

INSTR # 1961466
OR BK 02181 PG 2402
Pg 2402 - 2471 (70pgs)
RECORDED 09/21/2006 02:39:43 PM
MARSHA EWING
CLERK OF MARTIN COUNTY FLORIDA
RECORDED BY C Burkey

Prepared by and return to:
Michael S. Greene
222 Lakeview Avenue
Suite 400
West Palm Beach, FL 33401

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR MURANO**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MURANO is made on SEP. 21, 2006, by HOME DYNAMICS MURANO, LLC, a Florida limited liability company (the "Declarant"), joined by MURANO HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit.

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

LEGAL DESCRIPTION IS ATTACHED HERETO AS EXHIBIT "C"

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

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

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

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

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

1. DEFINITIONS

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

[MP205538;4]



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

1.3 "Association" means Murano Homeowners Association, Inc., which is responsible for operating the Property pursuant to this Declaration. The Association is not a condominium association under Chapter 718, Florida Statutes.

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

1.5 "Budget" means the budget for the Association.

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

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

1.8 "Common Property" means those portions of the Property not included within a Lot, as is more particularly described in Paragraph 3.

1.9 "Community Documents" means, in the aggregate, this Declaration, the Articles, the Bylaws, the Rules, and all of the instruments and documents, including easements, referred to therein or referred to herein, as same may be modified from time to time.

1.10 "Contributing Lot" means each Lot upon its conveyance from Declarant to an Owner. Contributing Lot shall not mean a Lot upon its conveyance by Declarant to Declarant or any of its affiliates, unless specified in a written instrument recorded by Declarant.

1.11 "County" means Martin County, Florida.

1.12 "Declarant" means HOME DYNAMICS MURANO, LLC, a Florida limited liability company, its successors, grantees, and assigns. Notwithstanding the foregoing, an Owner shall not, solely by the purchase of a Lot or a Dwelling Unit, be deemed a successor or assign of Declarant or entitled to the rights of Declarant under this Declaration or any other Community Documents, unless such Owner is specifically so designated as a successor or assignee of such rights in the respective instrument of conveyance or any other instrument executed by Declarant and recorded in the Public Records of Martin County, Florida. However, if the assignor assigns only a portion of its rights as Declarant hereunder to an assignee, then the term Declarant as used in this Declaration shall mean such assignee only when necessary to give such assignee the specific rights of Declarant hereunder which were specifically assigned to such assignee to the same extent as if the assignee had been the original Declarant, and such assignee shall not have any of the rights of Declarant hereunder which were not specifically assigned to such assignee. In addition, if any Person obtains title to all of the Property then owned by Declarant as a result of the foreclosure of any mortgage or deed in lieu thereof, such Person may elect to become Declarant by a written election recorded in the Public Records of the County, and regardless of the exercise of such election, such Person may appoint as Declarant any third party who acquires title to all or any portion of the Property, by written appointment recorded in the Public Records of the County. In any event, any subsequent Declarant shall not be liable for any default or obligations incurred by any prior Declarant, except as same may be expressly assumed by the subsequent Declarant.

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

1.14 "Dedicated Property" means those portions of the Plat lying within the Property that are dedicated or reserved on the Plat to the Association. Dedicated property shall include any easements within the Property dedicated or reserved on the Plat to the Association.

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

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

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

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

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

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

1.19.2 any "Secondary Mortgage Market Institution," including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and any other secondary Mortgage Market Institution as the Board shall hereafter approve in writing which has acquired a first mortgage upon a Lot; or

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

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

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

1.19.6 any life insurance company; or

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

1.20 "Lot" means any one of the numbered parcels described on the Plat. The term "Lot" shall also be deemed to include the Dwelling Unit constructed thereon or to be constructed thereon, and other improvements thereto, except as may otherwise be provided in the Declaration. No Lot may be subdivided, and no alienation, transfer, demise, sale or lease of a portion of a Lot shall be permitted.

1.21 "Member" means a member of the Association

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

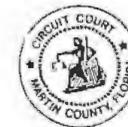
(WP205538.4)

2



(WP205538.4)

3



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

1.24 "Plat" means the [_____], Plat, recorded at Plat Book [16], Pages [35], of the Public Records of _____, Florida.

1.25 "Property" means the real property described in Exhibit "C".

1.26 "Recreational Facilities" means the portion of the Common Property designated by the Declarant for the recreational activities, and may include but are not limited to swimming pools, tennis courts, and playgrounds or "tot lots".

