Rules, shall apply to all Owners, tenants, occupants, guests and invitees of any Unit. Each Owner shall be responsible for inserting a provision in any lease of its Unit informing the lessee and all occupants of the Unit of the Governing Documents and all Use Restrictions and Rules affecting the Unit or the Common Area; however, failure to include such a provision in the lease shall not relieve any Person of responsibility for complying with the Governing Documents.

No Owner shall submit a request for rezoning or for an amendment, variance or modification to the Development Order or any other permit or approval applicable to the Properties or any portion thereof without the express prior written consent of Developer which may be granted or withheld in its sole and absolute discretion.

The Properties are governed by the Harmony Community Development District ("CDD"). **THE CDD IS A SPECIAL PURPOSE GOVERNMENTAL ENTITY CREATED PURSUANT TO FLORIDA STATUTES CH. 190, HAVING ASSESSMENT AND LIEN RIGHTS OVER ALL TRACTS, LOTS AND UNITS LOCATED WITHIN HARMONY AND THE POWER TO ADOPT ORDINANCES, RULES AND REGULATIONS THAT GOVERN THE OWNERS, TRACTS, LOTS, UNITS AND HARMONY. CDD ASSESSMENTS WILL BE PAYABLE BY EACH OWNER AND ARE SEPARATE FROM AND IN ADDITION TO ASSESSMENTS IMPOSED BY THE ASSOCIATION HEREUNDER. THE CDD IS INDEPENDENT FROM THE ASSOCIATION, AND DEVELOPER DOES NOT CONTROL OR PARTICIPATE IN THE OPERATION OF THE CDD. CDD ASSESSMENTS MAY BE USED, IN PART, FOR THE OPERATION AND MAINTENANCE OF THE STORMWATER DRAINAGE SYSTEM SERVING HARMONY, A SUBSTANTIAL PORTION OF WHICH IS LOCATED WITHIN THE GOLF COURSE PROPERTY. THE CDD AMENITIES MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, OWNERSHIP OF ALL ALLEYS AND ALL PROPERTY THAT LIES BETWEEN LOT BOUNDARIES AND THE CURBS OF ANY PUBLIC STREET, INCLUDING BUT NOT LIMITED TO SIDEWALKS LOCATED THEREON.**

3.2. Rulemaking Authority. Initial Use Restrictions and Rules applicable to all or specified portions of the Properties are attached as Exhibit "C" to this Declaration and initial Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife are attached as Exhibit "F" to this Declaration. So long as Developer has the right unilaterally to amend this Declaration pursuant to Section 19.1, Developer may unilaterally amend Exhibit "C" and Exhibit "F". Thereafter or otherwise, the initial Use Restrictions and Rules set forth on Exhibit "C" and the initial Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and

Wildlife set forth on Exhibit "F" may be modified, in whole or in part, repealed or expanded, subject to the terms of this Article, as follows:

(a) Subject to the terms of this Article III and in accordance with its duty to exercise business judgment on behalf of the Association and its Members, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions and Rules and the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife. The Board shall publish notice of the proposed action in a community newsletter, electronic bulletin board, or by other means which the Board determines will be reasonably effective in disseminating such notice on a community-wide basis, at least 30 days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Any rule adopted by the Board shall become effective 30 days thereafter unless within such 30 day period it is disapproved at a meeting by Owners representing a majority of the total Class "A" votes and by the Class "B" Member, if any. At any such meeting of the Owners, Owners may vote by proxy, and proxies may be filed by facsimile or other electronic means so long as they meet the requirements of Florida law. The Board shall have no obligation to call a meeting to consider disapproval except upon petition of the Owners as required for special meetings in By-Laws Section 2.4.

(b) The Owners, at a meeting duly called for such purpose as provided in By-Laws Section 2.4, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions and Rules and the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife applicable to all of the Properties, by a vote of a majority of the total Class "A" votes in the Association and the approval of the Class "B" Member, if any.

(c) Notwithstanding the above, after termination of the Class "B" Membership, no amendment to or modification of any Use Restrictions and Rules or Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife shall be effective without prior notice to and the written approval of Developer so long as Developer owns any portion of the Developable Land.

(d) At least 30 days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send notice of the action to each Owner. The Association shall provide, without cost, a copy of the Use Restrictions and Rules and Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife then in effect to any requesting Member or Mortgagee.

(e) Except as set forth in Section 3.4 and Exhibit "C" nothing in this Article shall authorize the Board or the Members to adopt rules conflicting with the Harmony Code or addressing matters of architectural control, which shall be governed by the Harmony Code and controls described in Article IV.

3.3. Owners' Acknowledgment and Notice to Purchasers. All Owners and occupants of Tracts, Lots and Units are given notice that use of their Tracts, Lots and Units is limited by the Use Restrictions and Rules and the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife as they may be changed in accordance with this Declaration. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Use Restrictions and Rules and the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife may be changed from time to time.

3.4. Protection of Owners and Others. Except as may be specifically set forth in this Declaration (either initially or by amendment) or in Exhibit "C", neither the Board nor the Members may adopt any rule in violation of the following provisions:

(a) Equal Treatment. Similarly situated Owners and occupants shall be treated similarly; provided, the Use Restrictions and Rules and the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife may vary from one portion of the Properties to another depending upon housing type, and by Neighborhood. Notwithstanding the foregoing, Developer's and Builders' activities conducted in the ordinary course of business shall not be subject to the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife.

(b) Signs and Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations on their Units of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions (including design criteria) for the purpose of minimizing damage and disturbance to other Owners and occupants. No rules shall regulate the content of political signs; however, rules may reasonably regulate the time, place and manner (including design criteria) of posting such signs.

(c) Household Composition. No rule shall interfere with the freedom of occupants of Units to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area.

(d) Activities Within Unit. Subject to the initial Use Restrictions and Rules, including but not limited to those concerning "discrete business activities" and "Home Business Neighborhoods" as described therein, no rule shall otherwise interfere with the activities carried on within the confines of a residential dwelling, except that the Association may prohibit activities that are not normally associated with property that is restricted to residential or home office use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other

Units, that generate noise, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance or a nuisance.

(e) Pets. The Use Restrictions and Rules, and the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife, set forth, in part, rules designed to govern the conduct and interactions of Owners' and occupants' pets, and to minimize damage and disturbance to other Owners and occupants, including reasonable rules requiring waste removal, leash controls, noise controls, occupancy limits based on size and facilities of the Unit and use of the Common Areas, CDD Amenities and other public spaces. Nothing herein shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or source of annoyance.

(f) Allocation of Burdens and Benefits. The allocation of financial burdens and rights to use Common Areas among the various Units shall be determined and reallocated in the sole discretion of the Association. Nothing in this provision shall prevent the Association from changing the Common Areas available, from adopting generally applicable rules for use of Common Areas, or from denying use privileges to those who abuse the Common Areas, violate the Governing Documents, or fail to pay assessments. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.

(g) Alienation. No rule other than as set forth in the Use Restrictions and Rules shall prohibit leasing or transfer of any Unit, or require consent of the Association or Board for leasing or transfer of any Unit for a period of seven (7) months or longer provided all such leases shall comply with governmental requirements. The Association shall not by rule impose any fee on transfer of any Tract, Lot or Unit greater than an amount based on the costs to the Association of the transfer, however, this provision shall not preclude imposition of transfer or similar fees for the benefit of the Association or other entities pursuant to other recorded covenants.

(h) Abridging Existing Rights. If any rule now or hereafter in effect would otherwise require Owners or occupants of Units to dispose of personal property which they maintained in or on the Unit prior to the effective date of such rule, and in compliance with all rules in force at that time, such rule shall not apply to any such Owners without their written consent unless the rule was in effect at the time such Owners or occupants acquired their interest in the Unit; provided, however, once such personal property is disposed of or removed from such Unit, the rule shall thereafter apply to such Owners.

(i) Reasonable Rights to Develop. No rule or action by the Association or Board shall be applicable to Developer, or if Developer so elects be applicable to any Builder, if the effect of such rule or action in Developer's sole judgment shall be to impede or interfere with Developer's or a Builder's ability to develop the Properties in such manner as Developer may elect.

The limitations in subsections (a) through (i) set forth above apply to new rules only, nothing herein shall invalidate rules set forth on Exhibit "C" initially or be construed as a limitation on amendments adopted in accordance with Article XVIII.

3.5. No Adverse Possession. Each Owner agrees to make no claim for adverse possession or prescriptive easement over any portion of the Properties, Golf Course property, Lakes, Common Areas, Area of Common Responsibility or CDD Amenities.

ARTICLE IV - ARCHITECTURE AND LANDSCAPING

4.1. Applicability. If Developer has reserved rights of architectural review and control over any portion of the Properties pursuant to any contract, deed, covenant or other recorded instrument outside of this Declaration, then the provisions of such instrument shall control as to any matter within the scope of this Article, and approval by Developer pursuant to such instrument of any matter within the scope of this Article shall be sufficient and shall be deemed to constitute full compliance with this Article unless, and except to the extent that:

(a) Developer has assigned in writing any or all of its reserved rights under such instrument to the Harmony Design Committee established pursuant to this Article; or

(b) Developer has recorded an instrument in the Official Records of Osceola County, Florida declaring its intent that this Declaration thereafter control as to any matter within the scope of this Article.

Except as otherwise provided above, no structure shall be placed, erected or installed upon any portion of the Properties and no Improvements (including staking, clearing, tree removal, excavation, grading, and other site work, exterior alteration of existing Improvements, and plantings or removal of landscaping materials) (such activities being referred to in this Article as "Work") shall take place within the Properties except in compliance with this Article and the Harmony Code, if any, promulgated pursuant to Section 4.3.

This Article shall not apply to the activities of Developer, or if Developer so elects be applicable to any Builder, nor shall it apply to the activities of the Association during the Class "B" Control Period.

This Article may not be amended without the written consent of Developer so long as Developer owns any land subject to this Declaration or any Developable Land subject to annexation to this Declaration.

4.2. Architectural Review.

(a) Developer Review. Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Properties, acknowledges that, as the developer of the Properties and as an Owner of significant portions of the Properties as well as other real estate within the vicinity of the Properties, Developer has a substantial interest in ensuring that the Improvements within the Properties enhance Developer's reputation as a community

developer and do not impair Developer's ability to market, sell, or lease its property. Therefore, each Owner agrees that no Work shall be commenced on such Owner's Unit unless and until Developer has given its prior written approval for such Work, which approval may be granted or withheld in Developer's sole discretion. In reviewing and acting upon any request for approval, Developer shall be acting in its own interest and shall owe no duty to any other Person.

The rights reserved to Developer under this Article shall continue so long as Developer owns any portion of the Properties or any real property adjacent to the Properties, unless earlier terminated in a written instrument executed by Developer and recorded in the Official Records of Osceola County, Florida.

(b) Architectural Review Committee. Developer may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article or other recorded instruments to an architectural review committee appointed by the Association's Board of Directors (the "Harmony Design Committee"), subject to (i) the right of Developer to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (ii) the right of Developer to veto any decision of the Harmony Design Committee which Developer determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Developer has any rights under this Article, the jurisdiction of the Harmony Design Committee shall be limited to such matters as are specifically delegated to it by Developer. Unless and until such time as Developer delegates all or a portion of its reserved rights, the Association shall have no jurisdiction over architectural matters; upon any such delegation, the Harmony Design Committee shall accept and exercise the jurisdiction so delegated in accordance with this Article.

Upon expiration or termination of Developer's rights under this Article, the Association shall assume jurisdiction over architectural matters hereunder and the Association, acting through the Harmony Design Committee, shall be entitled to exercise all powers previously reserved to Developer under this Article; provided, however, in exercising the discretion previously reserved to Developer, the Association and the Harmony Design Committee shall act in the interest of the Association membership.

The Harmony Design Committee, if and when appointed, shall consist of at least three, but not more than five, persons, three of which shall constitute a quorum and at least one of which shall carry a professional designation as either an AIA, AICP or ASLA and will hold the title of "Residential Town Planner," all of whom shall serve and may be removed and replaced in the Board's discretion. The members of the Harmony Design Committee, whose compensation, if any, shall be established from time to time by the Board, need not be Members of the Association or representatives of Members. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. In addition, the Harmony Design Committee may, with the prior approval of the Board, retain architects, engineers or other professionals to assist in the review of any application and the Association may charge any fees incurred for such assistance to the applicant.

4.3. Guidelines and Procedures

(a) Harmony Code. Developer or, to the extent that the Harmony Design Committee has jurisdiction hereunder, the Harmony Design Committee (the entity having jurisdiction at any particular time is referred to in this Article as the "Reviewing Entity") may but shall not be required to establish design and construction guidelines and review procedures (the "Harmony Code") to provide guidance to Owners and Builders regarding matters of particular concern to Developer in considering applications for architectural approval. The Harmony Code shall not be the exclusive basis for decisions hereunder and compliance with the Harmony Code shall not guarantee approval of an application. Any such Harmony Code may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Properties to another depending upon the location, type of construction or use, and unique characteristics of the property. It is intended that a portion of any Harmony Code that is enacted will provide flexibility and substantial discretion to the Reviewing Entity and that plans will be reviewed on a case-by-case basis with a variety of architectural styles and finishes being approved for use. It is also contemplated that design and construction guidelines may be utilized to implement "dark sky" standards for all or portions of the Harmony community.

Any Harmony Code adopted pursuant to this Section shall be subject to amendment from time to time in the sole discretion of the entity adopting it. Amendments to the Harmony Code shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Harmony Code; amendments may remove requirements previously imposed or otherwise make the Harmony Code more or less restrictive in whole or in part.

The Reviewing Entity shall make copies of the Harmony Code, if any, available to Owners, Builders, and developers who seek to engage in development or construction within the Properties, and may charge a reasonable fee to cover its printing costs.

(b) Procedures. Prior to commencing any Work for which review and approval is required under this Article, an application for approval of such Work together with any required fees shall be submitted to the Reviewing Entity in such form and quantity as may be required by the Reviewing Entity or the Harmony Code. The application shall include plans showing the site layout, exterior elevations, exterior materials and colors, landscaping, all existing trees measuring three (3) inches or more in diameter, drainage, lighting, irrigation, and other features of the proposed construction, as required by the Harmony Code and as applicable. All plans and specifications submitted by Owner shall comply with any site development guidelines promulgated by Developer, all other recorded covenants, conditions and restrictions applicable to the Properties, including, but not limited to, the Governing Documents, and all requirements of the CDD, the Development Order and all Laws and permits. The Reviewing Entity may require the submission of such additional information as it deems necessary to consider any application.

The Reviewing Entity may consider (but shall not be restricted to consideration of) visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, location in relation to surrounding structures and plant life, compliance with the general intent of the Harmony Code, if any, and architectural merit. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular Improvements.

The Reviewing Entity shall, within 30 days after receipt of each submission of the Plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, subject to Developer's rights to grant or deny the approval as set forth below, or (ii) the disapproval of such Plans, specifying the segments or features of the Plans which are objectionable and suggestions, if any, for the curing of such objections. In the event the Reviewing Entity fails to advise the submitting party by written notice within the time set forth above of either the approval or disapproval of the Plans, the applicant may give the Reviewing Entity written notice of such failure to respond, stating that unless the Reviewing Entity responds within 10 days of receipt of such notice, approval shall be deemed granted. Upon such further failure, approval shall be deemed to have been given, subject to the right of Developer to veto approvals by the Harmony Design Committee as set forth in this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Harmony Code, if any, unless a variance has been granted in writing pursuant to Section 4.6. Notice shall be deemed to have been given three (3) days after the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery.

Within three business days after the Harmony Design Committee, if any, has approved any application relating to proposed Work within the scope of matters delegated to the Harmony Design Committee by Developer, the Harmony Design Committee shall give written notice to Developer of such action, together with such other information as Developer may require. Developer shall have 10 days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the Harmony Design Committee and the applicant

If construction does not commence on any Work for which approval has been granted within 12 months of the receipt of such approval from the Reviewing Entity, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to re-submit the Plans for reconsideration in accordance with such Harmony Code as then in effect prior to commencing such Work. All Work shall be completed within two years of commencement or such other period as may be specified in the notice of approval, unless completion is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the Reviewing Entity.

The Reviewing Entity shall be furnished with copies of any material modifications to the approved final plans which are proposed to be made by Owner following the Reviewing Entity's approval of the final plans. In any event, Owner shall not materially modify, change, supplement, alter or amend the approved final plans, without the prior written consent of the Reviewing Entity. A modification shall be considered material if it would involve a visible change (or addition) to the exterior of the proposed or completed Improvements on the property or if it would result in an increase or decrease in the size of any structure on the property of 5% or more.

4.4. Performance of Work.

(a) Expenses. Owner shall be solely responsible for all costs, expenses, fees and charges associated or incurred in connection with planning and construction of any Improvements to the property, whether foreseen or unforeseen, and Developer shall have no responsibility or liability therefor.

(b) Improvements. All Work on the Property shall be conducted in a good and workmanlike manner and in strict conformance with the Declaration, all applicable Laws, and the approved final plans. Any construction which does not so conform shall, if so required by Developer or by Law, be removed or reconstructed by Owner at Owner's sole cost.

(c) Permits and Approvals. Owner shall be responsible for obtaining all federal, state and local permits and approvals required for the construction, occupancy and use of the Improvements or any part thereof (collectively, the "Governmental Permits") and for filing copies of the same with Developer prior to commencement of any work on the property. Owner shall be responsible for payment of any application, impact, tap-in, deposit, hookup, connection and similar fees and charges applicable to and/or a prerequisite for the issuance of any Governmental Permits, any utility connections, or other permits, authorizations or approvals necessary to the construction, occupancy and use of the proposed Improvements. Developer and Owner shall cooperate in connection with applications for any and all such Governmental Permits. Developer, upon request, shall furnish Owner with copies of applications, permits and approvals made or issued in writing to Developer with respect to any Governmental Permits obtained by Developer.

(d) Coordination. Owner shall coordinate its construction activities with any other construction activities on adjacent properties owned by another Owner, Developer, or any of its affiliates, so as not to materially interfere with such other ongoing construction activities. Further, Owner shall use its best efforts to assure that the performance of any construction on the Unit, Tract or Lot does not materially disrupt or interfere with the peaceful occupancy, business activities or traffic in, on or affecting the surrounding properties. Developer may from time to time promulgate reasonable construction rules and regulations concerning, among other things, the coordination, safety and appearance of the work site during construction activities, to which Owner shall comply. If required by Developer, during construction Owner shall, at its sole cost and expense, erect and maintain sight and sound barriers, temporary landscaping, etc., approved by Developer, which shall meet all state and local fire codes and any standards required by

Developer's or the Association's insurers. All swimming pools shall be fenced during and after the completion of construction.

(e) Stormwater Design and Runoff. Owner shall ensure that all construction on the property complies with all conditions imposed by any stormwater discharge permits applicable to the Properties and employ best management practices during construction to prevent runoff sedimentation.

(f) Removal of Trash. Owner shall, at its sole cost, promptly remove from the work site all trash which may accumulate in connection with any construction or other activities thereon.

(g) Inspections. As often as Developer requires, Owner shall permit any person designated by Developer to inspect the project, to examine the approved final plans (along with all detailed plans and shop drawings kept at the construction site) and to discuss the progress of construction with, and to be advised as to the same by, the general contractor, the architect and the Owner. Developer shall not be required to make such inspections and the fact that Developer may have an inspection performed shall not impose any liability or obligation on Developer with respect to the results of such inspections, nor shall any inspection or approval by Developer be construed as a warranty or guaranty of adequacy, safety or compliance with Law with respect to the item approved or inspected.

(h) Completion. Upon approval of the final plans and specifications for any proposed Improvements and commencement of any work in furtherance thereof, Owner shall continually prosecute all work necessary to completion of the Improvements such that the Improvements shall be completed within a reasonable time after commencement, not to exceed two years, unless otherwise extended by Developer or expressly authorized by Developer in any other recorded agreement relating to the property. Completion shall be deemed to have occurred only upon the satisfaction of the following conditions: (i) all Improvements specified in the approved final plans shall have been substantially completed and installed in accordance with the approved final plans and all applicable Laws; (ii) direct connection shall, if applicable, have been made to all abutting public utilities (including water, electricity, storm and sanitary sewer and telephone); and (iii) a permanent certificate of occupancy, if applicable, for the Improvements and any other certificates, licenses, permits, authorizations, consents and approvals necessary for the full use and occupancy of the Improvements for their intended purpose, shall have been issued by the appropriate governmental authority. Upon request of Developer, Owner shall cause to be delivered to Developer a written certificate from its architect (in form and substance satisfactory to Developer) to the effect that the Improvements have been completed and installed substantially in accordance with the approved final plans and all applicable Laws and copies of all documents referenced in clause (iii) of this Subsection.

(i) Insurance Requirements. Prior to the commencement of and during the performance of any work on the property, Owner shall keep and maintain, or cause its general contractor to keep and maintain, and provide Developer with evidence that Owner or the general

contractor of Owner has obtained, the following insurance, unless such requirement is waived in writing by Developer:

- (1) worker's compensation insurance in minimum statutory amounts, as required by Law;
- (2) commercial general liability insurance, including contractual liability, owner's and contractor's protective liability for a period of one (1) year after completion of the Improvements, in the minimum amount of One Million Dollars (\$1,000,000); and
- (3) builder's risk insurance in an amount equal to the actual replacement cost of the Improvements.

4.5. No Waiver of Future Approvals. Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that decisions regarding aesthetic matters and interpretation and application of the Harmony Code, if any, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the Improvements involved, but the Reviewing Entity may refuse to approve similar proposals in the future. Approval of proposals, plans and specifications, or drawings for any Work done or proposed, or in connection with any matter requiring approval, shall not be deemed a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters whatever subsequently or additionally submitted for approval.

4.6. Variances. The Reviewing Entity may, but shall not be required to, authorize variances from compliance with any of the provisions of the Harmony Code when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, or when architectural merit warrants such variance, as it may determine in its sole discretion. Such variances shall be granted only when, in the sole judgment of the Reviewing Entity, unique circumstances exist, and no Owner shall have any right to demand or obtain a variance. No variance shall (a) be effective unless in writing, (b) be contrary to this Declaration, or (c) estop the Reviewing Entity from denying a variance in other circumstances.

4.7. Limitation of Liability. The standards and procedures established by this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall not create any duty to any Person. Neither Developer nor the Harmony Design Committee shall bear any responsibility for ensuring structural integrity or soundness, or compliance with building codes and other governmental requirements, or ensuring that structures on Tracts, Lots or Units are located so as to avoid impairing views from or other negative impact on neighboring Units. No representation is made that all structures and improvements constructed within the Properties are or will be of comparable quality, value, size, or design. Neither Developer, the Association, the Board, the Harmony Design Committee, nor any member of any of the foregoing shall be held liable for soil conditions, drainage problems or other general site work, nor for defects in any plans or specifications submitted, nor for any structural or other defects in work done according to approved plans, nor for any injury,

damages, or loss arising out of the manner, design or quality of approved construction on or modifications to any Unit.

4.8. Enforcement. Any Work performed in violation of this Article or in a manner inconsistent with the approved Plans shall be deemed to be nonconforming. Upon written request from Developer, the Association, the Board, or the Harmony Design Committee, Owners shall, at their own cost and expense, remove any non-conforming structure or Improvement and restore the property to substantially the same condition as existed prior to the nonconforming Work. Should an Owner fail to remove and restore as required, Developer, the Board or their designees shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass. Upon demand, the Owner shall reimburse all costs incurred by any of the foregoing in exercising its rights under this Section. The Association may assess any costs incurred in taking enforcement action under this Section, together with interest at the maximum rate then allowed by law, against the benefited Tract, Lot or Unit as a Specific Assessment.

