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DECLARATION, OF COVENANTS CONDITIONS AND RESTRICTIONS
SHADOW BAY SPRINGS
UNIT ONE

This DECLARATION, made as of March 1, 1982 by COMPLETE INTERIORS, INC., a Florida corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Orange, State of Florida, which is more particularly described in Exhibit "A" attached hereto; and

WHEREAS, Declarant has created upon said property planned community with permanent landscaping, property border, fencing, sidewalks, roadways, and county provided potable water and storm drainage systems, for the benefit of said community; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values, amenities and opportunities in said community, and for any additional maintenance of the properties, and improvements thereon, beyond that already provided by the local governing agency, and to this end desires to subject the real property described in Exhibit "A", together with such additions as may hereafter be made thereto, the covenants restrictions, easements, charges and liens hereinafter set forth, each and all of which and are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant has deemed it advisable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of determining desired maintenance and improvement projects and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation and welfare of the residents]

NOW, THEREFORE, the Declarant declares that the real property described in Exhibit "A", and such additions there to as hereafter be made, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (hereinafter referred to as "covenants and restrictions") hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with, the property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to the Bay Springs Homeowner's Association, Incites successors and assigns.

Section 2. "The Board of Directors" and the "Board" shall refer to the Board of Directors of the Association.

Section 3. "Member" shall mean and refer to all those who are members of the association as provided in Article IV, Section 1 below.

Section 4. "Right of Way" shall mean that real property described in Exhibit "A" excluding all "lots" as defined in Article I, Section II; and excluding "Tract A", "Tract B", and "Tract C", as defined in Article I, Section 5. Said "Right-of-Way" shall be owned and maintained by the local governing authority thru dedication to same, and shall include buy not be limited to the roadways, potable water system, certain storm drainage structures, sidewalks, and so forth.

Section 5. "Tract A" "Tract B" and "Tract C" shall mean real property excluding all "lots" as defined in Article I, Section 4 said "Tract A" "Tract B" and "Tract C" shall be owned and maintained by the local governing authority and shall contain but not be limited to storm drainage structures, fencing, a stabilized access roadway, conservation areas and so forth.

Section 6. "Easement" shall refer to those certain portions of the "lots", as defined herein, to remain available for installation and maintenance of service utilities and a landscape buffer. Said easements to be provided thru recorded dedication and are defined as follows:

- a) Utility easements shall mean those "easements", as define which are provided for the purpose[of installation and maintenance of public utilities.
- b) Drainage easements shall mean those "easements" as defined herein, which are provided for purposes of maintenance of the storm drainage facilities.
- c) Easements for Landscape Buffer shall mean those "easements" as defined herein, provided for permanent landscape buffer wall.

Section 7. "Declarant" shall mean and refer to COMPLETE INTERIORS, INC., a Florida Corporation, its successors and assigns.

Section 8. "Declaration" shall mean the covenants, conditions and restrictions and all other provisions herein set forth in this entire document as it may from time to time be amended.

Section 9. "Existing property" shall mean and refer to that certain real property "located in Orange County, Florida and more Particularly described in Exhibit "A". "Properties" shall mean and refer to the existing property and such additions thereto as May hereafter be brought within the jurisdiction of the Association.

Section 10. "Living Unit" shall mean and refer to any portion of a structure situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

Section 11. "Lot" shall mean and refer to any plot of land should upon any recorded subdivision plat of the Properties with the exception of all the dedicated area.

Section 12. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is a part of the Properties, including contract Sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Supplementary Declaration" shall mean any declaration of covenants, conditions and restrictions, which may be recorded by the Declarant, which extend the provisions hereof to such other property as may be brought within the ambit of this declaration subject to provisions hereafter contained in this Declaration.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property.

The existing property shall hereafter be held, transferred, sold conveyed occupied and used sub after be held, transferred, subject to this Declaration added properties may become subject to this Declaration in the following manners:

Section 2. Additions by the Declarant.