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

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

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

1.30 "Environmental Regulatory Agency" means any governing authority having jurisdiction over any property contemplated in this document for the preservation, restoration or creation of any environmentally sensitive lands. These agencies include, but are not limited to, Any County Drainage District (DD), County Department of Environmental Resource Management (ERM), South Florida Water Management District (SFWMD), the U.S. Army Corps of Engineers (ACOE) and the U.S. Environmental Protection Agency (EPA).

2. DEVELOPMENT PLANS

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

2.2 Annexation of Property. Declarant may from time to time, by recording a "Supplement" in the Public Records of the County, add real property to the Property, and may declare that any of such annexed property is Lots or Common Property. To be effective, any Supplement must be executed only by Declarant and the record fee owner(s), if any, of the real property being annexed. Upon recording the Supplement in the Public Records of the County, the annexed property shall be deemed part of the Property and shall be subject to the covenants, restrictions, easements, reservations, charges, burdens and liens set forth in this Declaration.

2.3 Withdrawal of Property. If Declarant determines not to develop a particular portion of the Property as part of MURANO, and Declarant desires to make a statement to this effect by instrument of record, then Declarant may by its act alone, so long as it owns the portion of the Property being removed, without the necessity of joinder of the Association or any Person, place a statement to that effect in the Public Records of the County, in which event such portion of the Property described therein will no longer be subject to the terms of this Declaration and exhibits and amendments thereto. It will, however, be subject to the terms and conditions of the surface water management permit issued by the SFWMD for the entire project until such time as the permit is modified to reflect the proposed changes.

2.4 Effect of Annexation or Withdrawal. SOME OF THE EFFECTS OF ANNEXING OR WITHDRAWING SUCH PROPERTY WOULD BE TO ALLOW FOR A CHANGE IN THE NUMBER OF LOTS; THE PROPORTIONATE SHARE OF COMMON COSTS; THE NUMBER OF MURANO MEMBERS; THE NUMBER OF PERSONS USING THE COMMON PROPERTY; THE SIZE OF THE ASSOCIATIONS BUDGET; AND THE TOTAL NUMBER OF VOTES WHICH COULD BE CAST BY MURANO MEMBERS.

[WP206538,4]

4



3. COMMON PROPERTY

3.1 Common Property. The Common Property consists of all portions of the Property not included within the Lots. The Common Property shall include, without limitation, those portions of the Dedicated Property lying within the Property and any Recreational Facilities. Common Property shall also be deemed to include the interest of the Association in and to any easement granted in favor of the Association, whether such easement has been granted as of the date hereof or shall be granted thereafter, and shall include any non-exclusive easement wherein Persons, in addition to Declarant, are also beneficiaries under the easement. The Common Property may include, without limitation, entrance ways, utility easements, roadways, roadway swales, sidewalks in the road right-of-way, street lighting, community walls, irrigation system, landscape buffer areas, and street signage, provided that the mentioning of any particular form of Common Property herein shall not require that such form of Common Property be provided.

3.2 Recreational Facilities. The Association shall manage the operation of the Recreational Facilities for use by the Owners and shall establish rules and regulations for such use, including but not limited to:

- a. Hours of operation;
- b. Security deposits and minor charges for use of the Recreational Facilities;
- c. Persons entitled to use of the Recreational Facilities.

3.3 Assumption of Responsibility for Dedicated Property. Notwithstanding the dedication or reservation of the Dedicated Property to the Association on the Plat, it is the intention of Declarant that the Dedicated Property will in all respects be included within the Common Property.

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

3.5 Conveyance of Common Property. Declarant agrees that it shall convey or cause to be conveyed by either special warranty deed or quitclaim deed and/or bill of sale (for other than easement rights) to the Association or other entity authorized by law, such as, but not limited to, any independent or dependent district created or established pursuant to Florida law (or any Chapter of the Florida Statutes), or any other district elsewhere referred to herein, or the County, State or other governmental agency or entity or quasi-governmental agency or entity, fee simple title to the Common Property or portion thereof (including any personal property and improvements) as may be necessary or desirable for the development and use of the Property and for consideration to be determined by Declarant. Declarant shall convey the foregoing, if not previously conveyed, on or before the termination of the Developer Control Period, as described in the Articles, or Declarant may convey all or any portion of the Common Property at such earlier time as Declarant, in its sole discretion, may determine. Any additional Common Property created any time after the termination of the Developer Control Period will be conveyed as stated above upon such Common Property becoming subject to this Declaration. The Association or other entity shall accept such conveyance of the Common Property and the personal property and improvements appurtenant thereto, if any, in its "AS IS" "WHERE IS" condition at the time of conveyance, without any representation or warranty, expressed, implied, in fact or by law, as to the condition, fitness, or merchantability of the Common Property or portions thereof and the personal property and improvements thereon. Notwithstanding Paragraph 4.2 hereof or any other provision wherein the Association is required to maintain, operate or repair Common Property, in the event Declarant conveys all or a portion of the Common Property to an entity other than the Association, then such other entity shall be responsible for maintaining, operating and repairing the property conveyed.