Developer and the Association, acting separately or jointly, may preclude any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Harmony Code from continuing or performing any further activities in the Properties, subject to the notice and hearing procedures contained in the By-Laws. Neither Developer, the Association, nor their officers, directors or agents shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association and Developer shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the reviewing entities under this Article.

In the event that the Association fails to take enforcement action within 30 days after receipt of a written demand from Developer identifying the violator and specifying the nature of the violation, then the Association shall reimburse Developer for all costs reasonably incurred by Developer in taking enforcement action with respect to such violation, if Developer prevails in such action.

ARTICLE V - MAINTENANCE AND REPAIR

5.1. Maintenance of Units. Each Owner shall maintain his or her Unit and all structures, parking areas, landscaping, and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a condominium or similar owners association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Unit.

Each Owner shall also maintain, mow, irrigate, replace sod, and prune all landscaping lying within the right-of-way of adjacent public streets and alleys between the Unit, Tract, and Lot boundary and the curb or edge of such public street or alley, including, but not limited to any strip lying between the sidewalk and paved roadway, and between the Tract, Lot and Unit boundary and any adjacent easements for pedestrian paths or sidewalks, in a manner consistent with the Community-Wide Standard unless responsibility for maintaining such landscaped areas has been assigned to or assumed by the Association.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Tract, Lot or Unit and the Owner in accordance with Section 8.6. The Association shall afford the Owner notice and a reasonable opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.2. Maintenance of Other Property. Upon Board resolution, the Owners of Tracts, Lots and Units within each Service Area shall be responsible for paying, through Service Area Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Service Area. This may include, without limitation, the costs of maintaining any signage, right-of-way and greenspace within the Service Area or between the Service Area and adjacent public roads, private streets within the Service Area, and lakes or ponds within the Service Area, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, however, all areas which are similarly situated shall be treated the same.

Any condominium or similar owners association having responsibility for maintenance of any portion of the Properties shall perform, with respect to such property, all maintenance required of an Owner under Section 5.1 in a manner consistent with the Community-Wide Standard. If it fails to do so, the Association may perform such responsibilities and assess the costs against all Units within the boundaries of such association's jurisdiction as provided in Section 8.6.

5.3. Responsibility for Repair and Replacement. Each Owner shall be responsible for obtaining and maintaining property insurance on all insurable improvements on his or her Tract, Lot or Unit, unless either a condominium or other owners association of which the Unit is a part, or the Association, carries such insurance (which they may but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners hereunder, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Tract, Lot or Unit and the Owner thereof pursuant to Section 8.6.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV of this Declaration. Alternatively,

the Owner shall clear the Tract, Lot and Unit of all debris and ruins and maintain the Tract, Lot and Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section shall apply to any condominium or similar owners association responsible for any portion of the Properties in the same manner as if it were an Owner and such property were a Unit. Additional recorded covenants applicable to any portion of the Properties may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Units within such portion of the Properties and for clearing and maintaining such Units in the event the structures are not rebuilt or reconstructed.

5.4. Standard of Performance. Maintenance, as used in this Article, shall include, without limitation, repair and replacement as needed, as well as such other duties, which may include irrigation, as the Board may determine necessary or appropriate to satisfy the Community-Wide Standard. All maintenance and irrigation shall be performed in a manner consistent with the Community-Wide Standard, all applicable covenants, and the requirements and restrictions set forth in the Development Order.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

ARTICLE VI - THE ASSOCIATION AND ITS MEMBERS

6.1. Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area within the Residential Properties; provided, that the CDD shall have such responsibilities with respect to any and all CDD Amenities located within the Residential Properties. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Residential Properties as the Board may adopt. Upon delegation by Developer or termination of Developer's authority over architectural matters, pursuant to the provisions of Article IV, the Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Harmony Code. The Association shall perform its functions in accordance with this Declaration, the By-Laws, the Articles, and Florida law.

6.2. Membership. Every Owner, other than the Association or governmental agency, shall be a member of the Association. There shall be only one membership per Tract, Lot or Unit. If a Tract, Lot or Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(c) and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners.

The membership rights and privileges of an Owner who is a natural person may be exercised by the Member or the Member's spouse. The membership rights of an Owner

which is a corporation, partnership or other legal entity may be exercised by any officer, director, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

6.3. Voting. The Association shall have two classes of membership, Class "A" and Class "B".

(a) Class "A". Class "A" Members shall be all Owners. Each Class "A" Member shall have one vote for each Unit which they own, including each Unit that has been allocated to a Lot or Tract owned by a Class "A" Member; provided, there shall be only one vote per Unit and no Class "A" Member votes shall be exercised for any unimproved property owned by the Class "B" Member as long as the Class "B" membership exists, and no votes shall be exercised on account of any property which is exempt from assessment under Section 8.11.

(b) Class "B". The sole Class "B" Member shall be Developer. The rights of the Class "B" Member under this Declaration and the By-Laws are specified elsewhere in the Declaration and the By-Laws.

The Class "B" membership shall terminate two years after termination of the Class "B" Control Period or when, in its discretion, the Class "B" Member so determines and declares in a recorded instrument. The Class "B" Control Period is that period until the first of the following to occur:

(i) when 75% of the total number of Units proposed by the Master Plan for the property described on Exhibits "A" and "B" of the Declaration have certificates of occupancy issued thereon and have been conveyed to Persons other than Builders;

(ii) 40 years after the date on which the Declaration is recorded in the Official Records of Osceola County, Florida; or

(iii) when, in its discretion, the Class "B" Member so determines.

After termination of the Class "B" Control Period, the Class "B" Member shall continue to have a right to disapprove actions of the Association, the Board and any committee as provided in Section 3.19 of the By-Laws.

(c) Exercise of Voting Rights. The vote for each Unit owned by a Class "A" Member shall be exercised by the Owner of such Unit in the manner set forth herein.

In any situation in which a Member is entitled personally to exercise the vote for his Unit and there is more than one Owner of a particular Unit, the vote for such Unit shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the close of balloting. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

6.4. Association Secretary Certificates. Any person may conclusively rely on a certificate of the Secretary of the Association (or of any applicable Neighborhood) as to the outcome of a vote of the Members of the Association on any business of the Association that may be required by this Declaration, the By-Laws or the Articles of Incorporation.

6.5. Establishment of Membership Roster. For purposes of determining voting rights hereunder, the membership roster shall be established in accordance with the By-Laws.

6.6. Neighborhoods. Due to the number of Units which may be developed within Harmony, in certain instances Neighborhood based voting shall be employed in order to facilitate the conduct of Association business of concern to a particular Neighborhood, communication between the Board and the respective Owners, and the administration of the community.

Every Lot and Unit shall be located within a Neighborhood. Exhibit "A" to this Declaration, and each Supplemental Declaration filed to subject additional property to this Declaration, shall initially assign the property described therein to a specific Neighborhood by name, which Neighborhood may be then existing or newly created. Developer may unilaterally amend this Declaration or any Supplemental Declaration from time to time, as long as it owns any portion of the Properties or has the option to expand the Properties pursuant to Section 9.1, to redesignate Neighborhood boundaries.

ARTICLE VII - ASSOCIATION POWERS AND RESPONSIBILITIES

7.1. Acceptance and Control of Association Property. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. Developer and its designees may convey to the Association improved or unimproved real estate located within the properties described in Exhibits "A" or "B," personal property and leasehold and other property interests; provided, Developer shall not convey any real estate to the Association as Common Area which it knows to contain hazardous substances which would require remediation or create liability for the property owner under state or federal law. Such property shall be accepted by the Association and thereafter shall be maintained as Common Area by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Developer shall convey the initial Common Area to the Association prior to the conveyance of a Lot or Unit to any Person other than a Builder.

7.2. Maintenance of Area of Common Responsibility. The Association, subject to the rights of the Owners set forth in this Declaration, shall manage and control the Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, consistent with this Declaration, the Community-Wide Standard, and the Development Order, which shall include, but need not be limited to:

(a) all landscaping and other flora, parks, lakes, signage, structures, and improvements, including any private streets, and bike and pedestrian pathways/trails, situated upon the Common Area;

(b) landscaping, sidewalks, streetlights and signage within public rights-of-way within or abutting the Properties, and landscaping and other flora within any public utility easement within the Properties (subject to the terms of any easement agreement relating thereto), except to the extent that ownership thereof or responsibility therefor has been assigned to or assumed by either the CDD or the Owners of adjacent Tracts, Lots or Units pursuant to Section 5.1;

(c) such portions of any additional property as may be included within the Area of Common Responsibility pursuant to this Declaration, any Supplemental Declaration, or any agreement for maintenance entered into by the Association;

(d) all ponds, streams and/or wetlands located within the Properties which serve as part of the drainage and stormwater retention system for the Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith, except to the extent that ownership thereof or responsibility therefor has been assigned to or assumed by the CDD; and

(e) any property and facilities owned by Developer and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and some or all of its Members, such property and facilities to be identified by written notice from Developer to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Developer revokes such privilege of use and enjoyment by written notice to the Association.

There are hereby reserved to the Association easements over the Properties as necessary to enable the Association to fulfill its responsibilities under this Section. The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Owners representing 75% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation in compliance and accordance with applicable Laws and permits. This limitation shall not apply to streets or roadways which the Association may own or control; the Association, acting through the Board, may temporarily or permanently close portions of any such streets or roadways to control traffic or traffic flow, or to enhance privacy, or for similar purposes, without approval of the membership.

The Association may assume maintenance responsibility for property within any Service Area, in addition to that designated by any Supplemental Declaration, either by agreement with the Service Area or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this paragraph shall be assessed as a Service Area Assessment only against the Tracts, Lots or Units within the Service Area to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, publicly owned property and other property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the owner(s) thereof.

Notwithstanding the above, the Association may from time to time delegate any of its maintenance responsibilities hereunder to the CDD, and may from time to time assume any of the CDD's maintenance obligations concerning property for the use or enjoyment of the Association or the Members.

In the event that the Association fails to properly perform its maintenance responsibilities hereunder, Developer may, upon not less than 10 days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

7.3. Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. The Association shall have the authority to and interest in insuring any privately or publicly owned property for which the Association has maintenance or repair responsibility. Such property shall include, by way of illustration and not limitation, any insurable improvements on or related to parks, rights-of-way, medians,

easements, and walkways which the Association is obligated to maintain. If such coverage is not generally available at reasonable cost, then broad form coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including both primary and any umbrella policies) shall have a limit of at least \$5,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which the Board, in the exercise of its business judgment, deems advisable, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment. Fidelity insurance policies shall include coverage for officers, directors and other persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage.

In addition, the Association may obtain and maintain property insurance on the insurable improvements within any Service Area. Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the Base Assessment except that premiums for property insurance obtained on behalf of a Service Area shall be charged to the Owners of Units within the benefited Service Area as a Service Area Assessment unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Osceola County, Florida area.

All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon reasonable request, to the Owner of any insured Unit.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy

the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Service Area Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Section 3.25 of the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units pursuant to Section 8.6.

All insurance coverage obtained by the Board shall:

(i) be written with a company whose primary business is providing insurance coverage and which is authorized to conduct business in the State of Florida and which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members. Policies, if any, secured by the Association on behalf of a Service Area shall be for the benefit of the Owners of Units within the Service Area and their Mortgagees, as their interests may appear,

(iii) not be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees; and

(iv) include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which name the Owners and their Mortgagees (as a class) as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and manager, the Owners and their tenants, servants, agents, and guests;

(ii) waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed if permitted by applicable Laws and permits unless Owners representing at least 75% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association or the Service Area, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds received, after application of any applicable deductible, are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Owners, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

7.4. Compliance and Enforcement. Every Owner and occupant of any Tract, Lot or Unit, and their family members, guests and invitees, shall comply with the Governing Documents, and the conduct of any of the foregoing parties shall be considered to be the conduct of the Owner responsible for, or connected in any manner with, such individual's presence within Harmony. Subject to the terms of Article XIII, failure to comply shall be grounds for an action

by the Association, Developer, or, in a proper case, by any aggrieved Tract, Lot or Unit Owner(s) to recover sums due, for damages or injunctive relief or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association pursuant to this Section and in By-Laws Section 3.25.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Governing Documents, the prevailing party shall be entitled to recover all costs, including, without limitation, attorneys' and paralegals' fees and court costs, reasonably incurred in such action.

The Association may impose sanctions for violations of the Governing Documents in accordance with applicable Laws and procedures set forth in the By-Laws, including reasonable monetary fines and suspension of the right to vote and to use any recreational facilities within the Common Area. In addition, in accordance with Section 3.25 of the By-Laws, the Association may exercise self-help to cure violations, and may suspend any services it provides to the Tract, Lot or Unit of any Owner who is more than 30 days delinquent in paying any assessment or other charge due to the Association.

The Association may, but shall not be obligated to, take action (a) to enforce any provision of the Governing Documents which the Board reasonably determines is inconsistent with applicable law, or (b) with respect to any violation of the Governing Documents which the Board reasonably determines to be so minor or unobtrusive as not be objectionable to a reasonable person; or (c) in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The South Florida Water Management District shall have the right to enforce, by proceeding at law or in equity, the provisions contained in this Declaration which relate to maintenance, operation and repair of the surface water or stormwater management system.

7.5. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, and any right or privilege which could reasonably be implied from or which is reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

7.6. Indemnification of Officers, Directors and Others. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions as to which liability is limited under this Section and Florida law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association) and the Association shall indemnify and forever hold each such officer and director harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Each Owner shall indemnify and hold harmless the Association from any loss, damages, and expenses, including counsel fees, which they may incur as a result of the failure of such Owner, any occupant of such Owner's Unit, or any contractor, employee, or agent of such Owner acting within the scope of his contract, agency or employment to comply with this Declaration, any Supplemental Declaration or other covenants applicable to such Owner's Unit, the Harmony Code, By-Laws and rules of the Association.

7.7. Enhancement of Safety. THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTIES DESIGNED TO ENHANCE THE SAFETY OF THE PROPERTIES, INCLUDING, BUT NOT LIMITED TO THE HIRING OF SECURITY OFFICERS. NEITHER THE ASSOCIATION, DEVELOPER, NOR ANY SUCCESSOR OF DEVELOPER SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY OR SAFETY WITHIN THE PROPERTIES, NOR SHALL ANY OF THEM BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR OF INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM CAN NOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND COVENANTS TO INFORM ITS TENANTS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DEVELOPER, AND ANY SUCCESSOR OF DEVELOPER ARE NOT INSURERS AND THAT EACH PERSON USING THE PROPERTIES ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS RESULTING FROM ACTS OF THIRD PARTIES.

The Association is authorized, but not obligated, to petition for establishment of the Properties as a safe neighborhood improvement district pursuant to the Safe Neighborhood Act, F.S. §§163.501 - 163.523, et seq. and to take any action necessary to qualify for the creation of a safe neighborhood improvement district under such Act. The Association shall have all

rights and powers granted to property owners associations under such Act and, upon establishment of a safe neighborhood improvement district, shall assume and perform all obligations imposed by the Act in connection with the operation and administration of such district .

7.8. Powers of the Association Relating to Other Associations. The Association shall have the power to veto any action taken or contemplated to be taken by any condominium or similar owners association having concurrent jurisdiction with the Association over any portion of the Properties ("homeowners association") which the Board determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any homeowners association in connection with any of its obligations and responsibilities. Without limiting the generality of the foregoing, the Association may (a) require specific maintenance or repairs or aesthetic changes to be effectuated by the homeowners association, and (b) require that the homeowners association include certain items within its budget and that specific expenditures be made.

Any action required by the Association in a written notice pursuant to the foregoing paragraph shall be taken within the time frame set by the Association in such written notice. If the homeowners association fails to comply with the requirements set forth in such written notice, the Association shall have the right to effect such action on behalf of the homeowners association.

To cover the Association's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of the Association, the Association shall assess the Units subject to the jurisdiction of such homeowners association for their pro rata share of any expenses incurred by the Association in taking such action in the manner provided in Section 8.6. Such assessments may be collected as a Specific Assessment hereunder and shall be subject to all lien rights provided for herein.

7.9. Governmental, Educational and Religious Interests. So long as Developer owns any property described in Exhibits "A" or "B", it may designate sites within the Properties for government, education or religious activities and interests, including, but not limited to, fire, police, utility facilities, schools or education facilities, houses of worship, parks, recreation and other public facilities. The sites may include Common Areas and in such case, the Association shall dedicate and convey such sites as directed by Developer and no membership approval shall be required. Such uses may include, but shall not be limited to creation of a Charter School to be located within the Properties; provided, however, that no representation or warranty is made herein as to the eventual location of a Charter school within Harmony and as to whether the property upon which such school may be located would be owned by the Association or the CDD.

7.10. Volunteer Clearinghouse. One of the important functions of the Association is to encourage and facilitate the organization of volunteer organizations within the community which will serve the interests of community, residents as they may be identified from

time to time. The Association may maintain a data bank of residents interested in volunteer organizations and may make such data available to volunteer organizations within the community. The Association, by Board resolution, may also establish or support the establishment of Neighborhood Committees, Youth Boards, charter clubs or other organizations as it deems appropriate to encourage or facilitate the gathering of Owners and residents of Harmony to pursue common interests or hobbies. Any resolution establishing a Neighborhood Committee, Youth Board or charter club shall designate the requirements, if any, for membership therein. The Board may provide for such organizations to be funded by the Association as a Common Expense subject to such rules regarding participation, area of interest or other matters as the Board, in its discretion, may establish. Any Neighborhood Committee, Youth Board or charter club shall operate in accordance with the resolution establishing it.

The Association, through its bulletin boards and publications, may assist community groups, religious groups, civic groups, youth organizations, support groups, and similar organizations in publicizing their meetings, events, and need for volunteer assistance.

The nature and extent of any such assistance shall be in the Board's sole discretion, it is not intended that the Association spend its funds for specific advertising or promotion of events of such volunteer groups unless the Board determines that they merit such support as benefiting the entire community. The Association's contribution will be supplemental to funds raised by the volunteer organization.

7.11. Assumption of Obligations Under Development Order. Developer shall have the right to assign to the Association any of its continuing obligations or responsibilities under the Development Order, including, but not limited to any affordable housing requirements thereunder, and the Association shall accept, assume and fulfill such obligations and responsibilities.

7.12. Municipal Incorporation. The Association shall not sponsor, support or encourage the incorporation of all or any part of the Properties as a municipality, or the inclusion of all or any part of the Properties in a municipality composed of property outside of the Properties.

7.13. Relationship With Tax-Exempt Organizations. Developer or the Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to non-profit, tax-exempt organizations, the operation of which confers some benefit upon the Properties, the Association, its Members, or residents. The Association may contribute money, real or personal property, or services to such entity. Any such contribution shall be a Common Expense and included as a line item in the Association's annual budget. For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

The Association may maintain multiple-use facilities within the properties and allow temporary use by tax-exempt organizations. Such use may be on a scheduled or "first-come,

first-served basis." A reasonable maintenance and use fee may be charged for the use of such facilities.

7.14. Provision of Services to Service Areas. Portions of the Properties may be designated as Service Areas for the purpose of receiving from the Association a higher level of services, special services or other benefits not provided to all Units within the Properties. Service Areas may be designated by Developer through Supplemental Declarations filed in accordance with Section 9.3, and shall be established by the Board of Directors upon petition of the Owners of 100% of the property to be included in the proposed Service Area. A Unit may be included in multiple Service Areas established for different purposes. The cost of any special services or benefits which the Association provides to a Service Area shall be assessed against the Units within such Service Area as a Service Area Assessment in accordance with Section 8.3. Any Service Area established by the Board upon petition of the Owners within such Service Area may be dissolved or its boundary lines changed upon written consent of the Owners of at least 75% of the Units within such Service Area. Any Service Area established by Supplemental Declaration may be dissolved or its boundary lines changed only in accordance with the provisions of such Supplemental Declaration.

7.15. Provision of Services to All Units.

(a) The Association, acting through its Board, may from time to time contract for various services of a municipal, utility, or similar nature which the Board deems necessary, appropriate or desirable to enhance the Community-Wide Standard, the lifestyle within the Properties, and/or the amenities available to Owners. Such services may include, but shall not be limited to, refuse removal, insect control, services pursuant to Section 7.7 above, basic access to cable television, and similar services. The cost of any such services made available to all Units within the Properties shall be included in the Common Expenses to be assessed and collected as part of the Base Assessment against each Unit pursuant to Article VIII.

(b) In addition to the foregoing, the Association may own, operate, and maintain a community network computer system and software and permit access to such system by the Owners and occupants of all Units within the Properties (and such other Persons as the Board may determine appropriate). The Association shall enter into a use and cost sharing agreement with the Nonresidential Association providing for access to and use of such computer system by the Nonresidential Association, its members and the tenants of the Nonresidential Properties and obligating the Nonresidential Association and its members to pay assessments to the Association to help offset the costs of maintaining, repairing, replacing, operating, upgrading and enhancing such computer system and software, including reserves for such purposes. The Association shall include all such costs in its budget as Common Expenses to be assessed and collected as part of the Base Assessment against each Unit pursuant to Article VIII, subject to the right of the Association to offset a portion of such Common Expenses with amounts payable by the Nonresidential Association and its members for access to the computer system.

ARTICLE VIII - ASSOCIATION FINANCES

8.1. Original Assessment. The Original Assessment shall be as set forth by the Board from time to time, but shall not be less than one-sixth ($1/6^{\text{th}}$) of the applicable Base Assessment per Unit. The purpose of the Original Assessment shall be to capitalize the Association, acquire equipment necessary to provide services and to defray the administrative costs of the Association incurred in connection with each new Owner of Tracts, Lots or Units in the Properties. The Original Assessment shall be due to the Association in connection with and at the time of the initial sale or transfer of a Tract, Lot or Unit to an Owner and upon each subsequent transfer of a Tract, Lot or Unit to a new Owner.

8.2. Budgeting and Allocating Common Expenses. At least 90 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.4. The Association is hereby authorized to levy Base Assessments against all Tracts, Lots and Units subject to assessment in accordance with Section 8.8 to fund the Common Expenses. The Base Assessment shall be in addition to the Original Assessment. The Base Assessment shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves.

The Base Assessment for residential Lots shall initially be in the annual amounts set forth in the following schedule:

<u>Lot width up to and including:</u>	<u>Base Assessment:</u>
35 feet	\$305.00
42 feet	\$426.00
52 feet	\$471.00
65 feet	\$539.00
80 feet	\$657.00
100 feet or more	\$738.00.

Each Owner's proportional share of expenses ("Proportional Share") is determined by calculating the relative Base Assessment of each class of Lots described above as a percentage of the other classes' Base Assessments. The Proportional Share of each class's Base Assessment, can be expressed as a percentage of the class of Lots being 100 feet wide or greater, as follows:

<u>Lot width up to and including:</u>	<u>Proportional Share, as percentage of 100 feet or more class:</u>
35 feet	41.33%
42 feet	57.72%
52 feet	63.82%
65 feet	73.04%
80 feet	89.02%
100 feet or more	100%.

The Board, after consideration of current costs and future needs of the Association may fix the annual Base Assessment for any year at a higher or lower rate than initially established. The annual increase in the amount of the Base Assessment as determined by the Board shall not exceed five (5) percent of the prior year's Base Assessment. In addition, the Association may increase the Base Assessment prospectively for any period provided that any such increase shall be approved by a vote of Owners representing 51% of the total Class "A" votes in the Association, including 51% of the Class "A" votes held by Members other than Developer, and the consent of Developer, so long as Developer owns any portion of the Developable Land.