The Declarant, its successors and assigns, shall have the right to bring within the scheme o [the declaration any additional properties provided that such additions are brought within the scheme of this Declaration within three (3) years of the date of recording of _his instrument. Additional properties, subject to annexation as herein described, are described on Exhibit "B" attached hereto and made a part of this Declaration.

Section 3. Additions to existing property.

The additions authorized under this and the succeeding subsection shall be made by filing of record a supplementary Declaration of Covenants and Restrictions with respect to £he additional property which shall extend the scheme of the covenants and restrictions of this Peculiar action to such property and provided that the FHA and VA have determined that the annexation is in accord with the general plan here-to-fore approved by them. Supplementary Declaration may contain such compel monetary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, Inlay, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such supplementary Declaration revoke, modify or add to the Covenants established by this Declaration within the existing property. Additional residential property, easements, and right-of-ways other than that contemplated in Article VIII, Section 8, may be annexed to the properties with the consent of £ two-thirds (2/3) of each class of members.

ARTICLE III

**PROPERTY RIGHTS IN THE RIGHT-OF-WAY AND
TRACT "A" TRACT "B" TRACT "C"**

Section 1: Obligation of the Association.

The Association shall be responsible for determining desired maintenance and improvement projects related to the immediate vicinity of any entranceways, and all entrance signs, as well as, the boundary wall along Conroy-Windermere Road, and other improvements located in such other areas within the Property subject to these restrictions as the Board may from time to time determine. The Association may also undertake additional obligations upon adoption of a resolution by the Board of Directors, which is approved by a vote of members of the Association having not less than two-thirds (2/3) of each class of members.

Section 2. Corners/Easements of Enjoyment.

Every Owner shall have a right and easement of enjoyment in and to any right-of-ways or drainage retention/conservation tracts established in the future. If any, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to establish reasonable rules and too. Charge reasonable admission and other fees for the use of the areas addressed in this article.

(b) The right of the Association to suspend the voting rights and right to use areas addressed in this Article, if any, by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

Section 3. Delegation's use.

Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to any right-of-way and drainage retention conservation tracts to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every fee Owner of a lot, which is subject to assessment, shall be a mandatory member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any lot, which is subject to assessment; the foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. The Declarant agrees that after the first (1st) Annual Meeting, the members of the Board of Directors of the Association shall be elected by the members at the Annual Meeting of the Association.

Section 2. The Association shall have two classes of voting.
Memberships:

Class A.

Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such lot shall be exercised as to determine, but in no event shall more than one vote is cast with respect to any Lot.

Class B.

The Class's member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership
- (b) Three years from the recording of this instrument.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Association, through its Board of Directors, shall have the power and authority to establish and collect, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to (1) pay to the Association annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. All liens created under this Declaration may be foreclosed in equity in the same manner as is provided for the foreclosure of mortgages upon real property.

Section 2. Purpose of Assessments.

The assessments levied by Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties, and for the improvement, management, and maintenance of any additional beautification projects beyond that already provided by the local governing authority through dedication of same.

Section 3. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement which is maintained by the Association according to the provisions hereof, provided that such assessment shall have the assent of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Rate of Assessment.

The annual and special assessments will be collected annually, due on January 1st, and shall be fixed at a uniform rate for each lot as determined by the Board of Directors. Notwithstanding the provisions of this section, the Declarant agrees that it shall be bound to pay to the Association annual and special assessments for each unsold lot owned by the Declarant, similar to the rate established for lots not owned by the Declarant.

(a) **Maximum Assessment.** The maximum annual assessment shall not exceed \$80.00 in the Association's first year in which a Lot is sold from Declarant to an Owner other than Declarant. The first year assessment or a proper portion thereof is calculated at the time each unit is sold. Thereafter the maximum annual assessment shall increase each year automatically to reflect the increase, if any, in the Consumer Price Index for items published by the Bureau of Labor Statistics of the United States Department of Labor or, if publication of such index is discontinued, the most nearly comparable successor index. The maximum permitted assessment for any given assessment period shall be no more than five (5) percent more than the previous year's assessment. No decrease in any assessment is required because of any decrease in the Consumer Price Index. In the event the Board of Directors elect not to increase the annual assessment as provided in this section, the annual assessment for the prior year shall continue for the ensuing year.