[WP205538,4]

5



3.6 Reservation for Corrections. The conveyance of the Common Property to the Association or other entity shall be subject to the right of Declarant to correct errors in the legal description or other errors contained in the instrument of conveyance to any Owner, which right is reserved to Declarant. In the event that any such error is discovered after the conveyance of the Common Property, then the Association shall upon request of Declarant or any Owner so affected execute a quitclaim deed to the Lot held by said Owner, which quitclaim deed shall contain a correct legal description. If required to vest marketable title (without regard to the fact that the Common Property is held by a homeowners association) in the Association, said Owner will execute a quitclaim deed to any portion of the Common Property which may have been erroneously included within the legal description in the instrument of conveyance of such Owner's Lot. In addition to any other remedy available to the parties or any Owner, the provisions of this Paragraph 3.6 shall be enforceable by specific performance or other equitable remedy.

3.7 Alienation of Common Property. Except as hereinafter provided, once title to the Common Property becomes vested in any such entity, such Common Property and the improvements thereon shall not be abandoned, partitioned, subdivided, alienated, released, transferred, hypothecated, or otherwise encumbered without first obtaining the written approval of the Owners owning not less than two-thirds of the total number of Lots and the written approval of two-thirds of the institutional Mortgagees holding first mortgages. The last preceding sentence shall not be applicable to nor prohibit any such entity from (a) granting such easements as are reasonably necessary or appropriate for the development or maintenance of the Common Property in a manner consistent with the provisions of this Declaration and the other Community Documents, or (b) encumbering the Common Property vested in such entity, provided, however, such encumbrances are solely to secure loans obtained for improving the Common Property and are obtained pursuant to Community Documents.

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

4.1 Maintenance of Lot and Dwelling Unit

4.1.1. Each Owner of a Lot covenants that said Owner shall, at all times, maintain, repair and replace at the Owner's sole expense, all improvements on the Owner's Lot, including but not limited to all portions of the Owner's Dwelling Unit, lighting, fences (whether or not installed by Declarant) and screening, where applicable, sprinkler systems, sidewalks, mailboxes and landscaping, utility lines, ducts, conduits, pipes, wires, utility fixtures and appurtenances which service only the Owner's Lot. Notwithstanding anything provided herein, an Owner shall not be required to maintain any portion of any common or community entry feature to the Property or common or community wall located on the Owner's Lot. The foregoing obligations of the Owner shall be performed such that the Lot and all improvements thereto have a "first class appearance." Any determination as to what constitutes a "first class appearance" shall be made by the Board in its sole discretion. Each Owner, at the Owner's expense, shall properly maintain, repair, irrigate, cultivate and, upon death, removal or destruction of any tree planted by Declarant in such Owner's Lot, replace same. Each Owner shall be responsible for the care and maintenance of all portions of the Lot, including, without limitation, any portion thereof subject to the Lake Maintenance Easement, and the Association shall have no responsibility therefore.

4.1.2. If any Owner fails to carry out any of the Owner's responsibilities pursuant to this Declaration ("Defaulting Owner") (as shall be determined by the Association), the Association shall have the right but not the obligation, after ten (10) days' written notice to the Defaulting Owner, to enter the Lot of the Defaulting Owner for the purpose of performing the responsibilities described in the notice. Such entry on the Lot of the Defaulting Owner shall not be deemed a trespass. In the event of emergencies, the Association may, in its sole discretion, dispense with the aforesaid notice. The cost of performing such responsibilities and the expenses of collection (if any), including court costs and reasonable attorneys' fees at all trial and appellate levels, shall be specially assessed against the Defaulting Owner as a Special Lot Assessment and shall become a lien upon the Lot of

(WP205538;4)

6



the Defaulting Owner, in the manner provided in this Declaration. The Defaulting Owner shall be personally liable to the Association for the payment of amounts assessed against him and for all costs of collecting the same plus interest and attorneys' fees as hereinafter provided. If the amounts assessed against the Defaulting Owner are not paid within 15 days of the date of the assessment, the Board may proceed to enforce and collect said Special Lot Assessments against the Defaulting Owner in any manner provided for by the laws of the State of Florida, including foreclosure of the lien and sale of the Lot. For purposes of this subparagraph, unless the Defaulting Owner performs the obligations set forth in such notice, the date of assessment shall be deemed to be the day after the foregoing ten (10) days has elapsed. Said lien shall be effective only from and after the time of recordation among the Public Records of the County of a written, acknowledged statement signed by an officer of the Association setting forth the amount due. All sums expended shall earn interest at the highest rate permitted under the law. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a recordable satisfaction of lien. Nothing contained in this Paragraph 4.1.2 shall be deemed or construed as limiting any remedy or right of enforcement of the Association as may be otherwise provided herein.