In determining the total funds to be generated through Base Assessments, the Board, in its discretion, may consider other sources of funds available to the Association. The Board shall take into account the number of Units subject to assessment under Section 8.8 on the first day of the fiscal year for which the budget is prepared and may consider the number of Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as Developer has the right unilaterally to annex additional property pursuant to Section 9.1, Developer may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Developer under Section 8.9), which may be either a contribution, an advance against future assessments due from Developer, or a loan, in Developer's discretion. Any such subsidy and the nature thereof shall be conspicuously disclosed as a line item in the Common Expense budget and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate Developer to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Developer.

After termination of the Class "B" Control Period, the Board shall send a copy of the budget and notice of the amount of the Base Assessment for the following year to each Owner at least 60 days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved by a vote of at least 75% of the total Class "A" votes in the Association, and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Class "A" Members as provided for special meetings in the By-Laws, which petition must be presented to the Board within 10 days after delivery of the notice of assessments.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

8.3. Budgeting and Allocating Area Expenses. At least 90 days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Service Area Expenses for each Service Area on whose behalf Service Area Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration, any Supplemental Declaration, or the By-Laws specifically authorizes the Board to assess certain costs as a Service Area Assessment. Any Service Area may request, through the Service Area Committee or by petition of Owners of at least a majority of the total Units within any existing Service Area, that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget shall include a capital contribution establishing a reserve fund for repair and replacement of capital items maintained as a Service Area Expense, if any, within the Service Area.

The Association is hereby authorized to levy Service Area Assessments against all Units in the Service Area which are subject to assessment under Section 8.6 to fund Service Area Expenses; provided, if so specified in the Supplemental Declaration applicable to such Service Area or if so directed by petition signed by a majority of the Owners within the Service Area, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Units in proportion to the benefit received.

The Board shall cause a copy of such budget and notice of the amount of the Service Area Assessment for the coming year to be delivered to each Owner of a Unit in the Service Area at least 60 days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Service Area to which the Service Area Assessment applies. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least 10% of the Units in such Service Area, which petition must be submitted to the Board within 10 days after delivery of the notice of assessments. This right to disapprove shall only apply to those line items in the Service Area budget which are attributable to services requested by the Service Area.

If the proposed budget for any Service Area is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

8.4. Budgeting for Reserves. The Board shall annually prepare reserve budgets for both general and Service Area purposes which take into account the number and nature of replaceable assets maintained as a Common Expense or Service Area Expense, respectively, the expected life of each asset and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budgets, with respect both to amount and timing by annual Base Assessments or Service Area Assessments, as appropriate, over the budget period. The Board may elect to have the reserve budgets and reserve funds independently audited from time to time and the certifications of such audits, performed during the Class "B" Control Period, concerning the sufficiency of the reserve funds budgeted and established hereunder shall be conclusive upon the Association, the Board and the Owners for the purpose, among other purposes, of establishing that the reserves are sufficiently funded at such time and that there is no deficit in the reserve funds.

8.5. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments in Proportional Share from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Units within any Service Area if such, Special Assessment is for Service Area Expenses.

Except as otherwise specifically provided in this Declaration, any Special Assessment which would exceed 20% of the annual budget for the year immediately preceding that in which the Special Assessment is approved shall require the affirmative vote or written consent of Owners representing at least 51% of the total votes allocated to Units which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6. Specific Assessments. The Board shall have the power to levy Specific Assessments against a particular Unit or Units constituting less than all Units within the Properties, as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners (which might include, without limitation, landscape maintenance, maid service, linen service, handyman service, pool cleaning, pest control, arrival and departure

service, courier service, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner, and

(b) to cover costs incurred in bringing the Unit into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the By-Laws or rules, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with By-Laws Section 3.25, before levying in Specific Assessment under this subsection (b).

The Association may also levy a Specific Assessment against any homeowners, condominium or similar association pursuant to Section 7.8 to reimburse the Association for costs incurred in bringing the property under its control into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules, provided the Board gives such homeowners association prior written notice and an opportunity to be heard before levying any such assessment.

8.7. Environmental Assessment. The Board may impose, upon demand, an environmental special assessment upon an Owner and Tract, Lot or Unit for the remedial and response cost incurred by the Association arising from occurrences, emergencies, improper receiving, storing, using, handling, transportation or disposal, release or threatened release of, or contamination caused by the Owner to its Tract, Lot or Unit, Common Areas, other Lots, the drainage and stormwater retention system for the Properties, or any other portion of the Properties by hazardous substances if such Owner fails to immediately correct the problem to the satisfaction of all federal, state and local governments and agencies having jurisdiction over the Owner or the Tract, Lot or Unit. Each and every Owner whose acts, omissions or negligence, of either themselves or their tenants, agents, representatives, guests or invitees, causes or contributes to the pollution of all or any part of the Properties shall be liable to the Association for the injury, loss or destruction of and responsible for the restoration and preservation of natural resources, including, without limitation, the cost of preparing all studies, reports and investigations necessary to comply with all governmental requirements to correct any such environmental problems. For purposes of this Section, pollution shall include, but not be limited to, those matters for which liability may arise under the Laws or permits and shall include injury, destruction or loss resulting from hazardous waste and regulated substances. This assessment shall not be considered a part of the Base Assessment, Special Assessment or Specific Assessment. The amount of Environmental Assessment shall be equal to such remedial and response costs incurred plus ten percent (10%) of the cost for administration and may be enforced in the manner provided for any other assessment.

8.8. Authority to Assess Owners; Time of Payment. The Association is hereby authorized to levy assessments against each Unit, and against each Tract and Lot in accordance with the number of Units which may be permitted for development thereon or otherwise specified to be included on such Tract or Lot as provided for in this Article and elsewhere in the Declaration and the By-Laws, except that Developer's funding obligations during the Class "B" Control Period shall be as set forth in Section 8.9(b). The obligation to pay assessments shall

commence as to each such Unit on the first day of the month following: (a) the month in which the Unit is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Base Assessment and Service Area Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

Assessments shall be paid in such manner and on such dates as the Board may establish from time to time. Unless the Board otherwise provides, the Base Assessment and any Service Area Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Tract, Lot or Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

8.9. Personal Obligation.

(a) Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in this Declaration. All assessments, together with interest from the due date of such assessment at a rate determined by the Board (but not less than 10% per annum, subject to the limitations of Florida law), reasonable late charges in such amount as is established by the Board, costs, and reasonable attorneys' and paralegals' fees, shall be a charge and continuing lien upon each Tract, Lot or Unit against which the assessment is made until paid, as more particularly provided in Section 8.8. Each such assessment, together with interest, late charges, costs, and reasonable attorneys' and paralegals' fees, also shall be the personal obligation of the Person who was the Owner of such Tract, Lot or Unit at the time the assessment arose. Upon a transfer of title to a Tract, Lot or Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no Person who obtains title to a Tract, Lot or Unit following foreclosure of a first priority Mortgage given in good faith and for value shall be liable for unpaid assessments which accrued prior to such foreclosure.

Failure of the Board to fix assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Service Area Assessments on the same basis as during the last year for which an assessment was levied, if any, until a new assessment is made, at which time the Association may retroactively assess any difference.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his Tract, Lot or Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Board or its designated agent setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a processing fee for the issuance of such certificate.

(b) Developer's Option to Fund Budget Deficits. During the Class "B" Control Period, Developer may annually elect either to pay regular assessments on its unsold Units, or to pay the difference between the amount of assessments levied on all other Units subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Developer may make such election at any time prior to the end of the fiscal year for such fiscal year.

Regardless of such election, the Association shall have a lien against all Tracts, Lots or Units owned by Developer to secure Developer's obligations under this paragraph, which lien shall have the same attributes and shall be enforceable in the same manner as the Association's lien against other Tracts, Lots and Units under this Article. Developer's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

The Association is specifically authorized to enter into subsidy contracts and contracts for "in kind" contribution of services, materials, or a combination of services and materials' with Developer or other entities.

8.10. Lien for Assessments. All assessments authorized in this Article shall constitute a lien against the Unit against which they are levied until paid. The lien shall also secure payment of interest, late charges (subject to the limitations of Florida law), and costs of collection (including attorneys' and paralegals' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first priority Mortgage of record made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure in the same manner as mortgages on real property are foreclosed under Florida law.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; and (b) no assessment shall be levied on it. The Association may sue for unpaid Common Expenses and costs without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of a first priority Mortgage given in good faith and for value shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title following foreclosure of such a Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses

collectible from Owners of all Units subject to assessment under Section 8.8, including such acquirer, its successors and assigns.

8.11. Exempt Property. The following property shall be exempt from payment of Base Assessments, Service Area Assessments, and Special Assessments:

(a) all Common Area and any property owned by Developer which is included in the Area of Common Responsibility pursuant to Section 7.2;

(b) any property dedicated to and accepted by any governmental authority or public utility, including any Community Development District; and

(c) any property owned by a condominium or similar owners association for the common use and enjoyment of its members, or owned by the members of such an association as tenants-in-common.

In addition, the Board may, but shall not be obligated to, exempt from payment of assessments any property devoted to museum, art galleries, sports, religious or civic purposes, or educational or family centers.

PART FOUR: COMMUNITY DEVELOPMENT

ARTICLE IX - EXPANSION OF THE COMMUNITY

9.1. Expansion by Developer. Until all property described on Exhibit "B" has been subjected to this Declaration or 40 years after the recording of this Declaration, whichever is earlier, Developer may annex (i.e., unilaterally subject to the provisions of this Declaration) all or portions of the real property described in Exhibit "B." Developer may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by Developer. Nothing in this Declaration shall be construed to require Developer or any successor to annex or develop any of the property set forth in Exhibit "B" in any manner whatsoever.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Official Records of Osceola County, Florida, describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of Owners, but shall require the consent of the owner of such property, if other than Developer. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

9.2. Expansion by Association. The Association may subject any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Owners representing a majority of the Class "A" votes of the Association

represented at a meeting duly called for such purpose, and the consent of Developer so long as Developer owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Official Records of Osceola County, Florida, describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by Developer, if Developer's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

9.3. Additional Covenants and Easements. Developer may subject any portion of the property submitted to this Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Service Area Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than Developer. Any such Supplemental Declaration may supplement or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4. Amendment. This Article shall not be amended without the prior written consent of Developer so long as Developer owns any property described in Exhibits "A" or "B."

ARTICLE X - ADDITIONAL RIGHTS RESERVED TO DEVELOPER

10.1. Withdrawal of Property. Developer reserves the right to amend this Declaration, so long as it has a right to annex additional property pursuant to Section 9.1, for the purpose of removing any portion of the Properties from the coverage of this Declaration provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not Developer. If the property is Common Area, the Association shall consent to such withdrawal.

10.2. Right to Transfer or Assign Developer Rights. Some or all of the special rights and obligations of Developer set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that of Developer under this Declaration or the By-Laws. No such transfer shall be effective unless it is in a written instrument signed by Developer and duly recorded in the Official Records of Osceola County, Florida. The foregoing shall not preclude Developer from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Developer in this Declaration where Developer does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Developer's consent to such exercise.

10.3. Right to Use Common Area. Developer and its designees may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Developer, may be required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units, sales offices and related marketing activities. Developer and its designees shall have easements for access to and use of such facilities. Developer and its designees, during the course of construction on the Properties adjacent to any Common Area, may use such Common Area for temporary storage and for facilitating construction on adjacent property. Upon cessation of such use, the user of such Common Area shall restore it to its condition prior to such use. If Developer's use under this Section results in additional costs to the Association, Developer shall reimburse the Association for such costs, but Developer shall not be obligated to pay any use fees, rent or similar charges for its use of Common Areas pursuant to this Section.

Developer and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

10.4. Right to Approve Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Developer's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by Developer.

10.5. Right to Approve Changes in Community Standards. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any Use Restrictions and Rules, Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife or Harmony Code shall be effective without prior notice to and the written approval of Developer so long as Developer owns any Developable Land.

10.6. Exclusive Right to Use the Name of the Development. No Person shall use the word "Harmony" or any derivative in any printed or promotional material without Developer's prior written consent. However, Owners may use the term "Harmony" in printed or promotional matter solely to specify that particular property is located within Harmony, and the Association shall be entitled to use the word "Harmony" in its name.

10.7. Amendment and Termination of Rights. This Article may not be amended without the written consent of Developer so long as Developer has any rights hereunder. The rights contained in this Article shall terminate upon the earlier of (a) 75 years from the date this Declaration is recorded, or (b) upon recording by Developer of a written statement that all sales activity has ceased.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY**ARTICLE XI - EASEMENTS**

11.1. Easements On Common Area. Every Owner shall have a right and non-exclusive appurtenant easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) this Declaration, the By-Laws and any other applicable covenants and easements, including any declaration of easements and covenant to share costs or similar instruments relating to such Common Area which grant non-Members rights to use and enjoy portions of the Common Area upon payment of fees or a portion of the costs relating to such Common Area,

(b) any restrictions or limitations contained in any deed conveying such property to the Association;

(c) the right of the Board to adopt rules regulating the use and enjoyment of the Common Area, including rules restricting use of recreational facilities within the Common Area to occupants of Units and their guests (and such others as may be granted use rights pursuant to subsection (g) and instruments described in Section 11.1 (a)) and rules limiting the number of guests who may use the Common Area;

(d) the right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation of the Governing Documents after notice and a hearing pursuant to the Section 3.25 of the By-Laws;

(e) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area subject to such approval requirements as may be set forth in this Declaration;

(f) the right of the Board to impose membership requirements and charge membership, admission or other fees for the use of any recreational facility situated upon the Common Area;

(g) the right of the Board to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board;

(h) the right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the approval requirements set forth in Section 15.2; and

(i) the right of Developer or the Association to grant easements over the Common Area to "tax-exempt organizations" pursuant to Section 7.13.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, subject to reasonable regulation as provided for in this Section 11.1 and Article III. An Owner who does not reside in the Properties shall be deemed to have assigned all rights to use and enjoy recreational facilities within the Common Area to the occupants of such Owner's Unit.

11.2. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered on a Unit or the Common Area (in accordance with the terms of these restrictions) to a distance of not more than three feet as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, occupant or the Association.

11.3. Easements for Utilities, Etc. There are hereby reserved unto Developer, so long as Developer owns any property described on Exhibit "A" or "B" of this Declaration, and hereby granted to the Association and Harmony Community Development District, and the designees of each (which may include, without limitation, Osceola County, Florida, and any utility), access and maintenance easements upon, across, over, and under all of the Properties to the extent necessary for the purpose of replacing, repairing and maintaining cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to water, sewers, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats of the Properties. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Unit, and any damage to a Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after notice to the Owner or occupant

Developer specifically grants to the local water supplier and electric company easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the dwelling on any Unit, nor shall any utilities be installed or relocated on the Properties except as approved by the Board or Developer.

11.4. Easements for Lake and Pond Maintenance and Flood Water. Developer reserves for itself, the CDD and their successors, assigns, and designees, the non-exclusive right

and easement, but not the obligation, to enter upon the lakes, ponds, streams, and wetlands located within the Area of Common Responsibility to (a) install, keep, maintain, and replace pumps in order to provide water for the irrigation of any of the Area of Common Responsibility, the Golf Courses or CDD-owned property; (b) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water, and (c) remove trash and other debris therefrom and fulfill their maintenance responsibilities as may be provided in this Declaration or elsewhere.

Developer's rights and easements provided in this Section shall be transferred to the Association at such time as Developer shall cease to own any property subject to the Declaration, or such earlier time as Developer may elect in its sole discretion, to transfer such rights by a written instrument. Developer, the CDD, the Association, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of any of the lakes, ponds, streams, or wetlands to the extent necessary to exercise their rights hereunder.

There is further reserved herein for the benefit of Developer, the CDD, and their designees, and granted to the Association, for itself and its designees, a perpetual, non-exclusive right and easement of access and encroachment over the Common Area and Units (but not the dwellings thereon) adjacent to or within 50 feet of lake beds, ponds, and streams within the Properties, in order (a) to temporarily flood and back water upon and maintain water over such portions of the Properties; (b) to fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, streams, and wetlands within the Area of Common Responsibility or CDD-owned property; (c) to maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams, and wetlands; and (d) to enter upon and across such portions of the Properties to the extent reasonably necessary for the purpose of exercising their rights hereunder. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Developer, the CDD, or any other Person liable for damage resulting from flooding due to hurricanes, heavy rainfall, or other natural disasters.

11.5. Easements to Serve Additional Property. Developer hereby reserves for itself and its duly authorized agents, representatives, successors, successors-in-title, assigns, licensees, and mortgagees, a perpetual non-exclusive easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibits "A" and "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Developer agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Developer further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, Developer, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any private roadway serving such property.

11.6. Easements for Golf Courses.

(a) Each portion of the Properties is burdened with an easement permitting golf balls unintentionally to come upon such property and for golfers at reasonable times and in a reasonable manner to come upon the exterior portions of such property to retrieve errant golf balls; provided, however, if any Unit is fenced or walled, the golfer shall seek the Owner's permission before entry.

The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: Developer as the declarant of this Declaration; the Association or its Members (in their capacity as such); Developer, its successors, successors-in-title to any Golf Course, or assigns; any successor to Developer; any entity owning, operating or managing any Golf Course; any Builder or contractor (in their capacities as such); any officer, director, partner or employee of any of the foregoing, or any officer or director of any partner.

(b) The owners of the Golf Courses, their respective agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair and replacement of their respective Golf Courses.

(c) The Properties immediately adjacent to the Golf Courses are hereby burdened with a non-exclusive easement in favor of the adjacent Golf Courses for overspray of water from the irrigation system serving the Golf Courses. Under no circumstances shall the Association or the owners of the Golf Courses be held liable for any damage or injury resulting from such overspray or the exercise of this easement

(d) The owners of the Golf Courses, their respective successors and assigns, shall have a perpetual, exclusive easement of access over the Properties for the purpose of retrieving golf balls from bodies of water within the Common Areas lying reasonably within range of golf balls hit from their respective golf courses.

(e) Developer reserves the right to construct or authorize construction of improvements for the parking of automobiles and motor vehicles within portions of the Common Areas serving as "open space" for the benefit of itself and the owners of the Golf Courses, their respective successors and assigns, to the extent the same may be permitted by governmental entities and the holders of easements on the open space; provided, however, that such parking shall not adversely affect drainage improvements reasonably required for the Properties.

11.7. Easement for Maintenance, Emergency and Enforcement. Developer, the Association, and their respective designees shall have the right, but not the obligation, to enter upon any Tract, Lot or Unit for emergency, security, and safety reasons, to perform maintenance pursuant to Article VII hereof and to inspect for the purpose of ensuring compliance with the Governing Documents, which right may be exercised by any member of the Board, the

Association, officers, agents, employees, and managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties.

Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right to enter upon any Tract, Lot or Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any single family detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

11.8. Easement for Community Development Districts. Every Tract, Lot and Unit and the Common Areas are hereby burdened with perpetual, non-exclusive easements for the benefit of the CDD, its agents and designees, to the extent necessary for ingress, egress, access to and installation, maintenance, repair and replacement of properties and facilities of such Community Development District. However, this easement shall not include a right to enter any enclosed structure on a Tract, Lot or Unit or to unreasonably interfere with the use of any Unit. Any damage to a Tract, Lot or Unit or the Common Area resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement.

11.9. Easement for Special Events. Developer hereby reserves for itself, its successors, assigns and designees, a perpetual, non-exclusive easement over the Common Areas for the purpose of conducting parades, running, biking or other sporting events, educational, cultural, artistic, musical and entertainment activities, and other activities of general community interest, at such locations and times as Developer, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Tract, Lot or Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement. The Association shall not take any action which would interfere with or otherwise attempt to restrict the exercise of this easement.

11.10. Easement for Use of Private Streets. Developer hereby creates a perpetual, non-exclusive easement for access, ingress and egress over the private streets within the Common Area, for law enforcement, fire fighting, paramedic, rescue and other emergency vehicles, equipment and personnel; for school buses; for U.S. Postal Service delivery vehicles and personnel; private delivery or courier services; and for vehicles, equipment and personnel providing garbage collection service to the Properties; provided, such easement shall not authorize any such Persons to enter the Properties except while acting in their official capacities.

11.11. Easements for Stormwater Drainage and Retention. Each portion of the Properties is hereby subjected to a non-exclusive easement appurtenant to and for the benefit of each other portion of the Properties for the purpose of stormwater drainage and runoff in accordance with the master drainage plan established by Developer for the Properties, which easement shall include, but shall not be limited to, the right to tie in to existing stormwater drainage facilities and to divert stormwater runoff from each Tract, Lot or Unit into such stormwater drainage facilities at such points and in such manner as approved by Developer, and for the flow of stormwater runoff over the Properties to such points and from such points through the stormwater drainage facilities into wetlands, ponds, or other retention facilities within or outside the Properties. The foregoing easements shall be subject to any and all restrictions regarding quantity rate and quality of discharge which Developer may hereafter impose or which may be imposed on the Properties, Developer or any Owner by any governmental entity having jurisdiction.

ARTICLE XII - PARTY WALLS AND OTHER SHARED STRUCTURES

12.1. General Rules of law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Tracts, Lots or Units which serves and/or separates any two adjoining Tracts, Lots or Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

12.2. Maintenance; Damage and Destruction. All Owners who make use of any party structure shall share the cost of reasonable repair and maintenance of such structure equally.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners subsequently use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

12.3. Right to Contribution Runs With Land. The right of an Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

12.4. Disputes. Any dispute concerning a party structure shall be subject to the dispute resolution procedures set forth in Article XIII.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY**ARTICLE XIII - DISPUTE RESOLUTION AND LIMITATION ON LITIGATION**

13.1. Consensus for Association Litigation. Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the prior approval of at least 50% of total Class "A" votes in the Association and the Class "B" Member consent. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Governing Documents (including, without limitation, the foreclosure of liens); (b) the, imposition and collection of assessments as provided in Article VIII; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

13.2. Alternative Method for Resolving Disputes. Developer, the Association, its officers, directors, and committee members, all Persons subject to this Declaration and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties"), agree to encourage the amicable resolution of disputes involving the Properties without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to use good faith, efforts to resolve those claims, grievances or disputes described in Sections 13.3 ("Claims") using the procedures set forth in Section 13.4 before of filing suit in any court.

13.3. Claims. Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents, or relating to the design or construction of improvements on the Properties, shall be subject to the provisions of Section 13.4.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 13.4:

(a) any suit by the Association against any Bound Party to enforce the provisions of Article VIII (Association Finances);

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article III (Use and Conduct) and Article IV (Architecture and Landscaping);

(c) any suit between Owners which does not include Developer or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(d) any suit in which any indispensable party is not a Bound Party; and

(e) any suit which otherwise would be barred by any applicable statute of limitations.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 13.4.

13.4. Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

1. the nature of the Claim, including the Persons involved and Respondent's role in the Claim;
2. the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
3. Claimant's proposed remedy, and
4. that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation.

1. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.
2. Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if the Association is not a Party and the Board, in its discretion, believes its efforts will be beneficial to the Parties and to the welfare of the community.

(c) Mediation.

1. If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 additional days within which to submit the Claim to mediation pursuant to the provisions of Rule 1.700 of the Florida Rules of Civil Procedure.
2. If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

3. Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(d) Arbitration.

1. If the Parties do not resolve the Claim through mediation, the Claimant shall have 30 days following termination (as determined by the mediator) of the mediation proceedings ("Termination of Mediation") to submit the Claim to arbitration in accordance with the Rules of Arbitration contained in Exhibit "D" or the Claim shall be deemed abandoned, and the Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge the Respondent from any liability to Persons not a Party to the foregoing proceedings.

2. Unless the Parties agree in writing to be bound by the arbitrator's decision (the "Award") prior to the commencement of arbitration proceedings under the foregoing paragraph, any Party shall be free to reject the Award and sue in any court of competent jurisdiction or initiate proceedings before any appropriate administrative tribunal.