Section 5. Date of Commencement of Annual Assessments: Due Dates.

The annual assessments provided herein shall commence as to all Lots on the day upon which the Declarant conveys the first Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year prior to January 1st of each year the Board of Directors shall determine the amount of the annual assessment against each Lot. In the event the Board elects not to reassess, the annual assessment for the prior year shall continue for the ensuing year. Written notice of all annual and special assessments shall be sent to all Owners. The Association shall, upon demand, and at a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same and in any event shall file in the public records a Notice of Lien for Delinquent Assessments, and may foreclose the lien against the property to which the assessment relates. Such lien shall run with the land and bind subsequent owners with or without actual notice, except in relation to mortgages as provided in Section 7 of this Article. Interest, costs and reasonable attorneys fees for such

action or foreclosure shall be secured by such lien and may be recovered in such litigation by the Association. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any right-of-way or drainage retention, conservation tract, or abandonment of his lot.

Section 7. Subordination of the Lien to Mortgage.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as payments, which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. The Architectural Review Board.

An Architectural Review Board (hereinafter referred to as the "ARB") consisting of three (3) or more persons shall be appointed by the Board of Directors of the Association.

Section 2. Purpose.

The ARB shall regulate the external design, appearance, use, location and maintenance of the Properties and of improvements thereon in such a manner so as to best preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. Nothing herein shall give the ARB authority to regulate, control or determine external design, appearance, use or location of Parcels or land or lots under development, to be developed, or dwellings under construction, or to be constructed or marketed or sold by the Declarant, his successors or assigns.

Section 3. Conditions.

- (a) No improvements, alterations, repairs, change of paint colors, excavations, changes in grade or other work which in any way alters the exterior of any property or the improvements located thereon from its natural or improved state existing on the date such property was first conveyed in fee by the Declarant to an Owner shall be made or done without the prior approval of the ARB, except as otherwise expressly provided in the Declaration. No building, fence, wall, residence or other structure shall be commenced, erected, maintained, or improved, altered, made or done, nor any color thereof shall be changed without the prior written approval of the ARB.
- (b) No temporary house, and no temporary or permanent storage building, shack, mobile home, tent, barn or other out building shall be erected or placed upon said lots to be used for residential purposes. Said lots shall be used for single-family residence purposes only and shall not be further subdivided. No streets, roads or driveways shall be opened through said lots to serve adjoining property except as might have been previously provided for by plat or survey duly recorded or as might hereinafter be specified except as approved in writing by the ARB as hereinafter described.
- (c) No clearing, grading, building, fence, wall or other structure shall be erected, placed or altered on any lot or parcel until the proposed building plans, specifications, exterior color and/or, finish, plot plan showing the proposed locations of such buildings or structure, drives and parking areas, and construction schedule shall have been approved in writing by the ARB, its successors and assigns. Refusal or approval of plans, location or specifications may be based by the ARB upon any reason, including purely aesthetic conditions, which in the sole discretion of the ARB shall be deemed sufficient. The ARB shall make without any alterations in the exterior appearance of any building or structure like approval. One (1) copy of all plans and related data shall be furnished to the ARB for its records.
- (d) No lot or parcel of land shall be used as a dumping ground for garbage; nor shall any lot or parcel be used for the keeping or breeding of livestock animals or poultry of any kind, except that a maximum of three (3) household pets may be kept, provided they are not kept for breeding or maintained for any commercial purpose. No noxious or offensive activities shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance to the neighborhood.
- (e) No advertising signs, billboards or high and unsightly structures shall be erected on any lot or displayed to the public on any lot or parcel except after written permission of the ARB, its successors or assigns, is obtained, a sign may be used to advertise the property for sale or rent, however, the ARB shall have the authority to determine the size, style and color of any proposed sign permitted hereunder.