4.1.3. Any portion of the Common Property located between the boundary of a Lot and the edge of pavement of the roadway or curb, excluding any sidewalk, shall be maintained by the Owner of such Lot, as more specifically described in Paragraph 5.5.11 hereof. Each Owner, by acceptance of an instrument of conveyance for any Lot, agrees to accept the maintenance obligation as provided herein. The obligation created by this Paragraph 4.1.3 shall not include the obligation to maintain any utility facilities or any facilities or equipment located underground, except for the repair and replacement of lawn irrigation equipment.

4.2 Maintenance of Common Property and Other Property.

4.2.1. The Association shall maintain, operate, manage, and insure Common Property and repair and replace any improvements of any nature thereto, which may include but not be limited to landscaping, pavement, drainage facilities, signs, entry features (even if located on any Lot), and any fence or wall that may be installed by Declarant or the Association along the boundary of the Property, and pay utilities, insurance, taxes and assessments thereon. The Association may enter contracts for the performance of such services provided, however, that any such contract shall not exceed three (3) years and shall be terminable by either party without cause and without payment of a termination or penalty fee on ninety (90) days or less written notice. All expenses of the Association incurred under this Paragraph 4.2 and the obligations of the Association under Paragraph 3 shall be a Common Cost. Notwithstanding the foregoing, the improvements, landscaping and lawn located upon the surface of any drainage, utility or like kind easement which may be located upon any portion of a Lot shall be maintained by the Owner of such Lot. Nothing herein contained shall be construed as obligating the Association to maintain insurance, pay taxes or pay assessments on any portion of Common Property lying within a Lot.

4.2.2. The Association shall maintain all drainage and surface water management systems on the Property, including, without limitation, the Lakes, retention areas, culverts and surface and underground drainage facilities and systems, including compliance with all requirements of the South Florida Water Management District. The Association and any applicable governmental entity shall have an easement for maintenance of the Lake(s) and access thereto over the area which forms a twenty (20') border around the Lake as shown on the Site Plan (the "Lake Maintenance Easement").

4.2.3. Any reimbursement from any utility company for the installation of street lighting shall accrue to the party who paid for the installation of such street lighting.

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

5.1 Owner's Covenant for Use. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot, whether or not it shall be so expressed in such deed or instrument, covenants

(WP205538;4)

7



and agrees that the Lot shall be used, held, maintained, and conveyed solely in accordance with and subject to the covenants, reservations, easements, restrictions, and lien rights regarding same as are set forth in Community Documents.

5.2. Alterations and Improvements

5.2.1. No construction or remodeling of Dwelling Unit or alterations to Dwelling Unit shall be permitted to be made (other than within the Dwelling Unit), other than by Declarant, without the prior written approval of the Directors, except that approval shall be given for those improvements which are set forth in Declarant's original plans and specifications (the "Plans and Specifications") for the type Dwelling Unit (which Plans and Specifications are on file with the County), and such improvements as were originally offered by Declarant as an optional improvement to the Dwelling Unit or Lot (subject to Paragraph 5.2.6). Except for the aforescribed improvements which are permitted, no Dwelling Unit or structure of any kind, including without limitation, additions, improvements, modifications, exterior painting, landscaping, replacement of exterior doors or windows, mailboxes, pools, fences, walls, pavement, patios, terraces, gazebos, sheds, huts, screening or screened enclosures, tree forts, playhouses or garages, shall be erected or altered, other than by Declarant, unless first approved by the Directors, as provided herein and in the Bylaws.

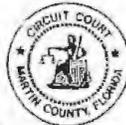
5.2.2. The Directors may establish reasonable fees (including, without limitation, fees of any architect or engineer engaged by the Association) to be charged for review of applications hereunder and may require such fees to be paid in full prior to review of any application. This Paragraph 5.2.2 shall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

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

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

(MP205536,4)

8



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

5.2.6. The Directors may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, natural conditions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall: (i) be effective unless in writing, (ii) be contrary to the restrictions set forth in the body of this Declaration, or (iii) estop the Directors from denying a variance in other circumstances.

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

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

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

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

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

5.5.1. Minimum Size. Each Dwelling Unit constructed on a Lot shall contain a minimum of 1,000 square feet of livable air conditioned enclosed floor area ("Enclosed Floor Area"). Open or screened porches, patios, terraces, balconies and garages shall not be included for the purpose of determining the number of square feet of Enclosed Floor Area.