13.5. Allocation of Costs of Resolving Claims.

(a) Each Party shall bear all of its own costs incurred prior to and during the proceedings described in Section 13.4(a), (b) and (c), including the fees of its attorney or other representative. Each Party shall share equally all charges rendered by the mediator(s) pursuant to Section 13.4(c).

(b) Each Party shall bear all of its own costs (including the fees of its attorney or other representative) incurred after the Termination of Mediation under Section 13.4(c) and shall share equally in the costs of conducting the arbitration proceeding (collectively, "Post Mediation Costs"), except as otherwise provided in this subsection.

If any of the Parties rejects the Award and pursues a judicial resolution under Section 13.4(d)(2), and the final judgment is either the same as the Award or more advantageous to any nonrejecting Party, each such nonrejecting Party shall be entitled to recover its Post Mediation Costs from the rejecting Party. If there is more than one rejecting Party, such nonrejecting Party's Post Mediation Costs shall be allocated pro rata among all rejecting Parties.

13.6. Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation or mediation in accordance with Section 13.4 and any Party thereafter fails to abide by the terms of such Agreement, or if the Parties agree to accept the Award following arbitration and any Party thereafter fails to comply with such Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 13.4. In such event the Party taking

action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' and paralegals' fees and court costs.

ARTICLE XIV - GOLF COURSES

14.1. Ownership and Operation of Golf Courses. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by Developer or any other Person with regard to the continuing existence, ownership or operation of the Golf Courses, and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment to this Declaration executed or joined into by Developer. Further, the ownership and/or operation of the Golf Courses may change at any time and from time to time by virtue of, but without limitation, (a) the sale to or assumption of operations of one or more of the Golf Courses by an independent entity or entities; (b) the creation or conversion of the ownership and/or operating structure of the Golf Courses to an "equity" club or similar arrangement whereby the Golf Courses or the rights to operate it are transferred to an entity which is owned or controlled by its members; or (c) the transfer of ownership or control of the Golf Courses to one or more affiliates, shareholders, employees, or independent contractors of Developer. No consent of the Association, any Owner, or any other Person shall be required to effectuate such transfer or conversion.

14.2. Right to Use. Neither membership in the Association nor ownership or occupancy of a Tract, Lot or Unit shall confer any ownership interest in or right to use the Golf Courses. Rights to use the Golf Courses will be granted only to such Persons, and on such terms and conditions, as may be determined from time to time by the respective owner(s) of the Golf Courses. The owner(s) of the Golf Courses shall have the right from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Golf Courses, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the provisions of any outstanding membership documents.

14.3. View Impairment. Neither Developer, the Association, nor the owners or operators of the Golf Courses guarantee or represent that any view over and across the Golf Courses from adjacent Tracts, Lots or Units will be preserved without impairment. The owners of the Golf Courses, if any, shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping to their respective Golf Courses from time to time. In addition, the owners of the Golf Courses may, in their sole and absolute discretion, change the location, configuration, size and elevation of the toes, bunkers, fairways and greens on their respective Golf Courses from time to time. Any such additions or changes to the Golf Courses may diminish or obstruct any view from the Tracts, Lots and Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

14.4. Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the owner(s) of the Golf Courses, no amendment to this Article, and no amendment in derogation of any rights reserved or granted to the owners of the Golf Courses by other provisions of this Declaration, may be made without the written approval of the owner(s) of the affected Golf Courses. The foregoing shall not apply, however, to amendments made by Developer.

14.5. Jurisdiction and Cooperation. It is Developer's intention that the Association and the owners of the Golf Courses shall cooperate to the maximum extent possible in the operation of the Properties and the Golf Courses. Each shall reasonably assist the other in upholding the Community-Wide Standard and the two may enter into agreements to jointly purchase and store materials and supplies that are to be used in connection with the ownership, operation and maintenance of the Properties and the Golf Course. The Association shall have no power to promulgate rules and regulations affecting activities on or use of the Golf Courses.

ARTICLE XV - MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Tracts, Lots or Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

15.1. Notices of Action. Any institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association stating its name and address and the street address of the Tract, Lot or Unit to which its Mortgage relates shall be deemed an "Eligible Holder" and shall be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Tract, Lot or Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Tract, Lot or Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Tract, Lot or Unit or the Owner or occupant which is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

15.2. Additional Provisions. If any portion of the Properties is subject to a condominium form of ownership then the provisions of this Section 15.2 shall apply. Unless at least 67% of the first Mortgagees or Owners representing at least 67% of the total Class "A" votes in the Association and the Class "B" Member consent, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (actions by the Board or provisions of any declaration subsequently recorded on any portion of the Properties regarding assessments for Service Areas or other similar areas shall not be subject to this provision where such action or subsequent declaration is otherwise authorized by this Declaration);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Tracts, Lots, Units and the Common Area (the issuance and amendment of Harmony Code, procedures, Use Restrictions and Rules and Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) Fail to maintain insurance as required by this Declaration; or

(e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

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

15.3. Other Provisions for First Mortgagees. To the extent not inconsistent with Florida law:

(a) Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(c) An election to terminate the Association under any other circumstances shall require the consent of Owners representing at least 67% of the Class "A" votes and of

Developer, so long as it owns any land subject to this Declaration, and the approval of the Eligible Holders of first Mortgages on Units to which at least 67% of the votes of Units subject to a Mortgage held by an Eligible Holder appertain.

15.4. Amendments to Documents. The approval of Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to a Mortgage held by an Eligible Holder appertain shall be required to materially amend any provisions of this Declaration, the By-laws or the Articles which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

15.5. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Tract, Lot or Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

15.6. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Tract, Lot or Unit.

15.7. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of its respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may record an amendment to this Article to reflect such changes.

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

15.9. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

15.10. HUD/VA Approval. As long as there is a Class "B" membership, the following actions shall require the prior approval of the Federal Housing Administration or the U.S. Department of Veterans Affairs, if either such agency is insuring or guaranteeing the mortgage on any Tract, Lot or Unit: annexation of additional property other than that described on Exhibit "B," dedication, conveyance or mortgaging of Common Area, or material amendment of this Declaration.

PART SEVEN: CHANGES IN THE COMMUNITY**ARTICLE XVI - CHANGES IN OWNERSHIP OF UNITS**

Any Owner desiring to sell or otherwise transfer title to his or her Tract, Lot or Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Tract, Lot or Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

Change in membership in the Association shall be established by recording in the Public Records of Osceola County, Florida a deed or other instrument conveying record fee title to any Tract, Lot or Unit. The new member shall not be entitled to vote until the Board has been notified as set forth above. Subject to the Developer's right to convey easements independent of the Association's assets, the interest, if any, of a Member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's Tract, Lot or Unit. Membership in the Association by all Owners shall be compulsory and shall continue as to each Owner until such time as such Owner of record transfers or conveys its interest in the Tract, Lot or Unit upon which membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

ARTICLE XVII - CHANGES IN COMMON AREAS

17.1. Condemnation. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Owners representing at least 67% of the total Class "A" votes in the Association and of Developer, as long as Developer owns any property described on Exhibits "A" or "B") by any authority having the power of condemnation or eminent domain each Owner shall be entitled to written notice. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking Developer, so long as Developer owns any property described in Exhibits "A" or "B" of this Declaration, and Owners representing at least 75% of the total Class "A" votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for the repair of damage or destruction shall apply.

If the taking does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

17.2. Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

17.3. Transfer or Dedication of Common Areas. The Association may dedicate portions of the Common Areas to Osceola County, Florida, to the CDD, or to any other local, state, or federal governmental or quasi-governmental entity, subject to such approval as may be required by Article XV of this Declaration.

17.4. Mortgage of Association Property. The Board upon approval of Owners representing 51% of the total Class "A" votes in the Association, including 51% of the Class "A" votes held by Members other than Developer, and the consent of Developer, so long as Developer has an option to subject additional property to this Declaration pursuant to Section 9.1, shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association, which loans shall be used by the Association in performing its functions; provided, however, that every Owner's right and non-exclusive appurtenant easement of use in and to the Common Area as may be necessary for ingress or egress to its Unit shall have priority over any such lien.

17.5. Conveyance of Association Property. The Board, upon approval of Owners representing 67% of the total Class "A" votes in the Association, including 67% of the Class "A" votes held by Members other than Developer, and the consent of Developer, so long as Developer has an option to subject additional property to this Declaration pursuant to Section 9.1, shall have the power and authority to abandon, partition, subdivide, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly; provided, however that the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area and the dedication or transfer of all or any part of the Common Area for such purposes and pursuant to such approval requirements as may be set forth in this Declaration shall not be deemed a transfer requiring such approval within the meaning of this subsection, and further provided that every Owner's right and non-exclusive appurtenant easement of use in and to the Common Area as may be necessary for ingress or egress to its Unit shall have priority over any such transfer.

17.6. Community Development District. Notwithstanding anything contained in the Declaration to the contrary, Developer reserves for itself, the Association and its respective successors and assigns the right to dedicate, transfer, sell or otherwise convey portions of the Common Areas to the CDD for purposes of having the CDD own, construct, operate, maintain

and repair any and all public improvements which the CDD may legally own and operate pursuant to the provisions of Chapter 190, Florida Statutes. Such public improvements may include, without limitation, roads, alleys, sewer and water facilities, landscaping, entry features, club houses, swimming pools, tennis courts, docks, parks, gazebos, leisure trails, bike paths and other recreational facilities. The Association and the CDD may also contract with each other for the performance of any maintenance or repairs of Common Areas, CDD Amenities and any Area of Common Responsibility, including, but not limited to the performance of landscaping services by the Association upon CDD-owned property. Each Owner shall execute any easements, approvals and consents that may be necessary to facilitate the relationships between the CDD and Association contemplated hereunder. By acceptance of its deed of conveyance, each Owner appoints Developer as attorney-in-fact for the Owner to execute any and all such easements, approvals, consents and other instruments as may be necessary in the opinion of Developer to fully implement the CDD and make the Owners' property subject to the CDD and the laws, regulations and rules relating to the CDD. The foregoing appointment is a power coupled with an interest and shall be irrevocable. Each Owner shall be solely responsible for all service charges, fees, taxes and assessments levied by the CDD with respect to the Tract, Lot or Unit owned by such Owner, and failure to pay same when due may result in the imposition of liens against the Tract, Lot or Unit. All of the rights, duties, responsibilities and obligations of the Association under the Declaration relating to the improvements and function undertaken by the CDD shall terminate and such rights, duties, responsibilities and obligations shall thereafter be undertaken and performed by the CDD.

17.7. Buck Lake and Cat Lake. It is intended that Owners and Members will have rights to use and enjoy Buck Lake and Cat Lake for limited recreational purposes including boating and fishing conducted pursuant to the terms and conditions of that certain Lake Access and Use License Agreement between the Association and Developer or its successors or assigns. **THE LAKES ARE NOT COMMON AREAS OR CDD AMENITIES AND ACCESS AND USE OF THE LAKES SHALL BE ENJOYED STRICTLY IN ACCORDANCE WITH AND SUBJECT TO THE TERMS AND CONDITIONS OF THE LAKE ACCESS AND USE LICENSE AGREEMENT AND APPLICABLE RULES AND REGULATIONS.**

ARTICLE XVIII - AMENDMENT OF DECLARATION

18.1. By Developer. Until termination of the Class "B" Control Period, Developer may unilaterally amend this Declaration for any purpose, provided the amendment has no materially adverse effect upon any material rights of any affected Owner. Thereafter, Developer may unilaterally amend this Declaration at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination which is in conflict therewith; (ii) to enable any reputable title insurance company to issue title insurance coverage with respect to any portion of the Properties; or (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Tracts, Lots or Units; or (iv) to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Tract, Lot or Unit unless the Owner shall consent thereto in writing. So long as Developer still owns property described in Exhibits "A" or "B" for development as part of the Properties, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

18.2. By Members. Except as otherwise set forth elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing 51% of the total Class "A" votes in the Association, including 51% of the Class "A" votes held by Members other than Developer, and the consent of Developer, so long as Developer has an option to subject additional property to this Declaration pursuant to Section 9.1. In addition, the approval requirements set forth in Article XV hereof shall be met if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

18.3. Validity and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation in the Official Records of Osceola County, Florida, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may, directly or indirectly, remove, revoke, or modify the status of, or any right or privilege of, Developer or the Class "B" Member without the written consent of Developer, or the Class "B" Member, respectively (or the assignee of such right or privilege).

18.4. Exhibits. Exhibits "A," "B," "C," "D," "E," and "F" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article, except as otherwise specifically provided in this Declaration. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, Developer has executed this Declaration this 8th
day of October, 2002.

DEVELOPER:

Birchwood Acres Limited
Partnership, LLLP, a Florida
limited liability limited
partnership

ADDRESS: 4305 Neptune Road
St. Cloud, Florida 34769

By: Three E Corporation, a Florida
corporation, its general partner

By: James L. Lentz
Name: James L. Lentz
Title: President

[CORPORATE SEAL]

Carolyn McArthur
Witness

CAROLYN MCARTHUR
Name Printed

Marlene Kittendorf
Witness

Marlene Kittendorf
Name Printed

STATE OF FLORIDA

COUNTY OF Osceola

The foregoing instrument was acknowledged before me this 8th day of October, 2002, by James L. Lentz, as President, of Three E Corporation, a Florida corporation, general partner of Birchwood Acres Limited Partnership, LLLP, a Florida limited liability limited partnership, on behalf of the partnership. He/she is personally known to me or has produced _____ as identification and did (did not) take an oath.

[NOTARIAL SEAL]

By:
Name:Serial Number, if any
My commission expires:

Genevieve M. O'Keefe
GENEVIEVE M. O'KEEFE
Notary Public
CC 993600
JANUARY 27, 2005



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EXHIBIT "A"Land Initially Submitted

A parcel of land lying in Sections 19 & 30 & 31, T 26 S, R 32 E, Osceola County, Florida, being more particularly described as follows: Commence at the Southwest corner of Section 30, T 26 S, R 32 E (being a found 4"x4" concrete monument), run thence N00°27'29"W, along the West line of said Section 30, a distance of 2,116.59 Feet to a point on the southerly right of way line of State Road No. 500 (being a found 4"x4" concrete monument, with the top broken); thence continue northerly along said line, a distance of 76.29 Feet, to a point on the northerly right of way line of State Road No. 500 ; thence S60°13'23"E, along said northerly right of way line, a distance of 3652.94 Feet to the POINT OF BEGINNING; thence N22°54'52"E, a distance of 116.98 Feet; thence N67°05'08"W, a distance of 40.20 Feet; thence N22°54'23"E, a distance of 107.33 Feet; thence S67°05'37"E, a distance of 264.57 Feet; thence N22°57'50"E, a distance of 43.34 Feet; thence N17°06'58"E, a distance of 312.86 Feet; thence N14°11'20"E, a distance of 76.77 Feet to the point of curve of a non tangent curve to the right, of which the radius point lies S74°30'48"E, a radial distance of 2,302.13 Feet and having a chord bearing of N18°42'24"E, 258.62 Feet; thence northerly along the arc, through a central angle of 06°26'24", a distance of 258.75 Feet to the point of curve of a non tangent curve to the right, of which the radius point lies N23°59'51"E, a radial distance of 850.50 Feet and having a chord bearing of N54°30'07"W, 339.14 Feet; thence northwesterly along the arc, through a central angle of 23°00'04", a distance of 341.43 Feet; thence N43°00'05"W, a distance of 277.26 Feet to a point of curve to the left having a radius of 965.00 Feet, a central angle of 08°07'35", and a chord bearing of N47°03'53"W, 136.75 Feet; thence northwesterly along the arc a distance of 136.87 Feet; thence N51°07'41"W, a distance of 91.64 Feet to a point of curve to the left having a radius of 780.77 Feet, a central angle of 26°35'59", and a chord bearing of N64°25'41"W, 359.23 Feet; thence northwesterly along the arc a distance of 362.47 Feet; thence N77°43'40"W, a distance of 95.65 Feet to a point of curve to the left having a radius of 10.00 Feet, a central angle of 60°53'36", and a chord bearing of S71°49'32"W, 10.13 Feet; thence westerly along the arc a distance of 10.63 Feet to a point of reverse curve to the right having a radius of 85.00 Feet and a central angle of 116°56'48"; thence westerly along the arc, a distance of 173.49 Feet to a point of reverse curve to the left having a radius of 20.00 Feet and a central angle of 50°28'55"; thence northwesterly along the arc, a distance of 17.62 Feet to a point of reverse curve to the right having a radius of 1,505.30 Feet and a central angle of 35°42'48"; thence northwesterly along the arc, a distance of 938.27 Feet to a point of reverse curve to the left having a radius of 1,155.00 Feet and a central angle of 11°51'46"; thence northwesterly along the arc, a distance of 239.14 Feet; thence N48°18'21"W, a distance of 65.16 Feet; thence S41°41'39"W, a distance of 5.50 Feet; thence N48°18'21"W, a distance of 92.81 Feet; thence N41°41'39"E, a distance of 100.00 Feet; thence S48°18'21"E, a distance of 92.81 Feet; thence S41°41'39"W, a distance of 14.50 Feet; thence S48°18'21"E, a distance of 47.33 Feet; thence N43°42'24"E, a distance of 200.05 Feet; thence S86°55'34"E, a distance of 29.68 Feet; thence N84°02'48"E, a distance of 116.21 Feet; thence N65°23'36"E, a distance of 142.33 Feet; thence N54°38'41"E, a distance of 66.38 Feet; thence N05°38'44"W, a distance of 51.87 Feet; thence N20°55'55"E, a distance of 118.31 Feet; thence N24°21'19"E, a distance of 96.11 Feet; thence N17°48'37"W, a distance of 73.93 Feet; thence N24°11'09"W, a distance of 59.20 Feet; thence N57°00'02"W, a distance of 108.89 Feet; thence N31°58'18"W, a distance of 123.05 Feet; thence N17°30'54"W, a distance of 64.44 Feet; thence N35°58'59"W, a distance of 34.46 Feet; thence N82°48'13"E, a distance of 94.48 Feet; thence S88°31'05"E, a distance of 173.33 Feet; thence S33°26'01"E, a distance of 61.27 Feet; thence S25°28'33"E, a distance of 59.79 Feet; thence S34°38'06"E, a distance of 62.23 Feet; thence S02°29'55"W, a distance of 50.54 Feet; thence S45°39'24"E, a distance of 47.87 Feet; thence N81°30'52"E, a distance of 51.04 Feet; thence N86°50'49"E, a distance of 38.19 Feet; thence N46°32'33"E, a distance of 42.39 Feet; thence N37°45'51"E, a distance of 30.59 Feet; thence N07°13'59"W, a distance of 41.45 Feet; thence N70°21'25"E, a distance of 34.66 Feet; thence N66°21'16"E, a distance of 38.54 Feet; thence N37°27'56"E, a distance of 49.76 Feet; thence N57°01'59"E, a distance of 82.39 Feet; thence N07°56'40"E, a distance of 51.88 Feet; thence N14°54'38"E, a distance of 33.09 Feet; thence

N19°51'00"W, a distance of 49.10 Feet; thence N79°44'03"W, a distance of 23.22 Feet; thence S58°57'33"W, a distance of 43.77 Feet; thence N35°25'59"W, a distance of 45.98 Feet; thence N89°40'50"W, a distance of 58.65 Feet; thence S67°25'40"W, a distance of 52.36 Feet; thence S89°01'04"W, a distance of 46.30 Feet; thence N72°40'28"W, a distance of 68.69 Feet; thence S66°59'03"W, a distance of 60.69 Feet; thence N36°26'58"W, a distance of 20.42 Feet; thence N46°40'35"W, a distance of 63.47 Feet; thence N05°16'45"W, a distance of 54.37 Feet; thence N09°10'50"E, a distance of 61.45 Feet; thence N35°27'22"E, a distance of 45.00 Feet; thence N30°34'39"W, a distance of 61.03 Feet; thence N63°31'20"W, a distance of 88.49 Feet; thence N72°50'50"W, a distance of 120.33 Feet; thence S48°40'46"W, a distance of 99.22 Feet; thence S53°39'17"W, a distance of 48.69 Feet; thence S27°50'08"W, a distance of 70.62 Feet; thence S35°20'25"W, a distance of 54.30 Feet; thence S86°26'30"W, a distance of 60.36 Feet; thence N39°27'55"W, a distance of 72.72 Feet; thence N24°29'43"W, a distance of 97.47 Feet; thence N21°18'03"W, a distance of 66.61 Feet; thence N11°25'04"W, a distance of 59.59 Feet; thence N02°57'15"W, a distance of 61.69 Feet; thence N24°51'10"E, a distance of 86.51 Feet; thence N17°56'43"W, a distance of 41.95 Feet; thence N23°35'43"E, a distance of 222.95 Feet; thence S70°17'45"E, a distance of 363.26 Feet; thence S72°52'48"E, a distance of 432.55 Feet; thence S64°33'09"E, a distance of 43.62 Feet; thence N20°38'30"E, a distance of 102.54 Feet; thence N70°27'06"W, a distance of 31.56 Feet; thence N19°04'42"E, a distance of 53.00 Feet; thence S70°27'53"E, a distance of 31.53 Feet to the point of curve of a non tangent curve to the right, of which the radius point lies S68°37'23"E, a radial distance of 1,593.63 Feet and having a chord bearing of N22°32'48"E, 65.06 Feet; thence northeasterly along the arc, through a central angle of 02°20'21", a distance of 65.06 Feet; thence N23°42'58"E, a distance of 121.90 Feet; thence N23°21'57"E, a distance of 370.84 Feet; thence N69°31'18"W, a distance of 78.01 Feet; thence N24°27'34"E, a distance of 53.19 Feet; thence S69°42'39"E, a distance of 53.57 Feet; thence N23°05'21"E, a distance of 251.25 Feet; thence N66°35'14"W, a distance of 55.19 Feet; thence N23°21'57"E, a distance of 78.99 Feet; thence S66°38'06"E, a distance of 336.79 Feet to a point of curve to the left having a radius of 868.00 Feet, a central angle of 25°52'07", and a chord bearing of S79°34'10"E, 388.58 Feet; thence easterly along the arc a distance of 391.90 Feet; thence N87°29'47"E, a distance of 118.32 Feet to the point of curve of a non tangent curve to the left, of which the radius point lies N02°18'45"W, a radial distance of 931.80 Feet and having a chord bearing of N82°35'29"E, 165.54 Feet; thence easterly along the arc, through a central angle of 10°11'32", a distance of 165.76 Feet to a point of compound curve to the left having a radius of 10.00 Feet and a central angle of 66°01'36"; thence northeasterly along the arc, a distance of 11.52 Feet to a point of reverse curve to the right having a radius of 85.00 Feet and a central angle of 128°06'55"; thence easterly along the arc, a distance of 190.06 Feet; thence N62°43'51"E, a distance of 406.64 Feet to the point of curve of a non tangent curve to the right, of which the radius point lies S25°23'24"E, a radial distance of 1,267.22 Feet and having a chord bearing of N68°45'31"E, 183.34 Feet; thence easterly along the arc, through a central angle of 08°17'49", a distance of 183.50 Feet; thence N09°33'15"W, a distance of 79.95 Feet; thence N80°26'45"E, a distance of 70.00 Feet; thence S09°33'15"E, a distance of 83.62 Feet to the point of curve of a non tangent curve to the right, of which the radius point lies S09°55'08"E, a radial distance of 795.50 Feet and having a chord bearing of N82°55'37"E, 78.99 Feet; thence easterly along the arc, through a central angle of 05°41'29", a distance of 79.02 Feet; thence S05°04'07"E, a distance of 70.82 Feet to the point of curve of a non tangent curve to the left, of which the radius point lies S04°22'07"E, a radial distance of 729.02 Feet and having a chord bearing of S81°01'38"W, 117.04 Feet; thence westerly along the arc, through a central angle of 09°12'31", a distance of 117.17 Feet to the point of curve of a non tangent curve to the left, of which the radius point lies S12°17'52"E, a radial distance of 672.61 Feet and having a chord bearing of S71°42'10"W, 140.60 Feet; thence westerly along the arc, through a central angle of 11°59'56", a distance of 140.86 Feet; thence S63°47'29"W, a distance of 44.94 Feet; thence S63°09'52"W, a distance of 424.80 Feet to the point of curve of a non tangent curve to the right, of which the radius point lies N77°05'50"W, a radial distance of 85.00 Feet and having a chord bearing of S28°03'33"W, 44.45 Feet; thence southwesterly along the arc, through a central angle of 30°18'46", a distance of 44.97 Feet to a point of reverse curve to the left having a radius of 10.00 Feet and a central angle of 49°11'40"; thence southerly along the arc, a distance of 8.59 Feet to a point of reverse curve to the right having a radius of 817.08 Feet and a central angle of 62°27'19"; thence southwesterly along the arc, a distance of 890.66 Feet; thence N33°21'41"W, a distance of 3.50 Feet; thence