- (f) Owners and occupants of units shall not as a matter of course; park owned or controlled vehicles on adjacent roads and streets or otherwise than in garages space or off-street parking. Boats, campers, recreational vehicles, trailers, and motorcycles shall be garaged and shall not be parked on the Right-of-way or Tract "A" or elsewhere within the development. Such vehicles may be parked outside of garages on the lots only with written permission of the ARB and only so long as (i) such vehicles have no commercial markings and (ii) are not visible from outside of the lot.
- (g) All houses must have provisions for two cars to be parked in a roofed over enclosed space. The Declarant shall be allowed to buy one house, at any one time, to be used for sales purposes only without enclosed space for two cars, only as long as necessary or sales in the subdivision.
- (h) Any improvements, alterations, excavations or other, changes are made which require the written approval of the ARB
- (i) Under the terms of this Section 3, and if written approval of such changes is not obtained from the ARB, the Owner of the Lot on which such unauthorized changes have been made shall at the Owner's expense and upon receipt of written direction of the Board of Directors, promptly restore the lot and the improvements located thereon to their previous condition. Such restoration shall include, without limitation, the elevation of any building, fence, wall, ledge, shrub planting, signs, billboards, garbage containers or other structure which requires the written approval of the ARE under the terms hereof.
- (j) The Declarant shall be allowed to place a sign at the entrance to the subdivision signs on lots and houses for sale and shall not be under the review of the ARB. The Declarant shall not be obligated to maintain lots on which construction has not been completed and a Certificate of Occupancy issued. At the time of issuing a Certificate of Occupancy the Declarant shall be obligated to maintain the yards and grounds.

Section 4. Enforcement.

- (a) The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the herein described properties, enforcement of these covenants and restrictions shall be by the Association by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain or enjoin violation or to recover damages, or both, and against any lot to enforce any lien created hereby: and the failure or forbearance by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- (b) There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.
- (c) The grounds of each lot (whether vacant or occupied) shall be maintained: in a neat and attractive, condition. Upon the failure of any owner to maintain his lot (whether Vacant or occupied) in a neat and attractive condition, the ARB or its authorized agents or successors and assigns may, after ten (10) days notice to such owner, enter upon such lot and have the grass, woods, and other vegetation cut, debris removed, when, and as often as, the same is necessary in its judgment, and may have dead trees, shrubs and other plants removed there from. Such owner shall be personally liable to the ARB for the cost of any cutting, removing of debris, clearing and maintaining described above and the liability for amounts expended for such cutting, clearing and maintenance shall be a permanent charge and lien upon such lot, enforceable by the ARB by any appropriate proceeding at law or in equity. All costs incurred by the ARB on behalf of such owner shall be reasonable. Notice given as hereinabove provided shall be sufficient to give the ARB or its designated committee, or its successors and assigns, the right to enter upon any such lot and perform the work required. Entry for the purpose of performing the work required shall be only between the hours of 7:00 A.H. and 5:00 P.M. on any day except Sunday. Said permanent charge and lien shall be subordinate to the lien of any first mortgage and shall be foreclosable as provided herein.
- (d) Invalidity of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect. The covenants shall likewise be considered separable with respect to their imposition by Declarant in deeds of conveyance as provided above, and Declarant shall be authorized to eliminate the applicant of one or more such covenants by enumerating them in any such deed of conveyance
- (e) The failure of the ARB to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, provisions or agreements herein contained shall not be construed as a waiver or a relinquishment in the future of the enforcement of any such terms, covenants, condition,

provisions or agreements. The acceptance of performance required to be performed with the knowledge of the breach of a term, covenant, condition, provision or agreement shall not be deemed a waiver of such breach, and no waiver by the ARB of any term, covenant, condition, provision or agreement shall be deemed to have been made unless expressed in writing and signed by the ARB. (f) Zoning regulations applicable to property subject to this Declaration shall be observed. In the event of any conflict between any provision of such zoning restrictions and the restrictions of this Declaration, the more restrictive provision shall apply.