(MP205536,4)

9



5.5.2. **Garages:** If a garage is constructed on a Lot, it must be an enclosed garage which shall be constructed in accordance with all applicable building codes and ordinances. No carports shall be permitted. Garage doors shall be kept closed at all times except when vehicles or persons enter or leave the garage. No garage shall be permanently enclosed, converted or otherwise remodeled to allow for occupancy thereof.

5.5.3. **Height Restrictions, Roofs:** No improvement on a Lot or the Common Property shall exceed 30 feet in height from the finished first floor or exceed two stories in height. The foregoing provision shall not prohibit parapets or projections from a structure which exceed the foregoing height limitations if approved by the Directors and the County. Except with respect to Dwelling Units constructed by Declarant, roofs shall be constructed of materials such as may be from time to time specified by the Directors, but the adoption by the Directors of standards for roofing materials shall in no way be deemed to excuse the requirement for prior submission of roofing or reroofing plans to the Directors.

5.5.4. **Parking:** Vehicles shall be parked only in the driveways serving the Dwelling Units, except as set forth in Paragraph 5.5.5. No vehicles shall be parked on any roadway, swale or any other unpaved portion of the Property, including unpaved portions of any Lot, unless pursuant to express rules and regulations adopted by the Directors regarding such parking. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Property during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling Unit or the Common Property. No Owner shall conduct or permit to be conducted repairs (except in an emergency) or restorations of any motor vehicle, or other vehicle upon any portion of the Property, except in a garage with the doors thereto closed at all times. The Association shall have the right to remove this section shall not apply to any activities of Declarant.

5.5.5. **Prohibited Vehicles:** Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, any trucks, including pick-up trucks with more than 3/4 ton capacity, tractors, mobile homes, recreational vehicles (not including sport-utility vehicles commonly used as private vehicles), campers, camper trailers, boats and any watercraft, and any trailers for boats, watercraft or any vehicles shall not be parked anywhere on the Property, unless parked in an enclosed garage or in a portion of the Lot completely enclosed by a perimeter fence approved by the Directors. Unless located within an enclosed garage, stored vehicles, vehicles which are obviously inoperable, and vehicles that do not have a current operating license or tag shall not be permitted on the Property. In addition, in order to preserve the aesthetic values of the community, the Association may require or cause the removal from the Property any vehicle with substantial body damage unless the owner of the vehicle parks said vehicle inside an enclosed garage. For purposes of this Paragraph 5.5.5, police cars shall not be considered commercial vehicles.

5.5.6. **One Dwelling Unit Per Lot:** Only one single-family Dwelling Unit shall be permitted on any Lot.

5.5.7. **Driveway:** All Lots shall have a paved driveway of stable, hard surface and permanent construction. Unless prior written approval of the Directors is obtained, the driveway shall be concrete, brick or pavers. Each driveway shall extend from the Dwelling Unit to the paved portion of the adjacent street. If any portion of the driveway located within a utility easement or within a dedicated right-of-way is damaged or removed as a result of work on the utilities located within such utility easement or dedicated right-of-way, then the Owner of the Lot served by such driveway shall promptly repair and replace such damaged portions of the Owner's driveway at the Owner's expense using materials and design similar to that for the driveway which was damaged. Different materials may be used only where the prior written consent of the Directors is obtained.

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

5.5.9. **Antennas and Aerials:** Except as approved by the Directors, no antennas or aerials shall be placed upon the Property, unless completely inside a Dwelling Unit. Satellite reception dishes with a diameter in excess of eighteen (18") inches shall be permitted only if completely enclosed by a fence or landscaping meeting the requirements of the Directors.