S56°37'45"W, a distance of 216.31 Feet to a point of curve to the left having a radius of 720.00 Feet, a central angle of 51°01'51", and a chord bearing of S31°06'50"W, 620.29 Feet; thence southwesterly along the arc a distance of 641.27 Feet; thence S05°35'54"W, a distance of 229.33 Feet to a point of curve to the right having a radius of 1,545.00 Feet, a central angle of 25°12'46", and a chord bearing of S18°12'17"W, 674.40 Feet; thence southerly along the arc a distance of 679.87 Feet; thence S30°48'40"W, a distance of 300.39 Feet to a point of curve to the left having a radius of 1,003.50 Feet, a central angle of 25°55'03", and a chord bearing of S17°51'09"W, 450.07 Feet; thence southerly along the arc a distance of 453.93 Feet to a point of compound curve to the left having a radius of 10.00 Feet and a central angle of 61°17'01"; thence southeasterly along the arc, a distance of 10.70 Feet to a point of reverse curve to the right having a radius of 95.00 Feet and a central angle of 38°11'09"; thence southeasterly along the arc, a distance of 63.31 Feet to a point of reverse curve to the left having a radius of 10.00 Feet and a central angle of 59°32'50"; thence southeasterly along the arc, a distance of 10.39 Feet; thence S77°45'05"E, a distance of 87.88 Feet to a point of curve to the right having a radius of 860.84 Feet, a central angle of 26°37'25", and a chord bearing of S64°26'23"E, 396.42 Feet; thence southeasterly along the arc a distance of 400.00 Feet; thence S51°07'41"E, a distance of 91.64 Feet to a point of curve to the right having a radius of 1,045.00 Feet, a central angle of 08°07'35", and a chord bearing of S47°03'54"E, 148.09 Feet; thence southeasterly along the arc a distance of 148.22 Feet; thence S43°00'05"E, a distance of 276.31 Feet to a point of curve to the left having a radius of 770.50 Feet, a central angle of 31°43'32", and a chord bearing of S58°51'51"E, 421.21 Feet; thence southeasterly along the arc a distance of 426.64 Feet; thence S74°43'37"E, a distance of 449.79 Feet; thence S15°16'23"W, a distance of 8.50 Feet; thence S74°43'37"E, a distance of 420.00 Feet; thence N15°16'23"E, a distance of 8.50 Feet; thence S74°43'37"E, a distance of 84.00 Feet; thence S15°16'23"W, a distance of 24.50 Feet; thence N74°43'37"W, a distance of 25.00 Feet; thence S15°16'23"W, a distance of 40.50 Feet; thence S73°34'52"E, a distance of 25.00 Feet; thence S15°16'23"W, a distance of 15.00 Feet; thence N74°43'37"W, a distance of 24.00 Feet to a point of curve to the left having a radius of 5.00 Feet, a central angle of 90°00'00", and a chord bearing of S60°16'23"W, 7.07 Feet; thence southwesterly along the arc a distance of 7.85 Feet; thence S15°16'23"W, a distance of 279.50 Feet; thence S74°43'37"E, a distance of 9.00 Feet; thence S15°16'23"W, a distance of 55.00 Feet; thence N74°43'37"W, a distance of 228.50 Feet to a point of curve to the left having a radius of 5.00 Feet, a central angle of 90°00'00", and a chord bearing of S60°16'23"W, 7.07 Feet; thence southwesterly along the arc a distance of 7.85 Feet; thence S15°16'23"W, a distance of 384.88 Feet; thence S74°43'37"E, a distance of 21.00 Feet; thence S15°16'23"W, a distance of 25.00 Feet to the point of curve of a non tangent curve to the left, of which the radius point lies S15°12'13"W, a radial distance of 26.66 Feet and having a chord bearing of N86°23'53"W, 10.72 Feet; thence westerly along the arc, through a central angle of 23°12'12", a distance of 10.80 Feet; thence S15°16'24"W, a distance of 60.63 Feet to a point of curve to the left having a radius of 449.00 Feet, a central angle of 15°17'58", and a chord bearing of S07°37'25"W, 119.54 Feet; thence southerly along the arc a distance of 119.89 Feet; thence S00°01'35"E, a distance of 17.28 Feet to a point of curve to the right having a radius of 351.00 Feet, a central angle of 27°27'51", and a chord bearing of S13°42'21"W, 166.64 Feet; thence southerly along the arc a distance of 168.25 Feet; thence S60°13'55"E, a distance of 614.01 Feet; thence S29°46'05"W, a distance of 49.30 Feet, to a point on the aforesaid northerly right of way line of State Road No. 500; thence N60°13'23"W, along said northerly right of way line, a distance of 1785.13 Feet to the POINT OF BEGINNING.

Containing 111.88 Acres, more or less.

EXHIBIT "B"

CL 2002171816

OR 2125/2169

Land Subject to Annexation

A parcel of land lying in portions of Sections 24 and 25, T 26 S, R 31 E and Sections 19, 20, 29, 30, 31 and 32, T 26 S, R 32 E, Osceola County, Florida, being more particularly described as follows: Commence at the Southwest corner of Section 30, T 26 S, R 32 E (being a found 4" X 4" concrete monument), run N. 00° 27' 29" W., along the West line of said Section 30, 2116.59 feet to a point on the Southerly Right of Way line of State Road No. 500 (being a found 4" X 4" concrete monument, with the top broken); thence continue N. 00° 27' 29" W., 76.29 feet to a point on the Northerly Right of Way line of said State Road No. 500; also being the Point of Beginning; thence N.60°13'23"W., a distance of 1,004.40 feet to a point of curve to the right having a radius of 3,786.83 feet, a central angle of 14°32'15", and a chord bearing of N.52°57'16"W., 958.25 feet; thence northwesterly along the arc a distance of 960.82 feet; thence N.74°13'35"E., a distance of 19.99 feet; thence continue easterly along said line, a distance of 52.83 feet; thence N.86°39'44"E., a distance of 46.70 feet; thence N.67°55'33"E., a distance of 44.33 feet; thence N.40°27'24"E., a distance of 47.08 feet; thence N.29°24'37"E., a distance of 114.95 feet; thence N.46°10'04"E., a distance of 45.80 feet; thence N.82°04'45"E., a distance of 52.12 feet; thence S.60°31'56"E., a distance of 49.70 feet; thence S.24°48'26"E., a distance of 47.74 feet; thence S.06°46'14"E., a distance of 53.69 feet; thence S.49°19'43"E., a distance of 26.55 feet; thence S.50°30'42"E., a distance of 199.26 feet; thence S.69°32'18"E., a distance of 37.49 feet; thence N.28°10'07"E., a distance of 81.94 feet; thence N.46°39'34"E., a distance of 37.99 feet; thence N.81°44'12"E., a distance of 34.19 feet; thence S.73°24'27"E., a distance of 38.25 feet; thence S.76°15'31"E., a distance of 141.81 feet; thence N.89°56'08"E., a distance of 193.97 feet; thence N.74°42'16"E., a distance of 194.59 feet; thence N.41°25'54"E., a distance of 76.49 feet; thence N.00°01'04"E., a distance of 163.97 feet; thence N.09°49'03"W., a distance of 383.06 feet; thence N.15°23'23"W., a distance of 303.63 feet; thence N.05°05'15"W., a distance of 224.32 feet; thence N.01°10'32"E., a distance of 145.00 feet; thence N.17°58'43"E., a distance of 193.59 feet; thence N.18°34'52"E., a distance of 168.84 feet; thence N.15°47'03"W., a distance of 357.00 feet; thence N.20°53'30"W., a distance of 335.24 feet; thence N.05°57'55"W., a distance of 60.92 feet; thence N.26°52'00"E., a distance of 72.71 feet; thence N.61°02'00"E., a distance of 47.84 feet; thence N.76°44'45"E., a distance of 110.72 feet; thence N.72°42'20"E., a distance of 120.32 feet; thence S.77°41'35"E., a distance of 99.75 feet; thence S.71°00'45"E., a distance of 115.03 feet; thence S.64°04'34"E., a distance of 121.52 feet; thence S.73°52'55"E., a distance of 373.73 feet; thence S.77°46'51"E., a distance of 378.59 feet; thence S.77°14'21"E., a distance of 206.57 feet; thence S.89°48'15"E., a distance of 225.50 feet; thence N.88°05'24"E., a distance of 223.48 feet; thence N.79°47'00"E., a distance of 215.76 feet; thence N.71°31'22"E., a distance of 221.04 feet; thence N.65°31'36"E., a distance of 260.93 feet; thence N.72°24'07"E., a distance of 191.13 feet; thence N.80°28'00"E., a distance of 314.47 feet; thence S.81°33'40"E., a distance of 210.19 feet; thence S.63°38'11"E., a distance of 145.36 feet; thence S.48°41'42"E., a distance of 151.51 feet; thence S.47°07'37"E., a distance of 206.14 feet; thence S.67°16'54"E., a distance of 140.62 feet; thence S.85°22'43"E., a distance of 196.16 feet; thence N.78°57'37"E., a distance of 160.51 feet; thence N.45°52'34"E., a distance of 100.47 feet; thence N.06°07'18"E., a distance of 183.68 feet; thence N.04°22'07"W., a distance of 221.51 feet; thence S.84°38'10"E., a distance of 193.13 feet; thence S.07°16'24"E., a distance of 254.90 feet; thence S.77°49'02"E., a distance of 122.23 feet; thence N.79°04'37"E., a distance of 129.36 feet; thence S.81°34'02"E., a distance of 148.43 feet; thence N.78°59'05"E., a distance of 230.41 feet; thence N.75°58'32"E., a distance of 255.49 feet; thence N.82°27'43"E., a distance of 143.27 feet; thence N.40°02'32"E., a distance of 91.96 feet; thence N.26°34'31"E., a distance of 103.93 feet; thence N.68°16'00"E., a distance of 82.12 feet; thence S.68°32'11"E., a distance of 129.70 feet; thence N.79°31'39"E., a distance of 69.41 feet; thence S.65°08'05"E., a distance of 65.06 feet; thence S.29°16'47"E., a distance of 76.57 feet; thence S.65°38'28"E., a distance of 131.26 feet; thence N.82°33'59"E., a distance of 102.70 feet; thence S.69°49'34"E., a distance of 91.03 feet; thence S.89°40'07"E., a distance of 89.03 feet; thence N.70°55'38"E., a distance of 83.19 feet; thence S.89°22'59"E., a distance of 221.92 feet; thence

S.69°59'35"E., a distance of 98.46 feet; thence S.60°24'46"E., a distance of 184.64 feet; thence
 S.46°10'44"E., a distance of 142.24 feet; thence S.38°35'23"W., a distance of 91.08 feet; thence
 S.23°01'48"E., a distance of 32.07 feet; thence S.68°58'58"E., a distance of 56.41 feet; thence
 S.30°04'49"E., a distance of 56.06 feet; thence S.17°19'41"W., a distance of 79.33 feet; thence
 S.43°27'17"W., a distance of 80.28 feet; thence S.23°20'46"W., a distance of 136.67 feet; thence
 S.39°31'49"W., a distance of 88.43 feet; thence S.64°16'07"W., a distance of 145.65 feet; thence
 S.41°38'31"W., a distance of 55.43 feet; thence S.07°17'01"W., a distance of 78.29 feet; thence
 S.26°24'12"W., a distance of 71.91 feet; thence S.48°50'35"W., a distance of 147.15 feet; thence
 S.11°00'14"E., a distance of 74.42 feet; thence S.12°36'48"W., a distance of 79.78 feet; thence
 S.28°27'24"W., a distance of 122.76 feet; thence S.32°23'00"W., a distance of 268.90 feet; thence
 S.19°27'38"W., a distance of 84.25 feet; thence S.05°42'21"W., a distance of 78.38 feet; thence
 S.07°19'39"W., a distance of 126.97 feet; thence S.29°53'06"W., a distance of 150.93 feet; thence
 S.32°03'36"W., a distance of 198.15 feet; thence S.37°15'55"W., a distance of 120.01 feet; thence
 S.44°53'57"W., a distance of 190.75 feet; thence S.54°43'51"W., a distance of 209.32 feet; thence
 S.64°43'47"W., a distance of 197.54 feet; thence S.72°36'17"W., a distance of 190.31 feet; thence
 S.77°06'35"W., a distance of 183.44 feet; thence S.53°38'56"W., a distance of 167.36 feet; thence
 S.29°25'34"W., a distance of 164.56 feet; thence S.05°48'45"W., a distance of 159.14 feet; thence
 S.10°15'19"E., a distance of 189.83 feet; thence S.42°49'07"E., a distance of 288.98 feet; thence
 S.38°19'26"E., a distance of 267.38 feet; thence S.38°16'44"E., a distance of 330.61 feet; thence
 S.37°24'44"E., a distance of 317.44 feet; thence N.59°19'00"E., a distance of 97.26 feet; thence
 N.03°19'11"E., a distance of 154.72 feet; thence N.28°04'58"E., a distance of 115.87 feet; thence
 N.62°00'21"E., a distance of 139.54 feet; thence N.85°46'15"E., a distance of 134.79 feet; thence
 S.64°35'35"E., a distance of 101.32 feet; thence S.46°36'27"E., a distance of 161.64 feet; thence
 N.50°08'19"E., a distance of 175.86 feet; thence N.66°49'55"W., a distance of 70.74 feet; thence
 N.35°28'27"W., a distance of 147.51 feet; thence N.26°58'59"W., a distance of 225.93 feet; thence
 N.26°32'21"W., a distance of 164.57 feet; thence N.14°54'44"W., a distance of 96.45 feet; thence
 N.23°29'05"E., a distance of 68.20 feet; thence N.29°13'57"E., a distance of 76.89 feet; thence
 N.14°57'11"E., a distance of 115.23 feet; thence N.39°34'46"E., a distance of 97.95 feet; thence
 N.16°22'07"E., a distance of 76.52 feet; thence N.08°42'07"E., a distance of 126.60 feet; thence
 N.31°49'06"E., a distance of 104.86 feet; thence N.56°51'04"E., a distance of 133.71 feet; thence
 N.76°16'42"E., a distance of 122.54 feet; thence N.26°32'59"E., a distance of 109.00 feet; thence
 N.55°54'46"E., a distance of 157.23 feet; thence N.07°05'59"E., a distance of 43.40 feet; thence
 N.22°28'06"W., a distance of 136.76 feet; thence N.35°45'17"W., a distance of 204.88 feet; thence
 N.49°43'05"W., a distance of 125.18 feet; thence N.15°22'36"W., a distance of 72.78 feet; thence
 N.06°45'32"E., a distance of 95.03 feet; thence N.25°50'31"E., a distance of 125.55 feet; thence
 N.32°58'21"E., a distance of 244.53 feet; thence N.25°27'47"E., a distance of 184.39 feet; thence
 N.24°40'25"E., a distance of 162.54 feet; thence N.33°56'09"E., a distance of 209.31 feet; thence
 N.33°09'35"E., a distance of 230.29 feet; thence N.62°58'04"E., a distance of 89.27 feet; thence
 S.86°48'49"E., a distance of 35.96 feet; thence N.01°26'05"E., a distance of 48.79 feet; thence
 N.30°31'39"E., a distance of 116.31 feet; thence N.48°12'58"E., a distance of 120.58 feet; thence
 N.23°27'45"E., a distance of 135.04 feet; thence N.15°08'58"W., a distance of 110.36 feet; thence
 N.25°28'12"W., a distance of 244.31 feet; thence N.28°06'13"W., a distance of 172.87 feet; thence
 N.07°32'42"W., a distance of 154.27 feet; thence N.03°28'37"E., a distance of 117.54 feet; thence
 N.22°19'02"W., a distance of 78.40 feet; thence N.30°52'36"W., a distance of 144.54 feet; thence
 N.15°36'17"W., a distance of 150.68 feet; thence N.00°09'12"E., a distance of 160.40 feet; thence
 N.33°49'20"E., a distance of 47.85 feet; thence N.68°41'58"E., a distance of 50.49 feet; thence
 N.71°42'50"E., a distance of 81.17 feet; thence N.59°09'20"E., a distance of 121.60 feet; thence
 N.84°51'29"E., a distance of 106.60 feet; thence S.70°25'07"E., a distance of 119.57 feet; thence
 S.68°47'05"E., a distance of 293.37 feet; thence S.45°08'54"E., a distance of 59.39 feet; thence
 S.18°03'36"E., a distance of 205.37 feet; thence S.53°04'49"E., a distance of 53.52 feet; thence
 S.82°33'13"E., a distance of 123.38 feet; thence S.67°20'19"E., a distance of 125.97 feet; thence
 S.42°31'13"E., a distance of 98.20 feet; thence S.16°52'48"E., a distance of 60.02 feet; thence
 S.32°50'43"W., a distance of 55.58 feet; thence S.73°19'14"W., a distance of 32.39 feet; thence
 S.87°58'04"W., a distance of 154.06 feet; thence S.41°23'51"W., a distance of 46.70 feet; thence

S.10°15'13"E., a distance of 71.86 feet; thence S.59°09'03"E., a distance of 132.74 feet; thence
 N.84°08'38"E., a distance of 46.37 feet; thence N.36°44'46"E., a distance of 227.34 feet; thence
 S.71°52'29"E., a distance of 403.14 feet; thence N.82°00'50"E., a distance of 53.60 feet; thence
 S.38°44'39"E., a distance of 118.22 feet; thence S.63°38'06"E., a distance of 107.96 feet; thence
 S.82°29'54"E., a distance of 91.47 feet; thence S.37°47'10"E., a distance of 53.12 feet; thence
 N.83°46'44"E., a distance of 108.72 feet; thence S.87°41'29"E., a distance of 100.10 feet; thence
 N.64°38'19"E., a distance of 464.69 feet; thence N.89°16'17"E., a distance of 86.03 feet; thence
 S.51°36'34"E., a distance of 71.23 feet; thence S.14°23'47"E., a distance of 141.83 feet; thence
 S.08°24'31"W., a distance of 97.45 feet; thence S.56°19'40"W., a distance of 54.91 feet; thence
 S.80°37'00"W., a distance of 126.99 feet; thence S.43°08'49"E., a distance of 111.73 feet; thence
 S.07°20'59"E., a distance of 113.82 feet; thence S.27°01'32"W., a distance of 103.02 feet; thence
 S.41°29'41"W., a distance of 119.95 feet; thence S.61°10'24"W., a distance of 219.05 feet; thence
 S.14°22'52"W., a distance of 149.33 feet; thence S.03°40'58"W., a distance of 134.37 feet; thence
 S.01°27'42"W., a distance of 186.11 feet; thence S.05°51'20"E., a distance of 144.67 feet; thence
 S.13°24'51"W., a distance of 83.29 feet; thence S.55°21'32"W., a distance of 73.01 feet; thence
 S.66°00'55"W., a distance of 135.99 feet; thence S.71°07'29"W., a distance of 169.55 feet; thence
 S.03°12'02"E., a distance of 30.53 feet; thence S.09°13'06"E., a distance of 102.63 feet; thence
 S.09°07'35"W., a distance of 117.47 feet; thence S.02°58'22"E., a distance of 51.08 feet; thence
 S.17°51'11"E., a distance of 104.63 feet; thence S.16°17'00"E., a distance of 358.03 feet; thence
 S.10°05'02"E., a distance of 162.39 feet; thence S.03°39'27"W., a distance of 197.38 feet; thence
 S.16°51'49"W., a distance of 148.41 feet; thence S.23°51'07"W., a distance of 878.40 feet; thence
 S.33°38'52"W., a distance of 118.39 feet; thence S.83°42'53"W., a distance of 118.24 feet; thence
 S.06°53'47"W., a distance of 103.56 feet; thence S.23°49'34"W., a distance of 233.30 feet; thence
 S.43°12'56"W., a distance of 204.79 feet; thence S.55°45'48"W., a distance of 174.66 feet; thence
 S.24°17'36"E., a distance of 221.13 feet; thence S.23°23'54"W., a distance of 129.21 feet; thence
 N.84°58'18"W., a distance of 148.70 feet; thence S.81°37'01"W., a distance of 365.07 feet; thence
 N.54°09'54"W., a distance of 194.69 feet; thence S.50°56'07"W., a distance of 56.06 feet; thence
 S.13°18'43"W., a distance of 225.35 feet; thence N.80°13'47"E., a distance of 153.38 feet; thence
 S.76°14'33"E., a distance of 145.22 feet; thence S.65°22'29"E., a distance of 124.00 feet; thence
 S.35°13'45"E., a distance of 104.11 feet; thence S.02°14'08"W., a distance of 58.30 feet; thence
 S.02°19'27"W., a distance of 90.74 feet; thence S.85°05'17"W., a distance of 166.46 feet; thence
 N.67°11'31"W., a distance of 138.10 feet; thence N.84°08'17"W., a distance of 106.42 feet; thence
 S.62°39'24"W., a distance of 75.70 feet; thence S.10°57'22"W., a distance of 49.06 feet; thence
 S.50°05'40"W., a distance of 156.67 feet; thence S.85°45'45"W., a distance of 77.83 feet; thence
 S.42°46'38"W., a distance of 146.62 feet; thence N.42°31'21"W., a distance of 165.33 feet; thence
 N.18°00'29"W., a distance of 510.78 feet; thence N.00°46'35"W., a distance of 120.44 feet; thence
 N.77°00'27"W., a distance of 93.95 feet; thence S.41°23'28"W., a distance of 271.07 feet; thence
 S.50°13'07"W., a distance of 212.96 feet; thence S.60°53'42"W., a distance of 221.24 feet; thence
 S.38°17'29"E., a distance of 205.40 feet; thence S.84°56'38"E., a distance of 254.32 feet; thence
 S.70°17'22"E., a distance of 363.80 feet; thence S.30°48'39"E., a distance of 168.60 feet; thence
 N.79°42'48"E., a distance of 224.81 feet; thence S.54°47'14"E., a distance of 115.98 feet; thence
 S.89°58'07"E., a distance of 115.42 feet; thence N.39°35'05"E., a distance of 200.09 feet; thence
 N.48°45'27"E., a distance of 162.90 feet; thence N.86°21'05"E., a distance of 118.53 feet; thence
 S.72°06'01"E., a distance of 166.49 feet; thence S.13°03'41"E., a distance of 71.44 feet; thence
 S.53°08'57"W., a distance of 148.71 feet; thence S.38°03'49"W., a distance of 139.86 feet; thence
 S.55°40'56"W., a distance of 212.67 feet; thence S.55°54'10"W., a distance of 284.66 feet; thence
 N.87°25'11"W., a distance of 111.40 feet; thence N.82°03'47"W., a distance of 235.19 feet; thence
 S.88°30'44"W., a distance of 230.97 feet; thence S.58°51'57"W., a distance of 100.76 feet; thence
 N.67°43'09"W., a distance of 99.94 feet; thence N.64°55'29"W., a distance of 147.57 feet; thence
 N.88°50'59"W., a distance of 265.00 feet; thence S.14°34'58"W., a distance of 158.79 feet; thence
 S.02°59'21"W., a distance of 154.69 feet; thence S.21°44'41"E., a distance of 159.48 feet; thence
 S.07°03'24"W., a distance of 142.64 feet; thence S.19°07'55"E., a distance of 177.70 feet; thence
 S.22°03'35"W., a distance of 99.38 feet; thence S.35°27'00"W., a distance of 112.21 feet; thence
 S.20°14'12"W., a distance of 105.00 feet; thence S.64°27'24"W., a distance of 59.16 feet; thence

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S.32°08'29"W., a distance of 83.78 feet, to a point on the Northerly Right of Way line of State Road No.
500; thence N.60°13'23"W., along said Northerly Right of Way line, a distance of 6,437.64 feet to the
POINT OF BEGINNING.