Section 5. Procedures.

In the event the ARB fails to approve, modify, or disapprove in writing an application within thirty (30) days after plans and specifications in writing have been submitted to it, in accordance with adopted procedures, approval will be deemed granted. The applicant may appeal an adverse ARB decision to the Board of Directors who may reverse or modify such decision by a two-thirds (2/3) vote of the Directors.

ARTICLE VII

USE OF PROPERTY

Section 1. Protective Covenants.

(a) Residential Use.

All property designated for residential use shall be used, improved and devoted exclusively to residential use. Nothing herein shall be deemed to prevent the Owner from leasing a Living Unit to a single family, subject to all of the provisions of the Declaration.

(b) Nuisances.

No nuisance shall be permitted to exist or operate upon any property so as to be detrimental to any other property in the vicinity thereof or its occupants.

(c) Restriction of Further Subdivision.

No Lot upon which a Living Unit has been constructed shall be further subdivided or separated into smaller Lots by any Owner, and no portion less than all of any such Lot, nor any easements or other interest herein shall be conveyed or transferred by an Owner, provided that this shall not prohibit deeds of correction, deeds to resolve boundary disputes, and similar corrective instruments.

(d) Fence and Wall Restrictions.

No fence or wall shall be erected, placed or altered on any lot nearer, to any street than the minimum building set back line.

(e) Other Restrictions.

The ARB may adopt general rules to implement the purposes set forth in Article VI, Section 2 and interpret the covenants in the Section, including but not limited to rules to regulate animals, antennas, signs, storage and the use of recreational vehicles, storage and use of machinery, use of outdoor drying lines, trash containers, planting, maintenance and removal of vegetation on the Properties. Such general rules may be amended by a two-thirds (2/3) vote of the ARB, following a public hearing for which due notice has been provided, and pursuant to an affirmative vote of two-thirds (2/3) of the Board of Directors. All such general rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be available for inspection and review by any Owner at any reasonable time. The rules of the ARB shall not contravene any provisions of this Declaration. If exceptions, the ARB may issue temporary permits to except any prohibitions expressed or implied by this section, provided the applicant for such exception can show good cause and acts in accordance with adopted guidelines and procedures and subject to other recorded declarations superior in time to this Declaration.

Section 2. Maintenance of property.

To the extent that exterior maintenance is not provided for in any other Declaration, each Owner shall keep all Lots owned by him and all improvements therein or thereon, in good order and repair and free of debris including, but not limited to the seeding, watering, and mowing all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. In the event an owner of any Lot in the properties shall fail to maintain the premises and the improvements situated thereon, as provided herein, the Association, after notice to the Owner, and upon a two-thirds (2/3) vote of the Board of Directors, shall have the right to enter upon said Lot to correct drainage and to repair, maintain and

restore the Lot and the exterior of the buildings and any other improvements erected thereon. All costs related to such correction, repair or restoration should become a Special Assessment upon such lot.

Section 3.

Enhancements in the event any portion of the Right-of way or Tract "A" encroaches upon any Living Unit of any Living Unit encroaches on the former as a result of construction, reconstruction or repair by Declarant, or as a result of shifting, settlement or movement of any portion of the Properties, a valid easement for the encroachment and for the maintenance of same shall exist so long as the encroachment exists.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement.

The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a Waiver of the right to do so thereafter.

Section 2.

Severability invalidation of any one of these Covenants or Restrictions by Judgment or Court Order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3.

Amendment The Covenant and Restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument voted by members of the Association having not less than seventy-five percent (75%) of the total membership vote any amendment must be recorded.

Section 4.

As long as there is a Class a membership, the following action will require the prior approval of the FHA or VA:

(a) Annexation of additional properties, dedication of Right-Of-Ways or drainage retention/conservation tracts, and Amendment to the Declaration of Covenants, Conditions, and Restrictions for Shadow Bay Springs, Unit One.