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

5.5.11. **Maintenance of Premises:** In order to maintain the standards of MURANO, the Property and improvements thereon shall be kept in a good, safe, neat, clean and attractive condition, and all improvements thereon shall be maintained in a finished, painted and attractive condition, and no weeds, underbrush or other unsightly growth shall be permitted to grow or remain on any portion of the Property, and no refuse or unsightly objects shall be allowed to be placed or permitted to remain anywhere thereon, and no grass on said Property shall be permitted to grow in excess of four inches. Excepted from the foregoing provisions of this Paragraph shall be any portion of the Property owned by Declarant or its nominees through the period of construction of Dwelling Units or other improvements thereon. However, all such construction debris, refuse, unsightly objects and waste on a portion of the Property must be removed within 30 days after the completion of construction of the improvements on such portion of the Property, as evidenced by issuance of a certificate of occupancy, if applicable. Unless prohibited by the applicable governmental authority or unless otherwise maintained by the Association, the Owner of a Lot shall also be responsible for maintaining the property between the edge of the Owner's Lot line and the edge of pavement or curb of the adjacent paved roadway in accordance with the requirements of this Paragraph 5.5.11, including, but not limited to, keeping all portions thereof (except the driveways) fully sodded and maintaining the Owner's driveway and the portion of a sidewalk, if any, lying within this area. Upon the failure of an Owner to maintain the Owner's Lot, any portion of the Property adjacent thereto for which the Owner has a duty to maintain and any improvements on the Lot or adjacent property and upon the Owner's failure to correct such deficiencies within ten (10) days after written notice by the Association or Declarant, the Association or Declarant, until Declarant no longer owns any portion of the Property, may, at its option, enter upon such Lot or portion of the Property and make such corrections as may be necessary, the cost of which shall be paid for by the Owner. If any Owner fails to make payment as requested, the requested payment shall be collected as a Special Lot Assessment from the Owner as elsewhere described in this Declaration. If Declarant makes such corrections, the Association shall upon written request reimburse Declarant for the expense thereof. The application or operation of this subparagraph shall be in addition to the remedies provided in Paragraph 4.1.2.

5.5.12. **Animals and Pets:** No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other usual and common domesticated household pets not to exceed a total of three may be permitted in a Lot. This limitation does not apply to fish. However, those pets which, in the sole discretion of the Board, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Property, shall be removed upon request of the Board. If the Owner fails to honor such request, the pet may be removed by the Board, and such action shall not be deemed to be a trespass or conversion. No pets shall be kept, bred or maintained for any commercial purpose. Pets shall at all times whenever they are outside a Dwelling Unit be carried or confined on a leash held by a responsible person. No Owner shall be permitted to maintain on their Lot a pit bull terrier, pit bull terrier mix, or any other dog of mean or violent temperament, or which otherwise evidences such temperament. Each Owner shall promptly remove and dispose of waste matter deposited by their pet. The Directors may adopt Rules relating to the control or presence of pets on the Common Property.



5.5.13. **Fences.** All fences are subject to the approval of the Directors as set forth in Paragraph 5.2, provided that in no event shall fences of any kind be permitted on the front yard portion of any Lot, and provided further that all other fences are limited to chain link fences painted or colored green or black, with such fence having a plant hedge abutting the interior of the fence, or fences made of white extruded aluminum, all as further specified by the Directors.

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

5.6. **Compliance with Documents.** Each Owner and the Owner's family members, guests, invitees, and lessees and their family members, guests and invitees shall be bound by and abide by the Community Documents. The conduct of the foregoing parties shall be considered to be the conduct of the Owner responsible for, or connected in any manner with, such individuals present within MURANO. Such Owner shall be liable to the Association for the cost of any maintenance, repair or replacement of any real or personal property located on the Common Property rendered necessary by the Owner's act, neglect or carelessness, or by that of any of the foregoing parties which shall be paid for by the Owner as a Special Lot Assessment. No Owner shall be permitted to maintain on their Lot a pit bull terrier or pit bull terrier mix or any other dog of mean or violent temperament or otherwise evidencing such temperament.

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

5.8. **Portable Buildings, Clothes Lines and Outside Clothes Drying, Lakes and Canals, Surface Water Management, Outside Storage of Personal Property, Air Conditioning Units, Garbage Containers, Oil and Gas Tanks, Air Conditioners: Exceptions for Declarant.** No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any portion of the Property for storage or otherwise, without the prior written consent of the Association. No clothesline or clothes pole shall be erected, and no outside clothes-drying is permitted except where such activity is advised or mandated by governmental authorities for energy conservation purposes, in which event the Association shall have the right to approve the portions of any property used for outdoor clothes-drying purposes. Only portable outdoor clothes-drying facilities approved by the Association are permitted, and same shall be removed or not in use. The use of any lake or canal within the Property which is Common Property shall be subject to all rules, regulations and restrictions adopted by the Directors concerning same. In particular, and without limitation, no swimming or motor boating will be allowed in any such lake or canal unless and except as expressly permitted pursuant to any such rules, regulations and restrictions adopted by the Directors. No Owner shall do anything to adversely affect the surface water management and drainage of the Property without the prior written approval of the Association and any controlling governmental authority, including but not limited to the excavation or filling in of any lake or any portion of the Property, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the Property by Declarant or by the developer of any portion of the Property in accordance with permits issued by controlling governmental authorities. The personal property of any Owner shall not be kept outside the Dwelling Unit or fenced or walled in yard without the prior written consent of the Association. Only central air conditioning units are permitted without the prior written consent of the Association. All garbage and refuse containers, air conditioning units, oil tanks, bottled gas tanks, and all permanently affixed swimming pool equipment and housing shall be underground or placed in walled-in or landscaped areas as approved by the Association. The foregoing use and maintenance restrictions shall not apply to Declarant, or to any portion of the Property while owned by Declarant, and shall not be applied in a manner which would unreasonably prohibit or restrict the development of any property and the construction of any Dwelling Units, sales offices, recreational facilities and other improvements thereon, or any activity associated with the sale of any new Units, by Declarant or by the developer of any portion of the Property. Specifically, and without limitation, Declarant