Containing 995.95 acres, more or less.

EXHIBIT "C"**Initial Use Restrictions and Rules**

The following restrictions shall apply to all of the Properties until such time as they are amended, modified, repealed, or limited by rules of the Association adopted pursuant to Article III of the Declaration.

1. **General.** The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or sales office for any real estate broker retained by Developer to assist in the sale of property described on Exhibits "A" or "B," offices for any property manager retained by the Association or business offices for Developer or the Association consistent with this Declaration and any Supplemental Declaration). Except as specifically provided in this Exhibit "C," Units shall be used for single family residential purposes only.

2. **Restricted Activities.** The following activities are restricted within the Properties unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Parking of vehicles on any portion of a Tract, Lot or Unit other than in a garage, carport or driveway; parking of vehicles on that portion of any driveway located between the front facade of the dwelling and the street which the dwelling faces, except temporarily for a period not to exceed 24 hours in any 48 hour period; parking of more than two vehicles per Unit on public or private streets or thoroughfares; or parking of commercial vehicles or equipment, mobile homes, boats, trailers, or stored or inoperable vehicles in places other than enclosed garages, except temporarily for a period not to exceed four hours for loading and unloading; provided, such restrictions shall not apply to construction vehicles or third party service vehicles while providing services to the Tract, Lot or Unit on or adjacent to which they are parked, nor to guest parking in accordance with such reasonable regulations as the Board may adopt; and further provided that the parking of vehicles adjacent to rear alleys shall be permitted provided that no part of any vehicle parked adjacent to a rear alley shall encroach into the paved traffic lane and that the entire portion of the alley within which such vehicle is located is immediately adjacent to the Tract, Lot or Unit to which such vehicle is associated;

(b) No animals of any kind shall be raised, bred, or kept by any Owner upon any portion of the Properties except subject to those particular restrictions, guidelines and goals concerning companion animals, habitat and wildlife as are set forth in that certain document entitled Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife enforced by the Companion Animal, Habitat and Wildlife Committee pursuant to the powers as set forth therein, as such Committee may be appointed by the Board from time to time, or by the Board itself if no such committee shall be appointed. The Companion Animal, Habitat and Wildlife Committee, or the Board acting in its place, shall (i) have authority to enforce the restrictions, guidelines and goals under its jurisdiction and, under such circumstances as are provided in the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife, (ii)

publicly announce its upcoming meetings when not dealing with matters calling for immediate action, (iii) permit any Member to attend its meetings and (iv) if appointed, then after the third year that Harmony has had residents, be comprised of Harmony residents who have lived in Harmony for at least ten (10) months, including both animal owners and nonowners, one licensed veterinarian and one staff member of the Harmony Institute. Except as provided in the Harmony Residential Properties Restrictions, Guidelines and Goals Concerning Companion Animals, Habitat and Wildlife, no exterior structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Properties. Each Owner shall be liable to the Association for the cost of repair of any damage to the Common Areas caused by the pet of such Owner or of an occupant of such Owner's dwelling.

(c) Any activity or condition that interferes with the reasonable enjoyment of any part of the Properties or that detracts from the overall appearance of the Properties;

(d) Subdivision of a Tract, Lot or Unit into two or more Tracts, Lots or Units, or changing the boundary lines of any Tract, Lot or Unit after a subdivision plat including such Tract, Lot or Unit has been approved and filed in the Official Records of Osceola County, except that Developer, and any person or entity expressly authorized in writing by Developer, shall be permitted to subdivide or replat Tracts, Lots or Units which it owns;

(e) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(f) Occupancy of a Unit by more than two persons per bedroom in the Unit. For purposes of this provision, "occupancy" shall be defined as staying overnight in the Unit more than 30 days in any six-month period;

(g) Operation of golf carts within the Properties except on golf courses and cart paths designated for such purpose, except that agents, employees and representatives of the Association, the Nonresidential Association and the CDD may operate golf carts within the Properties in the performance of their respective duties, and the agents, employees and representatives of Developer and its affiliates may operate golf carts within the Properties in conjunction with their respective development, marketing and sales activities, and provided that nothing herein shall preclude the operation of electric vehicles in and on streets and other paved areas intended for vehicular traffic, if such vehicles meet the requirement of Florida law for operation on public streets at night, and if permitted by Osceola County.

(h) Conducting, participating in, or holding of any events, functions or programs that involve games of chance, raffles, gambling, wagering, betting, or similar activities where the participants pay money or give other valuable consideration for the opportunity to receive monetary or other valuable consideration; provided, however, that the foregoing is not intended to bar the occasional use of the interior of a residential dwelling on the Properties for the activities described in this subparagraph (h) so long as such use is either: (x) in conjunction with fundraising activities for a non-profit or charitable organization, or (y) is a private, social, non-commercial activity;

(i) Any business, trade, or similar activity, except as provided in Paragraph 3 and except that an Owner or occupant residing in a Unit may conduct "discrete business activities" within the Unit so long as the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; the business activity does not involve regular visitation of the Unit or door-to-door solicitation of residents of the Properties; the business activity does not directly or indirectly concern pornographic, adult, nude or sexually oriented materials, content or entertainment; and the business activity is consistent with the residential character of the Properties and does not violate these Use Restrictions and Rules. Examples of "discrete business activities" include, but are not limited to, computer-based telecommunications and literary, artistic, or craft activities. The Board may restrict any business activities that it determines interfere with the enjoyment or residential purpose of the Properties in its sole and absolute discretion.

An occupant residing in a primary dwelling Unit may conduct such activities from the primary dwelling or a garage apartment on the Unit, or an occupant residing in a garage apartment may conduct such activities from the garage apartment, but no garage apartment shall be leased or otherwise used for any business, trade or similar activity except by a person residing in the primary dwelling or the garage apartment on the Unit.

The leasing of a Unit in accordance with these Use Restrictions and Rules shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Developer or a Builder approved by Developer with respect to its development and sale of the Properties or its use of any Tracts, Lots or Units which it owns within the Properties, including the operation of a timeshare or similar program.

Garage sales, rummage sales, or similar sales not exceeding two consecutive days in duration will not be considered a business or trade within the meaning of this subparagraph 2(i) so long as the Owners or occupants of a Unit do not hold, sponsor or participate in more than one such sale within the Properties in any 12 month period to be held at such time as Owner elects, in Owner's discretion. In addition, Owners and occupants shall be entitled to participate in any and all community-wide garage sales as may be designated by the Board from time to time.

Notwithstanding anything to the contrary in this Declaration, Developer and any Builder approved by Developer may utilize a Unit as a show house or model home. Furthermore, Developer and any approved Builder may utilize a Unit as a sales office for homes being constructed within the Properties; and

(j) Any modifications to the exterior of existing improvements or landscaping, or permanent placement of decorations, sports or play equipment or other structures, signage or personal property on the exterior portions of any Tract, Lot or Unit except as authorized pursuant to Article IV; provided, however:

(i) a reasonable number of holiday and religious decorations may be displayed on a Unit for up to 30 days prior to the holiday or religious observance and up to 14 days thereafter without prior approval, subject to the right of Developer (or the Harmony Design

Committee if delegated authority hereunder by Developer) to require removal of any such decorations which it deems to (A) be excessive in number, size, or brightness, relative to other Units in the area; (B) draw excessive attention or traffic; or (C) unreasonably interfere with the use and enjoyment of neighboring properties; and

(ii) one sign, not exceeding 9" x 12" in size, may be mounted in a window or on a stake not more than 36" above the ground, without prior approval, to identify the Unit as being equipped with a security system and/or monitored by a security service; and

(k) Conversion of any garage or carport to a use which precludes the parking therein of the number of vehicles for which it was originally designed.

(l) Fishing, swimming, boating, use of personal flotation devices, or other active use of lakes, ponds, streams or other bodies of water within or adjacent to the Properties, except that the owner(s) of the Golf Courses, and their successors and assigns, shall have the exclusive right and easement to retrieve golf balls from bodies of water within the Common Areas which are within range of golf balls hit from their respective Golf Courses. The Association shall not be responsible for any loss, damage, or injury to any person or arising out of the authorized or unauthorized use of rivers, lakes, ponds, streams or other bodies of water within or adjacent to the Properties.

3. Home Business Neighborhoods. Developer reserves the right to designate all or substantial areas of the Properties as Home Business Neighborhoods within which home offices may be operated. Use of each Unit located within a Home Business Neighborhood for a home office shall be subject to applicable zoning, licensing and other governmental rules and regulations and such additional covenants and restrictions as may be contained in the Declaration, the Use Restrictions and Rules, any applicable Supplemental Declaration, the deed from Developer conveying such Tract, Lot or Unit, and any covenants and restrictions contained or referenced therein, all of which shall be enforceable by the Association as if set forth in the Declaration. Designation as a Home Business Neighborhood shall not relieve any Unit in such area from complying with any rules, restrictions or covenants, including but not limited to all architectural controls and construction and design criteria which would be applicable to such Unit in the absence of such designation. Unless expressly permitted, no home office shall be operated with more than three (3) employees, including the owner or operator of such office or business. No bed and breakfast or similar establishment shall be operated in a Home Business Neighborhood unless upon property that is properly designated as a Commercial Lot.

4. Prohibited Conditions. The following shall be prohibited within the Properties:

- (a) The operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, unless conducted upon any Tracts or Lots that are designated to permit such use in the Plat for such property and in full compliance with all applicable laws, rules, regulations and ordinances.

- (b) Flags of any kind placed on a Tract, Lot or Unit so as to be visible from outside the dwelling on the Unit, except that one country flag not exceeding 48" x 72" in size and one decorative flag not exceeding 36" x 60" in size may be hung from flagpoles not exceeding 72" in length or 2" in diameter, which are mounted on the exterior facade of the dwelling at a location approved pursuant to Article IV of the Declaration.
- (c) Mailboxes of any kind unless and until approved by Developer (or the Harmony Design Committee if delegated authority hereunder by Developer), and subject to such requirements as may be imposed thereby, which may include, but shall not be limited to, requirements to use or restrictions against the use of individual or "gang" style mailboxes.
- (d) Fences of any kind without prior approval of Developer (or the Harmony Design Committee if delegated authority hereunder by Developer). No wooden fences shall be permitted.
- (e) Exterior lighting fixtures of any kind installed on any Tract, Lot or Unit without the approval of Developer (or the Harmony Design Committee if delegated authority hereunder by Developer). No lighting fixtures nor any other illumination devices, including, but not limited to, holiday lighting displays and ornaments, located anywhere on the structures or grounds of any Tract, Lot or Unit shall be located, directed, or of such intensity to affect adversely, in the sole discretion of the Association, the night time environment of any nearby Unit.
- (f) Exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind, except that:
 - (i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one (1) meter or less in diameter;
 - (ii) an antenna designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one (1) meter or less in diameter or diagonal measurement; or
 - (iii) an antenna that is designed to receive televisions broadcast signals;

(collectively, "Permitted Antennas") shall be permitted in rear yards or mounted on the rear of improvements that have been constructed in accordance with this Declaration; provided, however, that notwithstanding the foregoing, and as a general principle, all Permitted Antennas and related equipment and wiring shall be located so as to minimize their visibility from any

street (not including any alley) adjacent to the front or side of any lot, provided that no Owner shall be required to locate any Permitted Antenna in any location which adversely affects such Permitted Antenna's ability to receive signals or which unreasonably increases the cost that such Owner would incur to install, maintain or use said Permitted Antenna. If an Owner needs to install a Permitted Antenna and/or its related equipment and wiring in any side yard, or on the side of any improvements, or in any front yard, or on the front of any improvements, in order to avoid a diminution in signal reception from said Permitted Antenna or unreasonable costs to install, maintain or use said Permitted Antenna, then, unless prohibited by applicable law, any installation in the front or side yard or on the front or side of any improvements shall be subject to review and approval by Developer or, upon delegation of its powers, by the Harmony Design Committee pursuant to Article IV of the Declaration, which review shall be completed, and the resulting requirements communicated to the Owner, within seven (7) days of receipt of the application for review. Developer or the Harmony Design Committee may impose requirements as to location within the front or side yard or on the front or side of any improvements and the manner of installation and screening with landscaping or otherwise, in order to minimize the visibility of the Permitted Antennas and related equipment and wiring from adjacent streets and adjacent property, so long as such requirements are not inconsistent with applicable law. If any portion of this subparagraph (c) is deemed invalid under applicable law, the balance of the provisions of this subparagraph shall be applied and construed so as to effectuate, to the maximum extent possible, the intent expressed above in this subparagraph (c) regarding locating Permitted Antennas in the least visible location on any lot or improvements.

Developer and the Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Properties.

5. Leasing of Units. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit or a garage apartment or similar accessory structure on a Lot containing living quarters in addition to the primary dwelling Unit on such Lot by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. No garage apartment or similar accessory structure shall be leased or made available for Leasing unless the Board of Directors or its designated administrator has issued written evidence of Rental Qualification for such garage apartment or accessory structure.

Except as otherwise provided in any applicable Supplemental Declaration or other applicable covenants, Units may be leased in their entirety, or, subject to receipt of Rental Qualification, a garage apartment that is separate from the primary dwelling Unit may be leased; however, no single rooms or other fraction or portion of a Unit or other qualified space may be leased, nor shall any Tract, Lot or Unit or portion thereof be used for operation of a boarding house, "Bed and Breakfast," establishment, or similar accommodation for transient tenants.

Except for leases of garage apartments, or as may otherwise be permitted by any applicable Supplemental Declaration, all leases shall be for an initial term of no less than one year, except with the prior written consent of the Board. Leases of garage apartments that hold Rental Qualification shall be for an initial term of no less than seven months, and no Unit or

garage apartment shall be leased to more than two separate tenants in any 12 month period. Under no circumstances will a Unit or garage apartment be leased in violation of any short-term rental or other applicable law or ordinance.

Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within 10 days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations. There shall be no subleasing or assignment of any lease unless prior written approval is obtained from the Board of Directors or its designated administrator.

6. Signs. The following restrictions on signs shall apply to all Tracts, Lots and Units within the Properties unless otherwise stated or unless otherwise approved by the Board of Directors. All signs must meet the guidelines adopted by the Board of Directors.

- (a) Each Unit may have posted, prior to initial occupancy of the Unit, a sign setting forth the Owner's name and the name of the architect and builder of the Unit and, in the case of a Unit owned by Developer or a Builder approved by Developer, a sign indicating that the Unit is available for sale; provided, any such signs shall be removed at the time of initial occupancy.
- (b) Except as provided in Paragraph 6(a) above, no "for sale" or "for lease" signs in excess of 18 inches by 24 inches may be posted on a Tract, Lot or Unit, and only one such sign shall be displayed at any time upon a Tract, Lot or Unit. An "open house" sign indicating that the Owner of the Unit is hosting such an event may be posted on the Unit for a period not to exceed three continuous days.
- (c) One sign not exceeding 18" x 24" containing political or similar endorsements may be posted on a Unit. Such sign may only be posted for 45 days prior to an election or a vote on a referendum and for two days thereafter.
- (d) Developer may post "model home" or similar signs on a Unit containing model homes open to the public prior to initial occupancy of the Unit.
- (e) A Unit within a Home Business Neighborhood, as described in Paragraph 3 above, may be identified with one sign not to exceed 24" by 36."
- (f) No other signs, except those required by law, including posters, circulars, and billboards, may be posted on any Tract, Lot or Unit so as to be visible from outside the Unit; provided, however, Developer shall be entitled to post signs without Board approval.

7. Single Family Residences. Each Unit may be improved with no more than one single family residential dwelling and such accessory structures and improvements

consistent with a residential neighborhood as may be permitted pursuant to the architectural controls described in the Declaration and in the deed conveying the Tract, Lot or Unit.

8. Window Coverings.

(a) Unless Developer (or the Harmony Design Committee, if Developer hereafter elects to delegate such approval responsibility to the Association) otherwise agrees, the only acceptable window coverings that may be affixed to the interior of any windows visible from any street, alley or other portion of the Properties are drapes, blinds, shades, shutters and curtains. The side of such window coverings that is visible from the exterior of any improvements must be white or off-white in color, except that any window coverings consisting of wooden blinds or shutter may be a natural wood color. Notwithstanding the foregoing, Developer (or the Harmony Design Committee, if Developer hereafter elects to delegate such approval responsibility to the Association) may, from time to time, approve additional colors as acceptable for the portions of window coverings visible from streets, alleys, Common Areas or other Units.

(b) No window tinting or reflective coating may be affixed to any window that is visible from any street, alley or other portion of the Properties, without the prior approval of Developer (or the Harmony Design Committee, if Developer hereafter elects to delegate such approval responsibility to the Association). No mirrored coatings will be permitted.

9. Porches. The Association reserves the right to promulgate additional rules and regulations concerning, among other things, criteria and requirements relating to what furnishings and other decorative items may be placed on porches facing any public street. Without limiting the foregoing, in all events, all furnishings and any other items located on porches facing public streets must be designed for outdoor use. Should any plants located on any such porch die, they shall promptly be removed or replaced with living plants.

EXHIBIT "D"Rules Of Arbitration

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's desire to submit the Claim to arbitration ("Arbitration Notice").

2. Each Party shall select an arbitrator ("Party Appointed Arbitrator"). The Party Appointed Arbitrators shall, by agreement, select one or two neutral arbitrators ("Neutral(s)") so that the total arbitration panel ("Panel") has an odd number of arbitrators. If any Party fails to appoint a Party Appointed Arbitrator within 20 days from the date of the Arbitration Notice, the remaining arbitrators shall conduct the proceedings, selecting a Neutral in place of any missing Party Appointed Arbitrator. The Neutral arbitrator(s) shall select a chairperson ("Chair").

3. If the Panel is not selected under Rule 2 within 45 days from the date of the Arbitration Notice, Claimant may notify any Florida chapter of The Community Associations Institute, which shall appoint one Neutral ("Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator ("Arbitrator"), and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.

4. No person may serve as a Neutral in any arbitration under these Rules in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral after receipt of that Neutral's Bias Disclosure, such Neutral shall be replaced in the same manner in which that Neutral was selected.

5. The Arbitrator or Chair, as the case may be ("Arbitrator") shall fix the date, time and place for the hearing. The place of the hearing shall be within the Properties unless otherwise agreed by the Parties.

6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings.

7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings.

8. There shall be no stenographic record of the proceedings.

9. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties.

10. The Parties may offer such evidence as is relevant and material to the Claim, and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

11. The Arbitrator shall declare the hearings closed when satisfied the record is complete.

12. There will be no post hearing briefs.

13. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

14. If there is more than one arbitrator, all decisions of the Panel and the Award shall be by majority vote.

15. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.

EXHIBIT "E"

CL 2002171816

OR 2125/2183

BY-LAWS

CL 2002171816

OR 2125/2184

BY-LAWS

OF

HARMONY RESIDENTIAL OWNERS ASSOCIATION, INC.

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BY-LAWS

CL 2002171816

OR 2125/2188

OF

HARMONY RESIDENTIAL OWNERS ASSOCIATION, INC.

Article I - Name, Principal Office, Definitions

1.1 **Name.** The name of the Association shall be Harmony Residential Owners Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2 **Principal Office.** The principal office of the Association shall be located in Osceola County, Florida. The Association may have such other offices, either within or outside the State of Florida, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 **Definitions.** The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Harmony Residential Properties Declaration of Covenants, Conditions, and Restrictions filed in the Official Records of Osceola County, Florida (the "Declaration"), unless the context indicates otherwise.

Article II - Membership and Meetings

2.1 **Membership.** The Association shall have two classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2 **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board either within the Properties or as convenient as possible and practical.

2.3 **Annual Meetings.** The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Meetings shall be of the Owners. Subsequent regular annual meetings shall be set by the Board so as to occur during the third quarter of the Association's fiscal year on a date and at a time set by the Board.

2.4 **Special Meetings.** The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Owners representing at least 25% of the total Class "A" votes of the Association. Signatures on any such petition may be filed by facsimile transmission or other electronic means provided that the signature clearly acknowledges the substantive content or purpose of the petition.

2.5 Notice of Meetings. Written or printed notice stating the time, date and place of any meeting of the Owners shall be delivered, either personal, or by mail, to each Owner entitled to vote at such meeting, not less than 10 nor more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Owner at his address as it appears on the records of the Association, with postage prepaid.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner shall be deemed waiver by such Owner of notice of the time, date, and place thereof, unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Owners who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Owners in the manner prescribed for regular meetings.

The Owners present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment; notwithstanding the withdrawal of enough to leave less than a quorum, provided that Owners representing at least 25% of the total Class "A" votes in the Association remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

2.8 Voting Roster. Any Owner desiring to sell or otherwise transfer title to his or her Tract, Lot or Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may require. Change in membership in the Association shall be established by recording in the Public Records of Osceola County, Florida a deed or other instrument conveying record fee title to any Tract, Lot or Unit. The new member shall not be entitled to vote until the Board has been notified as set forth above and the new member has been made a part of the Voting Roster.

2.9 Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated by reference.

2.10 Proxies. On any matter as to which an Owner is entitled to personally cast the vote for his Unit, such vote may be cast in person or by proxy, subject to the limitations of Florida law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws. No proxy shall be valid unless signed by the Owner of the Unit for which it is given or his duly authorized attorney-in-fact, dated, filed with the Secretary of the Association prior to the meeting for which it is to be effective, and stating the date, time and place of the meeting for which it is given. Proxies shall be valid only for the specific meeting for which given and lawful adjournments of such meeting. In no event shall a proxy be valid more than 90 days after the date of the original meeting for which it was given. Every proxy shall be revocable and shall automatically cease upon conveyance of the Unit for which it was given.

2.11 Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than 50% of the total eligible number.

2.12 Quorum. Except as otherwise provided in these By-Laws or in the Declaration the presence of the Owners representing 25% of the total Class "A" votes in the Association and the presence of a duly appointed representative of the Class "B" Member shall constitute a quorum at all meetings of the Association.

2.13 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

2.14 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Owners may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by Owners holding at least the minimum number of votes necessary to authorize such action at a meeting if all Owners entitled to vote thereon were present. Such consents shall be signed within 60 days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Florida. Such consents shall be filed with the minutes of the Association, and shall have the same force and effect as a vote of the Owners at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Owners entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

Article III - Board of Directors

A. Composition and Selection.

3.1 Governing Body, Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. The Board of

Directors shall have the authority to delegate any of its duties to agents, employees, or others; provided, however, in the event of such delegation, the Board of Directors shall remain responsible for any action undertaken by such delegate. Each director shall be a natural person who is at least eighteen (18) years of age. Except with respect to directors appointed by the Class "B" Member, the directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of a Member which is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Class "B" Member.