Section 5. Notices.

Any notice required to be sent to any member or owner under the provisions of this Declaration, shall be deemed to have been properly sent when mailed, postpaid, to the last known address for the person who appears as member or owner on the records of the Association.

Section 6. Waiver of minor violations.

Declarant, its successors or assigns, reserves the right to waive any violations of the Covenants contained in this Declaration, in the event Declarant shall determine, in its sole discretion, that such violations are minor or dictated by the particularities of a particular lot configuration or topography.

Section 7. Attorney's Fees.

In the event any action shall be brought by the Declarant, its successors or assigns, or by the Association, or any Owner for the purpose of enforcing the provisions contained in this Declaration, it is expressly understood and agreed that all costs, including reasonable attorney's fees, incurred by any moving party in such legal proceedings which result in the successful enforcement hereof, shall be borne in full by the defendant in such proceedings.

Section 8. Declarant general plan of development and easements

Related thereto Declarant contemplates the development of contiguous property owned by Declarant in accordance with Declarant general plan of development, as tentatively approved by Orange County, Florida. Said general plan of Development may result in the development of subsequent contiguous sections or parcels having a total of approximately 90 additional residential lots. Said Development shall be completed within 2 years from the date of this Declaration. It is the Intent of the Declarant that all said lots, if developed, should constitute, along with the lots contained in Shadow Bay Springs Section One, be a single subdivision for all practical purposes. To this end, it is contemplated that this Declaration of Covenants, Conditions and Restrictions shall be deemed to apply to the subsequent sections of Shadow Bay Springs Subdivision Development upon recording in the public records of Orange County, Florida, of document by Declarant wherein the matters contained in this Declaration are incorporated by reference in whole or in part. It is further contemplated that the Homeowner's Association for subsequent sections of development shall merge

at a mutually agreeable time in order to accomplish maximum efficiencies of operation and function. It is further contemplated that the streets in Shadow Bay Springs Section One may be utilized by the Declarant for ingress and egress to subsequent sections of the Shadow Bay Springs Development. Further, it is contemplated that Declarant shall utilize Lot 46 Section One, or some other Lot A Section one, for a Sales Office and/or model home. Declarant, therefore, reserves unto itself, its successors, or assigns, an easement and license to utilize all of the streets and unsold lots in this subdivision for the purposes above expressed.

ARB Rules

Presented at the 2015 Bay Springs HOA Annual meeting in accordance with the requirements of the Covenants and Restrictions.

November 17, 2015

It is the responsibility of the Bay Springs Homeowners Association (HOA) to ensure that the community maintains its property value. This can only be accomplished when all homeowners abide by the Association Declaration of Covenants, Conditions and Restrictions (ADCCR).

Article VI of the Declaration establishes the Architecture Review Board (ARB) as the proper entity, appointed by the Board of Directors, to ensure compliance. It is the responsibility of the ARB to enforce the written guidelines established in the ADCCR.

Based on Article VI of the declaration, the ARB is establishing a list of rules, regulations and associated fines in support of the ADCCR.

ARB Process

The ARB is responsible for conducting a quarterly walk through and objective evaluation of homes in the neighborhood based on the rules and regulations established in this document. A notice is delivered to each homeowner for initial violation/s of rules and regulations and a copy is kept by the board.

Process for assessing fines

Fines are assessed only after the homeowner is given a reasonable period of time to resolve the initial documented violations. Below is the sequence of events that takes place to assess fines:

First Violation

Homeowners are notified in writing of the violation. This notification is for the benefit of the homeowner and is not required to be sent through the mail. A copy of the notice is filed in ARB records.

Second Violation

A second violation is the direct result of the Homeowner not acting to the first violation notice in the documented time limits. A second violation notice informs the homeowner that a fine will be assessed if the request/s of the second notice are not fulfilled. A copy of the notice is filed in ARB records.