and, subject to the consent of Declarant shall have the right to: (i) construct any buildings or improvements within the Property, and make any additions, alterations, improvements, or changes thereto; (ii) maintain customary and usual sales, leasing, general office and construction operations on any portion of the Property; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon any portion of the Property for sales, leasing, construction, storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of the Property; and (v) post, display, inscribe or affix to the exterior of a Unit or upon any portion of the Property, signs and other materials used in developing, constructing, selling, leasing or promoting any portion of the Property.

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

5.10. **Visibility at Street Intersections.** No hedge, shrub, or planting which obstructs the site lines and elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and the line connecting them at points twenty five (25') feet from the intersection of the street lines or in the case of a rounded property corner from the intersection of the street lines as extended. The same site line limitation shall apply to any Lot within ten (10') feet from an intersection of street property lines with the edge of a driveway or alley pavement. No tree shall be permitted to remain within the above described limits of the intersections unless the foliage line is maintained at or above six feet (6') feet above the roadway intersection elevation to prevent the obstruction of sight lines.

5.11. **Tree Preservation.** No trees measuring four inches (4') or more in diameter at a point which is three (3') feet above ground level may be removed without the written approval of the Declarant, unless located within ten (10') feet of the Residence or accessory building or within ten (10') feet of the approved site for such building. No tree shall be removed from any Lot without the consent of the Declarant. All tree removal shall be removed only in accordance with County regulations and ordinances.

5.12. **Personal Services.** The employees of the Association shall not be required to attend to any personal matters or business of Owners, nor shall they be permitted to leave the Property on any private business of Owners. The uses and functions of such employees shall be governed by the Board. In the event personal services are provided to Owners by any employees of the Association, the Association will not assume any responsibility or be liable for, in any manner, the quality of such services or work provided, nor shall it warrant such services or work. In addition, the Association shall not be liable for any injury to persons or damage to property resulting from any act or omission by those performing such personal work or services for Owners.

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

5.14. **Transfer of Dwelling Unit/Notice to Association.** Each and every time an Owner ("Offeror") intends to sell or transfer a Dwelling Unit or any interest therein ("Offering"), the Owner shall give written notice to the Association of such intention ("Transfer Notice") together with the name and address of the intended purchaser or transferee ("Transferee"), and such other information as the Association may reasonably require on forms supplied by the Association. The giving of the Transfer Notice shall constitute a warranty and representation by the Offeror to the Association and any Transferee produced by the Association, as hereinafter provided, that the Offering is a bona fide offer in all respects. The Transfer Notice shall be given by certified mail, return receipt requested, or delivered by hand to the Secretary of the Association who shall give a receipt therefor. If the Association approves the Offering, such Approval shall be in writing and in recordable form, signed by any officer of the Association, and shall be delivered to the Transferee of the Offeror. In exercising its power of disapproval the Association must act in a manner that is neither arbitrary nor unlawfully discriminatory and withhold approval only for a reason or reasons rationally related to the protection, preservation, and proper operation of the Community. Failure of the Association to grant Approval shall constitute Approval, and the Association shall be required to prepare and deliver to the Transferee named in the Transfer Notice or the Restricted Transfer Notice, as the case may be, a written Approval in recordable form signed by one (1) officer of the Association. The Association shall have no authority to approve an Offering in violation of any restrictive covenant on sale in the deed of conveyance from the



Declarant to the Owner or in any other covenant running in favor of the Declarant with respect to approval of a transfer or sale of a Dwelling Unit. The Transferee shall deliver to the Association, as soon as practical, after the transaction has taken place, a certified copy of the recorded deed of conveyance and written Approval of the Association.

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

7. **EASEMENTS**

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

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

7.1.2. **Ingress-Egress/Utility and Drainage Easement.** There exists in favor of the Declarant and the Association and, if required, the applicable water management district or districts, and any other entity or public body which Declarant or the Association deem appropriate a perpetual, non-exclusive easement or easements for ingress, egress, utilities and drainage on, over, across, through and under the paved roadway, sidewalks, swales, and such other portions of the Property.