3.2 Number of Directors. The number of directors in the Association shall be not less than three nor more than seven, as provided in Section 3.5. The initial Board shall consist of three directors as identified in the Articles of Incorporation.

3.3 Directors During Class "B" Control Period. Subject to the provisions of Section 3.5, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the termination of the Class "B" Control Period as defined in Section 6.3(b) of the Declaration.

3.4 Nomination and Election Procedures.

(a) Nominations and Declarations of Candidacy. Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona-fide interest in serving as a director may file as a candidate for any position to be filled by votes of Class "A" Members. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient and cost-effective manner.

Except with respect to directors selected by the Class "B" Member, nominations for election to the Board may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board, and three or more Members or representatives of Members, with at least one representative from each Neighborhood. The Nominating Committee shall be appointed by the Board not less than 30 days prior to each election to serve until their successors are appointed, and such appointment shall be announced in the notice of each election.

The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine. The Nominating Committee shall nominate the directors to be elected at large by all Class "A" Members. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates.

Each candidate shall be given a reasonable, uniform opportunity to communicate his or her qualifications to the Members and to solicit votes.

(b) Election Procedures. All elections shall be held by mail. The Secretary

shall cause notice of the elections to be mailed or delivered to each Owner at least 10 days prior to the closing date established by the Board for filing of ballots. Such notice shall be accompanied by a written ballot listing all candidates for each vacancy who have qualified in accordance with the procedures described in subsection (a) above, and all candidates for each vacancy nominated by the Nominating Committee, if any. The notice shall specify the name and address to which the ballots should be returned and the date by which they must be received in order to be counted, which date shall be the "election date."

Each Owner may cast the entire vote assigned to his Unit for each position to be filled from the slate of candidates on which such Owner is entitled to vote. There shall be no cumulative voting.

On the election date, the Board or its designee shall open and count the ballots. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5 Election and Term of Office. Notwithstanding any other provision of these By-Laws:

(a) Within 30 days after the time that Class "A" Members other than Builders own 25% of the Units proposed by the Master Plan for the property described in Exhibits "A" and "B" of the Declaration, or whenever the Class "B" Member earlier determines, the President shall call for an election by which the Class "A" Members shall be entitled to elect one of the three directors, who shall be an at-large director. The remaining two directors shall be appointees of the Class "B" Member. The director elected by the Owners shall not be subject to removal by the Class "B" Member and shall be elected for a term of two years or until the happening of the event described in subsection (b), whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b), a successor shall be elected for a like term.

(b) Within 30 days after the time that Class "A" Members other than Builders own 50% of the Units proposed by the Master Plan for the property described in Exhibits "A" and "B" of the Declaration, or whenever the Class "B" Member earlier determines, the Board shall be increased to five directors. The President shall call for an election by which the Class "A" Members shall be entitled to elect two of the five directors, who shall serve as at-large directors. The remaining three directors shall be appointees of the Class "B" Member. The directors elected by the Class "A" Members shall not be subject to removal by the Class "B" Member and shall be elected for a term of two years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) Within 90 days after termination of the Class "B" Control Period, the President shall call for an election by which the Class "A" Members shall be entitled to elect three of the five directors, who shall serve as at-large directors. The remaining two directors shall be appointees of the Class "B" Member. The directors elected by the Class "A" Members

shall not be subject to removal by the Class "B" Member and shall serve until the first annual meeting following the termination of the Class "B" Control Period. If such annual meeting is scheduled to occur within 90 days after termination of the Class "B" Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (d) below.

(d) Not later than the first annual meeting after the termination of the Class "B" Control Period, the Board shall be increased to seven directors and an election shall be held. Six directors shall be elected by the Class "A" Members at large by the vote of all Class "A" Members. Three directors shall serve a term of two years and three directors shall serve a term of one year, as such directors determine among themselves. Upon the expiration of each director's term of office the Members entitled to elect such director shall be entitled to elect a successor to serve a term of two years.

Until Birchwood Acres Limited Partnership no longer owns any portion of the Properties, Birchwood Acres Limited Partnership shall be entitled to appoint one director. Upon Birchwood Acres Limited Partnership owning no portion of the Properties, the director elected by Birchwood Acres Limited Partnership shall resign and the remaining directors shall be entitled to appoint a director to serve the unexpired portion of the term. Thereafter, the Class "A" Members shall be entitled to elect a successor to fill such position.

The directors elected by the Class "A" Members shall hold office until their respective successors have been elected.

3.6 Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by the vote of Class "A" Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class "A" Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director elected by the Class "A" Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members may elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Class "B" Member. The Class "B" Member shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member.

B. Meetings.

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3.7 Organizational Meetings. The first meeting of the Board following each annual meeting of the membership shall be held within 10 days thereafter at such time and place the Board shall fix.

3.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as a majority of the directors shall determine, but at least four such meetings shall be held during each fiscal year with at least one per quarter.

3.9 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or by any two directors.

3.10 Notices, Waiver of Notice.

(a) Notices of meetings of the Board shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered and, in the event that assessments are to be levied, a statement that assessments will be considered and the nature of the assessments. The notice shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) telephone facsimile, electronic mail or other electronic communication device, with confirmation of transmission.

All such notices shall be given at the director's telephone number, fax number, electronic mail number, or sent to the director's address as shown on the records of the Association. Notices of special meetings of the Board shall also be posted in a prominent place within the Properties at least forty eight (48) hours prior to the meeting. Notices sent by first class mail shall be deposited into a United States mailbox at least four business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

(b) The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11 Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

3.12 Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A

meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than 5 nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.13 Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Owners representing a majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

3.14 Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.15 Open Meetings. Subject to the provisions of Section 3.16, all meetings of the Board shall be open to all Owners, but attendees other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any such individual may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than directors, to discuss matters of pending or threatened litigation with its counsel that would otherwise be governed by attorney-client privilege.

3.16 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.17 Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these By-Laws, the Articles, and as provided by law. The Board may do or cause to be done all acts and things which the Declaration, Articles, these By-Laws, or Florida law do not direct to be done and exercised exclusively by the Owners.

3.18 Duties. The duties of the Board shall include, without limitation:

(a) preparation and adoption of annual budgets for establishing each Owner's share of the Common Expenses and Service Area Expenses;

(b) assessing and collecting such assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(j) obtaining and carrying insurance, as provided in the Declaration, providing for payment of all premiums, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules and all other books, records, and financial statements of the Association;

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(n) permitting utility suppliers to use portions of the Common Area as may be determined necessary, in the sole discretion of the Board, to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by Florida law, the Articles of Incorporation or the Declaration;

(p) upholding the Community-Wide Standard; and

(q) assisting in the resolution of disputes between owners and others without litigation, as set forth in the Declaration.

3.19 Right of Class "B" Member to Disapprove Actions. So long as the Class "B" membership exists, the Class "B" Member shall have the right to disapprove or reject any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Class "B" Member, would tend to impair rights of Birchwood Acres Limited Partnership or Builders under the Declaration or these By-Laws, or interfere with development, construction of any portion of the Properties, or diminish the level of services being provided by the Association.

(a) The Class "B" Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies as to the Board meetings with Sections 3.8, 3.9, and 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B" Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any

expenditure required to comply with applicable laws and regulations.

3.20 Rights of Developer After Termination of Class "B" Membership. So long as Developer owns any portion of the Properties, the Board or the Association shall have no authority to, and shall not, without the prior written consent of Developer (which may be withheld for any reason in Developer's sole discretion):

- (a) prohibit or restrict in any manner the sales and marketing program of the Declarant;
- (b) decrease the level of maintenance services of the Association performed by the Board;
- (c) undertake the construction of new capital improvements unless such construction is required because of casualty or in order to comply with applicable laws;
- (d) terminate or waive any rights of the Association under the Declaration;
- (e) convey, lease, mortgage, alienate or pledge any easements or Common Areas of the Association;
- (f) terminate or cancel any easements granted under the Declaration or by the Association;
- (g) terminate or impair in any fashion any easement, powers or rights of the Developer or any Owners;
- (h) restrict the Developer's right of use, access and enjoyment of any of the Property; or
- (i) cause the Association to default on any obligation of it under any contract or this Declaration.

3.21 Management. The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy making authority or those duties set forth in subparagraphs (a), (f), (i), (j), (n) and (o) of Section 3.18. Birchwood Acres Limited Partnership or an affiliate of Birchwood Acres Limited Partnership may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

The Association shall not be bound, either directly or indirectly, by any management contract executed during the Class "B" Control Period unless such contract contains a right of termination exercisable by the Association, with or without cause and without penalty,

at any time after termination of the Class "B" Control Period upon not more than 90 days' written notice.

3.22 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;
- (e) any financial or other Interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;
- (f) commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:
 - (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;
 - (ii) a statement reflecting all cash receipts and disbursements for the preceding period;
 - (iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
 - (iv) a balance sheet as of the last day of the preceding period; and
 - (v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution); and
- (g) an annual report consisting of at least the following shall be made available to all Members within 60 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared and reviewed by an independent public

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accountant; provided, upon written request of any holder, guarantor or insurer of any Mortgage on a Unit, the Association shall provide an audited financial statement. During the Class "B" Control Period, the annual report shall include certified financial statements.

3.23 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain Owner approval in the same manner provided in Section 8.4 of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt outstanding exceeds or would exceed 20% of the budgeted gross expenses of the Association for that fiscal year. During the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Owners representing at least 51% of the total Class "A" votes in the Association.

3.24 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Service Area and other owners or residents associations, within and outside the Properties; provided, any common management agreement shall require the consent of a majority of the total number of directors of the Association.

3.25 Enforcement. In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose monetary fines, which shall constitute a lien upon the Tract, Lot or Unit of the violator, and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Board to limit ingress and egress to or from a Unit or to suspend an Owner's right to vote due to nonpayment of assessments unless such assessments are delinquent in excess of 90 days. In addition, the Board may suspend any services provided by the Association to an Owner or the Owner's Tract, Lot or Unit if the Owner is more than 30 days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, guest or invitee of a Unit violates the Declaration, By-Laws, or a rule and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) **Notice.** Prior to imposition of any sanction hereunder or under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing to the Board or the Covenants Committee, if any, appointed pursuant to Article V; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided the Board or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the

10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) Hearing. If a hearing is requested within the allotted 10 day period, the hearing shall be held before the Covenants Committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within 10 days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Declaration, these By-Laws, or the rules of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are violation of parking rules and regulations) or, following compliance with the procedures set forth in Article XIV of the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV - Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Officers may, but need not, be members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the Owners.

4.3 Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such

powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall be responsible for preparing the minutes of directors and Members meetings and for authenticating the records of the corporation.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.13.

Article V - Committees

5.1 General. The Board may appoint such committees and charter clubs as it deems appropriate to perform such tasks and functions as the Board may designate by resolution. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution; provided, however, any committee member, including committee chair, may be removed by the vote of a majority of the Board. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. Each committee and charter club shall operate in accordance with the terms of the resolution establishing such committee or charter club.

5.2 Covenants Committee. In addition to any other committees which the Board may establish pursuant to Section 5.1, the Board may appoint a Covenants Committee consisting of at least three and no more than seven Members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.24 of these By-Laws.

5.3 Service Area Committees. In addition to any other committees appointed as provided above, each Service Area which has no formal organizational structure or association may elect a Service Area Committee to determine the nature and extent of services, if any, to be provided to the Service Area by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Service Area Committee may advise the Board on any other issue, but shall not have the authority to bind the Board. Such Service Area Committees, if elected, shall consist of three to five Members, as determined by the vote of at least 51% of the Owners of Units within the Service Area.

Service Area Committee members shall be elected for a term of one year or until their successors are elected. Any director elected to the Board of Directors from a Service Area shall be an ex officio member of the Service Area Committee.

In the conduct of its activities, each Service Area Committee shall abide by the notice and quorum requirements applicable to the Board under Sections 3.10 and 3.12 and the procedural requirements set forth in Sections 3.14, 3.15, and 3.16.

Article VI - Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be October 1 through September 30.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3 Conflicts. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Florida law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Tract, Lot or Unit, and any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Tract, Lot or Unit: the Declaration, By-Laws, and Articles of Incorporation, including any amendments, the rules of the Association, the membership register, books of account and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate.

(b) Rules for Inspection. The Board shall establish rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made;
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

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

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Tract, Lot or Unit of such Member, or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6 Amendment.

(a) By Class "B" Member. Until termination of the Class "B" Control Period, the Class "B" Member may unilaterally amend these By-Laws. Thereafter, the Class "B" Member may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (iv) to enable any governmental agency or reputable private insurance company to guarantee or insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as the Class "B" membership exists, the Class "B" Member may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

(b) By Members Generally. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing 51% of the total Class "A" votes in the Association, and the consent of the Class "B" Member, as long as such membership exists. In addition, the approval requirements set forth in Article XVI of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon recordation in the Official Records of Osceola County, Florida, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

If an Owner consents to any amendment to the Declaration or these By-Laws, it

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will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Birchwood Acres Limited Partnership, Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, or the assignee of such right of privilege.

(d) So long as there is a Class "B" membership and so long as HUD and/or VA is holding, insuring or guaranteeing any loan secured by property subject to the Declaration, any material amendment of the By-Laws shall require the prior approval of HUD and/or VA, respectively.

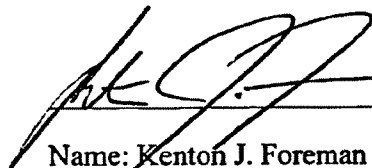
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Harmony Residential Owners Association, Inc., a Florida corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 8th day of October, 2002.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 8th day of October, 2002.

 [SEAL] Secretary
Name: Kenton J. Foreman

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EXHIBIT "F"

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HARMONY RESIDENTIAL PROPERTIES RESTRICTIONS, GUIDELINES AND GOALS CONCERNING COMPANION ANIMALS, HABITAT AND WILDLIFE***I. STATEMENT OF GENERAL INTENT******INTRODUCTION***

This document provides a framework for governing the interactions among humans, companion animals and wildlife in Harmony as well providing for the use and preservation of Harmony's natural and wildlife habitat areas. The overall goal of Harmony is to promote the peaceful coexistence of these human and animal residents within the community while striking a balance between the preservation, use and enjoyment of Harmony's natural areas. Underlying these objectives are the values of fostering a respect for the land, the protection of wildlife and the sensible use and enjoyment of Harmony's abundant natural and manmade amenities by its residents.

Animals are treasured members of the Harmony community. Promoting the bonds between people and all animals, safeguarding the welfare of animals within the community now and in the future, and serving as a model to other communities for the humane treatment of all animals are guiding principles of Harmony.

II. HARMONY AND ITS ENVIRONMENT

Harmony incorporates natural and human-built environments that blend in ways designed to enhance the relationships between humans and animals and maximize the benefits of their peaceful coexistence. While retaining natural areas, Harmony is part of a human-dominated landscape where human actions profoundly affect the welfare of wild animals. This document seeks to articulate a philosophy that allows natural elements to persist unimpeded by humans and minimizes the circumstances that lead to conflict between humans and wildlife. Harmony's stewardship concept involves balancing hands-off and hands-on approaches.

These Rules do not anticipate all aspects of current and future relationships between humans and animals at Harmony that may need to be addressed. Therefore, these guiding principles and recommended approaches are intended to be dynamic and open-ended to allow the community to explore and adopt new and better conflict resolution strategies, landscape management schemes, environmental management techniques and practical approaches to maintaining biotic integrity. Harmony begins with a humane concept for its relationship with

wild animals and continues to redefine that concept within the context of our larger society as well as in Harmony. An unchanging belief that wild animals deserve respect and should be free of human interference and allowed to interact with humans on their own terms will guide this evolving process.

In relation to wildlife and to the environment in which they live, the goals of the Harmony community are:

- To promote an understanding of how connected humans are to wildlife and to the surrounding environment.
- To foster tolerance, respect, and understanding of all living things.
- To provide opportunities for Harmony residents to view, hear, and interact with local flora and fauna in an ecologically and environmentally friendly way.
- To create and provide educational activities which will foster a community-wide land ethic and promote future land stewardship.

To meet these goals, the following sections detail activities that are regulated, prohibited, or encouraged on a community-wide basis.

III. ENFORCEMENT OF RESTRICTIONS, GUIDELINES AND GOALS

This document sets forth Restrictions, Guidelines and Goals (collectively, the "Rules"), as well as Policy Recommendations (defined below), and a framework for the application and enforcement of the Rules and Policy Recommendations. Authorization for these enforcement procedures, Rules and Policy Recommendations is established by the Harmony Residential Properties Declaration of Covenants, Conditions and Restrictions (the "Declaration"). The entity primarily responsible for the administration and implementation of the Rules is the Companion Animal, Habitat and Wildlife Committee (the "Committee") established pursuant to the Declaration. All capitalized terms not defined herein are assigned such meanings as they may have under the Declaration. In the event of any conflict between these Rules and the Declaration, the provisions of the Declaration shall in all instances prevail. The Board of Directors of the Harmony Residential Owners Association, Inc. (the "Board") may amend the composition of the Committee, the content of the Rules and Policy Recommendations and the enforcement provisions from time to time in the Board's sole and absolute discretion.

The application and enforcement of the Rules by the Committee shall be performed in the following manner:

Restrictions:

Upon a determination by the Committee that there has been a violation of a Restriction (each of which are set forth herein), the Committee shall be entitled to enforce application of the Restriction against the violator. The Committee shall initially provide written notice of the violation to the violator. The notice shall contain (i) a statement of the Restriction, (ii) a description of the particular facts and circumstances which constitute a violation of the Restriction and (iii) the required corrective steps and a timeframe for their accomplishment. In the event that the violator fails to substantially comply with the corrective steps in the given timeframe, the Committee shall conduct an informal hearing procedure at which the violator shall have an opportunity to be heard. In the event that after diligent efforts by the Committee the violation has not been satisfactorily corrected by the violator, the Committee shall be entitled to (i) petition the Board to enforce the Restriction against the violator, and the Board shall treat the violation as it would any other violation of the Use Restrictions and Rules that are set forth in the Declaration and (ii) unless the Board specifically elects to withhold such power from the Committee in a particular instance, deny the violator of any and all approvals or permissions that the Committee has the right to grant hereunder, including any additional permissions or approval rights that the Committee may be delegated by the Board, whether such delegation occurs before or after the subject violation, until the violation has been cured to the Committee's satisfaction.

Guidelines:

Upon a determination by the Committee that there has been a violation of a Guideline (each of which are set forth herein), the Committee may enforce application of the Guideline against the violator. The Committee shall initially provide written notice of the violation to the violator. The notice shall contain (i) a statement of the Guideline, (ii) a description of the particular facts and circumstances which constitute a violation of the Guideline and (iii) the required corrective steps and a timeframe for their accomplishment. In the event that the violator fails to substantially comply with the corrective steps in the given timeframe, the Committee shall conduct an informal hearing procedure at which the violator shall have an opportunity to be heard. In the event that after diligent efforts by the Committee the violation has not be satisfactorily corrected by the violator, the Committee shall be entitled to petition the Board to enforce the Guideline against the violator, in which event the Board may, but shall have no obligation to, treat the violation as it would any other violation of the Use Restrictions and Rules that are set forth in the Declaration. In the event that the Board does not elect to enforce a violation of a Guideline, the Committee shall be entitled, unless the Board specifically elects to withhold such power from the Committee in a particular instance, to deny the violator of any and all approvals or permissions that the Committee has the right to grant hereunder, including any additional permissions or approval rights that the Committee may be delegated by the Board, whether such delegation occurs before or after the subject violation, until the violation has been cured to the Committee's satisfaction.

Goals:

The Committee shall encourage implementation of the Goals (each of which are set forth herein) by a variety of methods, as the Committee may determine are best suited for their accomplishment. It is contemplated that the Committee will implement a variety of educational activities, awareness programs, training sessions and community involvement projects toward this end to the extent funded by the Harmony Residential Owners Association, Inc. (the "Association").

IV. POLICY RECOMMENDATIONS

In addition to the Rules to be applied and enforced by the Committee and Board as set forth above, the Committee shall serve in an advisory capacity to the Board on certain policy matters from time to time as requested by the Board, including those matters identified below (the "Policy Recommendations"). The Board shall give full consideration to the Committee's Policy Recommendations as the Board implements and enforces rules, regulations and procedures governing human activities, companion animals and wildlife within Harmony and manages Harmony's natural and manmade amenities.

V. TREATMENT OF WILD ANIMALS

This section applies to human interaction with and treatment of wild animals anywhere within Harmony, whether on private property or on common areas.

Compliance with Laws.**Restriction:**

Residents, tenants, guests and invitees shall comply with these rules and all Laws (as defined in the Declaration) regarding wild animals including, but not limited to the laws of the State of Florida, the Osceola County Code and any applicable zoning ordinances.

Hunting.**Restriction:**

Hunting of any animal is expressly prohibited. Fishing, conducted in accordance with applicable laws and regulations, including license requirements, shall not be considered a form of hunting, but shall be subject to such other restrictions, guidelines and goals as may be applicable hereunder from time to time.

Trapping**Restriction:**

Recreational trapping is expressly prohibited.

Restriction:

Live trapping of wild animals is permitted for purposes of conflict resolution upon the issuance of a permit by the Committee. Snares and foothold traps are prohibited.

Guideline:

Live trapping is permitted only after all other viable options for wildlife conflict resolution (as stipulated under "Wildlife Conflict" in this document and in the "Wildlife Conflict Plan") have been attempted.

Attracting and Taming Wildlife.**Restriction:**

Keeping a wild animal in confinement as a captive is prohibited.

Restriction:

Taming or domesticating wild animals is prohibited. Young wild animals found or acquired shall not be kept or reared, but shall be surrendered to professional wildlife rehabilitative care which shall be facilitated by the Committee. Free-roaming wild animals that become acclimated and partly habituated through a loss of fear of humans and that come and go at will are permitted.

Killing Wildlife.**Restriction:**

The use of glueboard traps under any circumstances is expressly prohibited.

Restriction:

The burial and disposal of wild animals shall be conducted in compliance with applicable laws and regulations and shall in no event be conducted in a manner that poses a threat to the health, safety or welfare of humans, wildlife or companion animals.

Guideline:

When necessary, wild animals may be humanely killed to relieve their suffering due to injury or illness. This shall be accomplished by euthanasia administered according to veterinary medical standards as established by the American Veterinary Medical Association (AVMA) in their most current guidelines, or other guidelines that have been sanctioned by The Humane Society of the United States (HSUS). Wild animals shall be contained until professionally trained personnel can respond, which the Committee shall facilitate the availability of. Situations of extreme emergency in which human health, safety or welfare or the immediate relief of animal suffering is necessary would warrant exceptions to this requirement.

Guideline:

An exception to the foregoing Guideline includes the control of commensal rodents (Norway and black rats and House mice) where federal, state, or local regulation and standards permit, where human health, safety or welfare are threatened, and where necessary to limit the growth and spread of a commensal rodent population due to human causes. Lethal control of commensal rodents may be conducted by homeowners or registered pesticide applicators, but must be done in strict accordance to applicable guidelines which the Committee shall make available. Such controls must be followed by practices that address and remediate the cause of rodent infestation, to include proper sanitation and trash management, excluding access to structures, and, if necessary, habitat management.

Harming Wildlife.**Restriction:**

Other than as provided for herein, wild animals shall not be purposely, intentionally or recklessly injured or harmed. Causing injury or harm to an animal includes, but is not limited to, the purposeful destruction of active nesting sites or other habitat critical to the survival of an individual.

Guideline:

Under some conditions, aversive conditioning (training animals to avoid a conflict situation through the use of unpleasant stimuli) may be used as part of a control program, but never in such a way as to cause or sustain unnecessary suffering of the animal.