Third Violation

The third violation is the last resort for the ARB to get the homeowner to comply with the rules and regulations established by the ADCCR. A certified letter is sent to the owner informing them that a fine is being assessed according to the fines established by this document. The letter also indicates that no further contact will be made with the homeowner but that a scheduled revaluation of the home will be made with additional assessments appended accordingly. This continues until the violations are deemed satisfied by the ARB or a letter is sent to the ARB, by the homeowner, indicating that compliance is complete. Assessed fines are added to the next year's dues statement.

Category One (3 days)

1. Edging of yard \$25.00
Sidewalks and driveways shall be neatly edged at all times. Edged means that at no time should grass, shrubs or bushes penetrate over two inches into the sidewalk.
2. Maintenance of flowerbeds \$25.00
All flowerbeds shall be neatly maintained and free of debris and weeds.
3. Timely mowing of yard \$25.00
Yards shall be mowed in a timely manner and free of weeds.
4. Vehicles parked in the yard \$100.00
No vehicles shall be parked in the homeowner's lawn adjacent to driveways, house or road. All vehicles must be parked in the driveway or garage.
5. Christmas lights \$100.00
All Christmas lights shall be removed from homes no later than February 1st.
6. Clean up yard debris/trash \$100.00
Homeowners shall keep yards free of debris including, but not limited to, construction materials, lawn trimmings and household trash.
7. Trash/recycle bins \$50.00
Homeowners shall put rollout containers out after 5pm the day before pickup, and off the curb by 7pm the day of pickup.

Category Two (7 days)

1. Repair/Replace mailbox \$100.00
Homeowners shall keep mailboxes in good repair and free from leaning.
2. Boats, RVs, trailers, jet skis, commercial utility vehicles \$100.00
Homeowners shall keep boats, RVs, trailers, jet skis, commercial utility vehicles "not visible" from the front of the house. If the vehicle/s in question are stored in a "non-visible" location, but is/are found to be a "nuisance" to adjacent homeowners, the homeowner shall remove the vehicle/s in a timely manner.
3. Non-operating, unregistered or unlicensed vehicles \$100.00
Homeowners shall keep non-operating, unregistered or unlicensed vehicles "not visible" from the front of the house. If the vehicle/s in question are stored in a "non-visible" location, but is/are found to be a "nuisance" to adjacent homeowners, the homeowner shall remove the vehicle/s in a timely manner.

Category Three (30 days)

1. Dead trees \$100.00
Homeowners shall remove dead or unsightly trees from the property in a timely manner. The homeowner shall also remove any tree stumps (visible from front of house) after tree removal.
2. Dirty Sidewalks and driveways \$100.00
Homeowners shall keep sidewalks and driveways free of excessive mildew/mold/algae.

Category Four (60 days)

1. **Garage doors \$100.00**

Homeowner shall maintain garage door in good repair. Garage doors shall be painted, free of wood rot and mildew/mold.

2. **Stucco/siding \$100.00**

Homeowner shall keep stucco and siding in good repair. Stucco and siding should be free of wood rot and mildew/mold/algae.

3. **Fences \$100.00**

Homeowner shall keep fences in good repair. Fences shall conform to neighborhood standards and free from rotting, missing slats and leaning.

4. **Roof \$100.00**

Homeowner shall keep roof shingles in good repair and free of mildew/mold.

5. **Paint \$100.00**

Homeowner shall keep the paint of their home in good repair. Colors shall be approved by the ARB prior to painting.

Assessing liens to collect fines

Documented violations and associated fines are to be queued in a database and assessed when the amount reaches \$500.00. Additional liens are also levied in \$500.00 increments. If at any time the home is placed on the market for sale, the ARB shall review any outstanding fines allocated and process an assessment for the amount in total.

Foreclosure on homeowner property

If the amount of liens owed by the homeowner reaches the amount of \$2000.00, the HOA shall begin foreclosure proceedings on the homeowner property.