Feeding Wildlife.**Restriction:**

Feeding wild mammals, except squirrels and chipmunks, is prohibited except on an emergency basis as determined by the Committee.

Restriction:

Feeding any wildlife when this activity places wildlife at risk is prohibited. Wildlife may be placed at risk by feeding that habituates animals to humans; resulting in diminution of animals' fear or normal caution around humans; by abnormally concentrating animals; by increasing risk of contact between wild animals, humans or pets; and other similar situations.

Restriction:

Feeding that encourages and maintains aggregations of feral pigeons, English sparrows, starlings or any waterfowl is prohibited.

Guideline:

The Committee may suspend all bird feeding during any period of increased human-wildlife conflict. Bird and squirrel feeders should be limited in type and number. Wildlife may not be indirectly fed by leaving food out for companion animals.

Goal:

Feeding native and migratory songbird species is allowed in moderation. Feeding must not lead to conflicts between animals and humans.

Wildlife Conflicts.**Restriction:**

All conflicts between humans and wildlife shall be resolved using nonlethal means, unless extraordinary and immediate circumstances pose a risk to the health, safety or welfare of humans or companion animals.

Guideline:

The approach to wildlife conflict resolution to be employed by the Committee in cooperation with residents shall proceed under a series of steps as follows:

- (1) The conflict is described,
- (2) The species involved are determined and, if possible, the individual animal is identified,

- (3) Methods to resolve the conflict ranging from least to most invasive and injurious are identified,
- (4) An action plan that ensures the least injurious and invasive effective approach is evaluated and undertaken before other measures are considered, and
- (5) Following final and conclusive actions, steps are taken to prevent the problem from reoccurring.

Guideline:

Preferably, human-wildlife conflicts should be resolved by changing human practices (such as improving trash management and securing stored food), modifying habitats (changing plantings or managing landscapes), and/or modifying structural elements (fencing or other methods to exclude animals).

Guideline:

Removal of wildlife shall not be conducted simply because a homeowner considers the mere presence of a wild animal to be a "pest" or "nuisance" or because a homeowner wishes to favor a species or group (such as songbirds) over another that competes with it (such as squirrels).

Controlling Wildlife Populations.**Guideline:**

Circumstances may arise where the Committee or Board has evaluated a conflict situation and agreed to the need to intervene in and control a local population of wild animals (not merely an individual wild animal or small number of wild animals). Substantial and significant need must be demonstrated for human intervention to be considered. Alternatives to control including altering human practices (such as waste handling and landscaping) and excluding or repelling animals should be undertaken before population control measures are considered. Control measures must be undertaken through a wildlife management plan that carefully evaluates the best methods for controlling the specific species of concern and seeks the most humane long-term solution. Plans that require multiple control measures should also include long-term strategies to prevent the recurrence of the need for control measures. Control measures may include humane animal capture and relocation to other natural habitats on the property or as allowed by state permitting authorities; reproductive intervention (such as immunocontraception for mammals or egg addling for birds such as waterfowl); and other measures reviewed and agreed to be humane by the Committee or Board. Such control actions must be undertaken under permit by trained and qualified personnel.

Nest and Dens.**Restriction:**

No nests or eggs of wild birds including, but not limited to, species not protected by federal law shall be taken, moved or interfered with in any manner prohibited under applicable Laws (as defined in the Declaration).

Restriction:

No wild animal den or nest of any bird species may be disturbed, moved, or altered except as part of a planned program to abate a human-wildlife conflict (described under Wildlife Conflict or Controlling Wildlife Populations), or under compelling circumstances of human health, safety, welfare, or security needs.

Guideline:

Young shall not be taken or moved from dens or nests but allowed to mature to a point where they naturally disperse, except where the conditions listed above merit a more urgent response. In these circumstances, the family integrity should be maintained by methods to prevent orphaning, in accordance with procedures the Committee shall make available. Young that cannot be reunited with a parent and cared for naturally shall be placed under professional rehabilitative care.

Providing Habitat for Wildlife.**Guideline:**

Nesting and sheltering boxes (such as bat houses, snake boxes, and toad abodes) are allowed and encouraged on privately held parcels, but should not conflict with community-wide habitat management objectives and are subject to limitations in type and number at the discretion of the Committee who makes recommendations available for such activities.

Guideline:

Artificial shelters and nesting boxes shall be maintained in good repair and not placed or distributed so as to create conflicts by harboring unintended species or attracting wildlife in such numbers as to be in conflict with humans.

Guideline:

Feeders and human-supplied water sources (including birdbaths) shall be kept clean so that disease is not transmitted. Nest boxes shall be constructed so that they can be cleaned and disinfected at least annually. Feeders should be protected from "raiding" by mammals such as raccoons.

Guideline:

Garden ponds and birdbaths are allowed and encouraged but must be maintained in good condition to prevent the proliferation of noxious insects (such as mosquitoes), toxigenic blue-green algae, bacterial pathogens, or wildlife that could present a problem for people if present in such numbers or places where conflict would occur and in a safe manner so as not to pose a danger to young children.

Goal:

The provision of habitat appropriate for dooryard applications that offer cover, water and food for wildlife is encouraged and should compliment community-wide habitat management plans. The use of native vegetation is the first step that residents should take to attract wildlife.

VI. ENVIRONMENTAL MANAGEMENT

Use of Chemicals.**Restriction:**

The use of avicides (chemicals registered to kill birds) and predacides (chemicals registered to kill predatory animals) is prohibited.

Restriction:

Chemical pesticides to control plants (herbicides, fungicides, etc.), insects (insecticides), commensal rodents (rodenticides), and any other chemical control methods must be used according to applicable laws and regulations.

Restriction:

Chemical pesticides shall be used and disposed of according to label and in a manner to protect wildlife. Disposal or spillage of hazardous materials, chemicals and residue-producing antibacterial agents is prohibited

Guideline:

An emphasis shall be placed on the use of products that are classified as "best management" or "least toxic" by responsible oversight organizations. Relevant informational materials are available from acceptable oversight organizations such as the Bio-Integral Resource Center (BIRC), P.O. Box 7414, Berkeley, CA 94707; the Northwest Coalition for Alternatives to Pesticides (NCAP), P.O. Box 1393, Eugene, OR 97440-1395; Pesticide Action Network North America (PANNA), 49 Powell St. #500, San Francisco, CA 94102; or their successor organizations that have the same goal of promoting least harmful pest control methods, that have

an established record of promoting alternatives to chemical pesticides, and that are not funded by the chemical or agriculture industries. Minimal chemical spraying or application should be employed, if at all, to kill or eradicate invasive plants and where the spraying or application will not adversely impact water quality including that of an aquifer, watershed, creek, spring, or septic system.

Guideline:

Chemical pesticides, along with other chemical control methods, must be used only within the context of an Integrated Pest Management ("IPM") approach. The Committee shall make materials available concerning IPM methods. This does not apply to materials generally available for non-commercial household use.

Goal:

Insect control through the use of biological controls (e.g., lady beetles and aphid control) and alternative control methods, such as soap and water should be attempted before resorting to chemical controls.

Goal:

Antibacterial substances shall only be disposed of in accordance with applicable laws and regulations concerning their disposal. Under no circumstances shall any such antibacterial substances be disposed upon or within the land or waters within Harmony.

Goal:

Bacteria are microorganisms found on skin, in digestive tracts, in the air, soil and on almost all things touched every day. Most are harmless and in many cases helpful because they are able to keep harmful microorganisms in check. The widespread use of antibiotics to treat infections and antibacterial agents (in products such as household cleaners) to disinfect surfaces can have harmful effects on the environment. These agents are often not discriminating and can wage an all-out attack on bacteria in general. Residue-producing antibacterial agents may encourage growth of resistant bacteria on disinfected surfaces.

Residents are urged to use restraint in their use of antibacterial agents. Proper washing with a non-bactericidal soap and water will remove 99.9% of bacteria and is adequate for most purposes. Use of residue-producing agents that leave long-acting residues (check labels for triclosan, triclocarban and benzalkonium chloride) on the surface to be disinfected is discouraged. Residents are encouraged to be knowledgeable regarding their use of antibiotics and follow their physician's prescription carefully.

For detailed information on the use of antibiotics and antibacterial agents and antibiotic resistance visit the Alliance for the Prudent Use of Antibiotics website at <http://www.apua.org>.

Non-native plants.**Restriction:**

The intentional planting or cultivation of known invasive, non-native plants is prohibited. Reference to standards set forth by Osceola County, Florida may be referred to as a source of information to aid in the identification of such plants, but shall not be the sole source of such information. Examples of invasive, non-native plants include, but are not limited to, air potato, camphor tree, Old World climbing fern, Chinaberry, giant sensitive plant, Chinese tallow, Brazilian pepper-tree, Melaleuca and Australian Pine. The Florida Exotic Pest Council provides a complete list of such species at <http://www.fleppc.org/> and identification aides are available from the University of Florida's Center for Aquatic and Invasive Plants at <http://aquat1.ifas.ufl.edu/>.

Restriction:

Non-native plants shall not be planted or maintained by a homeowner in any area outside of such homeowner's property unless expressly permitted within a neighborhood or community garden.

Goal:

Native plants that are not invasive and which do not require long term irrigation to flourish are encouraged in residential areas.

Landscaping/Tree Removal.**Restriction:**

Homeowners may plant and maintain non-native ornamental and garden plant species only if they are not banned by federal, state, or local laws and ordinances.

Restriction:

No tree or shrub that contains a bird nest with eggs or dependent young or mammal's den with dependent young may be removed before those young have fledged or matured to self-sufficiency except when compelling safety issues mandate so.

Guideline:

Introduced plants shall not have an invasive life strategy that could potentially lead to their spread outside of the homeowner's property. Disposal of non-native plants shall be performed in

a manner to prevent the unintentional propagation of such plants, either vegetatively or by seed in any common or protected area.

Goal:

Use of native plants is encouraged. Plants and landscaping needing minimal human maintenance such as irrigation and chemical applications are encouraged.

Goal:

Removing or thinning trees, branches, and/or dead wood is allowed as property maintenance and to eliminate or alleviate a safety hazard to humans or property. Whenever and wherever possible, dead and dying trees (snags) should be left standing as wildlife habitat and maintained to avoid any hazard that would pose a risk to people or property. Whenever possible on larger lots, any cut trees or branches (other than non-native, invasive, infected, or diseased trees) should be left on the ground at or near the area from which they were removed to decompose naturally or be moved to designated common areas to enhance wildlife habitat.

Fences and Plant Barriers.

Restriction:

No barbed wire or hog wire fences shall be used. Fences shall comply with any applicable design standards.

Guideline:

No fences and barriers should be utilized which present a threat of injury to wildlife due to design, construction, or lack of proper maintenance.

Policy Recommendation:

Fences, plant barriers and other barriers placed to exclude animals from gardens or other places where they are or reasonably may be expected to be in conflict with humans (for example, deer fencing to protect ornamental plants or vegetables from browsing) are acceptable.

Mowing (lawns).**Guideline:**

The timing of and equipment selection for mowing shall be undertaken to pose a minimal threat to wildlife. As conditions permit, mowing should be performed in the middle of the day rather than early morning or late afternoon.

Goal:

Mowers should be set to mow lawn area at a height of no less than two (2) inches.

Goal:

Residential mowers should preferably be manual or electric-powered and of the type that recycles cut material (mulching).

Goal:

Since lawns are managed landscapes which may be little used by local wildlife species or when used may lead to human-wildlife conflicts, homeowners are encouraged to reduce the total amount of turf and to plant native vegetation.

Waste and Trash Management.**Restriction:**

Waste motor oil, anti-freeze and other hazardous materials shall be collected for proper disposal and shall under no circumstances be drained onto the ground or any paved area or allowed to enter either the stormwater or wastewater collection systems.

Guideline:

Except for the activities during the construction or development of Harmony or as necessary for reasonable and necessary repairs or property maintenance, no burning of trash or other materials and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted. This guideline does not

apply to brush piles, snags, coarse woody debris, and similar material placed and/or allowed to remain as wildlife habitat.

Guideline:

All trash stored or placed outside for collection shall be in containers of design and construction for the purpose of minimizing animal and wildlife access. Trash containers shall be maintained and used in a manner that does not allow access to their contents or attract wild or domestic animals. Lids shall be secured and containers shall be maintained without holes. Unsecured trash in bags or open containers is prohibited.

Guideline:

Composting of household and kitchen refuse shall be limited to organic matter that does not attract or entice wild animals. Specifically, no animal products or refuse, including but not limited to cat litter and animal waste, shall be composted outdoors. All cat litter to be disposed of shall be securely contained within trash containers.

Guideline:

No yard or garden refuse may be placed in common or natural areas without express written permission of the Committee.

Goal:

All food containers should be rinsed to remove food remnants and odors before being placed for disposal or recycling outdoors or at other animal accessible locations. Used food wrapping material (such as plastic wrap and aluminum foil) should also be rinsed before disposal, if possible. Plastic food containers such as those for yogurt, peanut butter, and others should be cut up and/or crushed, if possible, and each ring in plastic six-pack carriers (and similar packaging) should be cut apart before disposal or recycling.

Goal:

Garden and yard refuse should be recycled by composting or similar activities on site whenever possible. This refuse may also be taken to an approved community collection area or designated common area.

Policy Recommendation:

The Committee may propose to the Board additional trash management policies to minimize the attraction of wild animals.

Lighting and Windows.**Restriction:**

All residential outdoor home and yard lighting shall, to the maximum extent practicable, be of low intensity and conform to "dark sky" standards of downward projected "full-cut off" illumination and to shield light from emitting upwards toward the open sky or surrounding natural areas. Mercury vapor and metal halide lights are prohibited. Motion and timer controlled light switches are encouraged.

Guideline:

The illuminated elements of lighting fixtures shall not be visible from adjacent properties or open space.

Goal:

The use of yellow lights is to be encouraged to reduce the attraction of insects. The use of motion detectors for security lighting is preferable to constant illumination.

Goal:

During certain times of the year, bird-friendly alterations to windows may be encouraged. For example, during bird migration tape or other material can be placed on windows to prevent birds from striking the windows.

Policy Recommendation:

The Committee shall advise the Board and, if present, the Harmony Design Committee, on available desirable standards for home and yard lighting in order, to the maximum extent practicable, conform to a "dark sky" lighting standard.

Policy Recommendation:

The Committee shall similarly advise the Board and, if present, the Harmony Design Committee, on window standards in order to reduce the threat of bird strikes as influenced by window positioning and design during construction, modification, or maintenance of all structures.

VII. PRESERVED AREA MANAGEMENT**Management of Use and Access.****Restriction:**

All users will abide by official Committee determined limitations concerning preserved areas as management and use plans may require.

Goal:

Preserved areas shall be configured and managed to promote sustainable populations of native plants and wildlife, pursuant to sound habitat management plans.

Policy Recommendation:

To promote the implementation of sound environmental management practices, specific natural and preserved areas and trails may be closed or have their access limited on a temporary basis or longer. Such areas will have access restrictions posted or have their access trails blocked with tree limbs or other natural obstructions.

Fires and Controlled Burning.**Restriction:**

To prevent dangerous wildfires and the unnecessary generation of smoke, the open burning of leaves, yard wastes or materials of any kind is prohibited, unless authorized in advance by the Committee. Planned area burns shall only occur pursuant to prior authorization by the Board and as part of a habitat management plan.

Policy Recommendation:

Controlled burning of preserved areas is an important management tool intended to mimic naturally occurring fires. Certain native habitat systems are dependent upon occasional burning for optimal wildlife values. The Committee may therefore conduct controlled burns from time to time, but only if permitted under state law, if they are consistent with a carefully prepared management plan and if performed by professionals in a limited manner that minimizes risk to residents and developed portions of the community.

Corridor Maintenance.**Restriction:**

Residential activity on lots adjoining natural corridors and preserve areas shall not encroach into such features as a result of vegetation removal, mowing or other landscaping practices.

Guideline:

Where corridors are crossed by pedestrian ways, cartways or roads, users shall be especially attentive in operating their vehicles or otherwise crossing such areas so as to avoid conflicts with wildlife or disturbing vegetation.

Policy Recommendation:

The Committee shall prepare and propose to the Board a plan providing for natural corridors connecting natural areas to be maintained in a manner to allow wildlife movement and to preserve the integrity of the whole natural system. The plan should provide for existing corridors to not be altered beyond routine and accepted maintenance and not to be destroyed or altered without a valid and justifiable purpose.

Watershed Maintenance.**Restriction:**

The draining of motor oil, antifreeze or other pollutants onto the ground or any paved area is prohibited. Disposal or spillage of hazardous materials, chemicals and antibacterial agents is similarly prohibited. Accidental spills should be immediately reported to the Committee for assistance in containment and cleanup.

Goal:

All portions of Harmony have the potential to drain into Buck Lake, Cat Lake or the subsurface aquifer. Therefore, every effort will be made to avoid introducing pollutants to the surface drainage system.

Policy Recommendation:

The Committee shall advise the Board on carrying out construction activities and land alteration in manners that do not affect the biotic integrity of the lakes and waterways.

Policy Recommendation:

The Committee shall prepare and propose to the Board a plan concerning vegetation management around streams and lakes. Such plans shall include provisions to minimize the impacts on wildlife including the timing of management activities.

VIII. COMPANION ANIMALS

Companion Animals:**Goal:**

People live better when they live in contact with domestic animals and natural systems. Therefore, access to companion animals is encouraged, provided that neither the animals nor the community suffers as a result of this contact.

Compliance with Laws.**Restriction:**

Residents, tenants, guests, invitees and visitors shall comply with these rules and all Laws (as defined in the Declaration) regarding companion animals or pets and all other animals.

Restriction:

Owners shall be held liable for all damage to public property and common areas caused by their domestic animals and those of their tenants, guests and invitees.

Vaccinations.**Restriction:**

For the protection of human and animal health, all cats and dogs must receive an annual rabies vaccine by a licensed veterinarian and comply with Osceola County animal licensing regulations. Additionally, all animals must be vaccinated against other communicable diseases as prescribed by a licensed veterinarian.

Care.**Restriction:**

Residents are responsible and liable for the control, management and humane care of their animals so as not to cause a nuisance or disturbance to the community or risks to the health, safety or welfare of people, animals, wildlife and natural habitat.

Restriction:

Unwanted domestic animals, including fish and birds, shall not be released into the Harmony environment, but shall be offered for adoption or otherwise transferred in a manner consistent with these Restrictions, Guidelines and Goals.

Restriction:

The burial and disposal of companion animals shall be conducted in compliance with applicable laws and regulations and shall in no event be conducted in a manner that poses a threat to the health, safety or welfare of people, animals, wildlife and natural habitat.

Guideline:

Domestic animals shall not be confined to restrictive crates or cages for any unreasonable length of time such as may deprive animal from necessary opportunity for elimination or exercise.

Guideline:

Domestic animals shall not be left unattended within private property for any unreasonable length of time such as may cause a disturbance including persistent vocalization by barking or debarked dogs, or that may be construed as neglect as evidenced by a prolonged absence of adequate shelter from rain, intense heat or cold, absence of fresh drinking water or absence of regular and substantial human interaction.

Guideline:

Outdoor shelters must protect pets from inclement weather conditions including rain, intense heat or cold, and must be kept free of waste, well ventilated and allow for drainage of any accumulation of moisture. Outdoor shelters must be one and one-half the length of the dog for which it is provided and be of sufficient height that the dog is able to stand with its head erect, ears up and not touching the roof of the shelter.

Guideline:

Dogs shall not be left unattended in owner's yard at any time while confined to a chain or tether.

Goal:

Residents shall not abandon their domestic animals during disaster evacuations, but shall be responsible for providing domestic animals in their ownership or care with safe shelter and all necessary sustenance. Residents without means to provide such relief for their domestic animals during such times are responsible for making alternative arrangements prior to any watch or warning of impending disaster.

Goal:

Residents are encouraged to support community efforts to reduce the population of homeless companion animals including offering assistance and care to their neighbors when needed, promoting good behavior, educating about the benefits of spay or neuter, and the adoption of homeless animals from within the community so that all domestic animals in the community of Harmony are assured a secure and permanent home.

Handling and Identification.**Restriction:**

No domestic animal shall be allowed to roam free off the owner's property or be allowed off the owner's property unless properly restrained. Cats must be on a harness with attached leash or be crated. Dogs must wear a collar or harness with attached leash not to exceed six (6) feet or be crated.

Restriction:

For purposes of emergency management and safety, all owned animals of all residents shall be registered with the Committee within seven (7) days of their being brought into Harmony. Registration information shall not be released by the Committee without the consent of the owner.

Guideline:

All domestic animals must wear visible identification including owner contact information and vaccine licensing at all times while off their owner's property.

Guideline:

Upon being removed from a crate within an outdoor public area not designated as "off-leash," any domestic animal must have a leash attached to its collar or wear a harness. Dogs being carried must have a leash attached to their collar or harness. Dogs may be off-leash in designated areas only.

Guideline:

Domestic animals shall not be allowed in any area specifically designated as excluding domestic animals.

Guideline:

Other than within veterinary or other professional animal care commercial facilities, all domestic animals in heat shall not be off-leash at any time in any public area and are excluded from any public dog areas until one week following the end of the heat cycle. Domestic animals in heat shall be contained in such a way as to be inaccessible to all other domestic animals of the same species and shall not be left outdoors and unattended at any time until one week following the end of the heat cycle.

Animal Waste.**Restriction:**

Domestic animals shall not eliminate outside of the owner's property unless in designated areas and owner shall immediately dispose of solid waste either by depositing in a public container designated for that purpose or by disposing within the owner's private property.

Guideline:

Waste on owner's property shall be properly disposed of within a reasonable amount of time so as not to cause a visible or odorous offense or to contribute to an unhealthy environment.

Companion Animals and Wildlife.**Guideline:**

All animal feed provided to any domestic animal on an owner's outdoors property shall be disposed of within a reasonable period so as not to encourage wildlife other than those species such as birds or squirrels normally present within the residential areas of the community.

Prohibited Animals.**Restriction:**

Any animal deemed dangerous under law, or any hybrid animal, defined as the offspring of different species such as wolf and dog, whether canine or feline, are prohibited for any reason or purpose other than to visit a professional animal facility qualified to handle such animal. Dangerous exotic wildlife categorized as either Class I or Class II under F.A.C. Rule 68A-6.002 shall not be permitted in Harmony except for short term presentations as approved in advance by the Committee.

Unowned Animals.**Guideline:**

Residents shall not encourage the presence of unowned animals by feeding unowned animals or feral or domestic species, but shall immediately notify the Committee of the presence of any unowned animal or feral or domestic species within the community. Residents may temporarily confine an unowned animal or feral or domestic species until such time as the animal is either delivered to or retrieved by a proper authority.

Commercial Operations.**Restriction:**

Residential operations providing the services of an overnight or daycare boarding kennel or grooming are prohibited.

Restriction:

Owning, breeding, training, transporting, selling or any other form of activity involving or transferring ownership or possession of any animal or avian for any purpose related to or involving animal fighting including public display of any paraphernalia related to animal or avian fighting is prohibited under all circumstances.

Restriction:

No litters will be displayed for sale or for free or give-away in any public or common area of the community.

Guideline:

Any resident planning on breeding their domestic animal must register such intent with the Committee. Unless specifically approved by the Committee in writing, which approval may be conditioned or revoked by the Committee at any time, no more than one litter may be born every two years to any resident's cat or dog within the community.

Guideline:

No signs advertising litters of puppies or kittens for sale, whether for compensation or for free, are allowed on any indoor or outdoor public areas within the community or along any public roadways of the community, except in such locations as may be designated from time to time by the Committee for such purpose. Such areas may, for example, include community bulletin boards for such purposes.