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

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

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

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

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

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

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

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

7.3.7. **Easement for Driveway and Sidewalk Maintenance.** Declarant and the Association hereby grant to each Owner, its successors and successors in title, a perpetual, non-exclusive easement for ingress, egress, access and maintenance purposes upon, across, over and under any portion of the Property between the boundary of such Owner's Lot and the edge of pavement of the adjacent paved roadway for the existence, construction, maintenance, repair and replacement of any portion of a sidewalk, a driveway providing access to such Owner's Lot and for the maintenance purposes set forth in Paragraph 4.

7.3.8. **Easement for Entry Signs.** Declarant and the Association shall retain an easement for the installation, maintenance, repair and replacement of the entry signs and other entry features, if any, to the Property and appurtenances thereof, over, under, through and across that portion of any Lots wherein such entry feature may be located. In particular, but not by way of limitation of the foregoing, the Association shall retain a perpetual easement over those portions of Lot 1 and Lot 47 on which any entry sign for the community is located. No Owner shall have the right to modify, remove, alter, paint or move any entrance sign or entry feature located on that Owner's Lot. Without limiting the foregoing, Declarant specifically reserves the right to install or place within the Property any and all



marketing signs, advertising, decorative features, temporary landscaping and similar marketing devices.

7.3.9. Utility, Drainage, Maintenance, Original Construction, Encroachment. The following easements are granted and reserved in favor of Declarant and the Association to facilitate the construction and maintenance of dwellings, fences and walls along the side Lot lines but with the intent that such easement shall not interfere with the construction of the adjacent dwellings. A Construction, Drainage and Maintenance Easement of five (5) feet in width along the side Lot line of each Lot for the benefit of Declarant and any builder to construct on the adjacent Lot, including without limitation, the building structure, water and sewer lines, electric meter, water meter, air conditioning unit(s), and any other part of the building structure and/or appurtenances, if any such structure or appurtenances are actually constructed by Declarant or a builder. Additionally, should any portion of the original dwelling unit conveyed to a Lot Owner by Declarant encroach on an adjacent Lot as described in the previous sentence, such encroachment shall be permitted and deemed part of the Maintenance Easement granted herein for so long as such encroachment shall exist.

7.3.10. Declarant's Construction and Sales Activities. In addition to the property rights granted in this Declaration to the Declarant, as Owner or otherwise, the Declarant (and any builder having purchased one or more Lots from the Declarant, or such builder's assignee) is extended the right to enter upon the Property at any time and in any way necessary to allow the Declarant or such builder to construct, sell or promote the sales of Lots from within the Property, including, but not limited to, the use of the street in front of the model homes for parking and any such other sales or construction activities deemed necessary or desirable by the Declarant. In addition, Declarant shall have the right to use all of the Common Property as it deems necessary and/or desirable for sales and construction purposes. Notwithstanding any other provision in this Declaration, Declarant is irrevocably empowered to sell, lease, transfer or convey any Lot or Lots on any terms for as long as Declarant owns any Lot. Declarant specifically reserves the right to install or place within the Property any and all marketing signs, advertising, decorative features, temporary landscaping and other marketing devices.

7.3.11. Assignments. The easements or right to grant easements reserved under Paragraph 7.3 above may be assigned on an exclusive or non-exclusive basis by the Association or, as long as Declarant owns any portion of the Property or Lot, by the Declarant in whole or in part to any County or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant as long as Declarant owns any portion of the Property.

7.4. Private Maintenance Easement. Owners of a Dwelling Unit shall have an easement over the five (5) feet of the Lot adjacent to and abutting the Owner's Dwelling Unit, provided that such easement shall not include any portion of the structure of the Dwelling Unit locate on such abutting or adjacent Lot. Such easement shall be for the purpose of conducting such maintenance of the Owner's Dwelling Unit requiring access to and presence on the adjacent Lot. No improvement restricting such access shall be made by any Owner within the easement.

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

8.1. Affirmative Covenant to Pay Assessments and Common Costs. In order to (1) fulfill the terms, provisions, covenants and conditions contained in the Community Documents; and (2) maintain, operate and preserve the Property, for the use, safety, welfare and benefit of the Owners and their guests, invitees, lessees and licensees, there is hereby imposed upon each Lot the affirmative covenant and obligation to pay to the Association (in the manner herein set forth) all Assessments including, but not limited to, the Individual Lot Assessments, Special Assessments, and Special Lot Assessments, as hereinafter provided. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all

Assessments in accordance with the provisions of the Community Documents, provided that the Owner shall be personally obligated only for Assessments that fall due during the time the Owner owns the Lot unless otherwise assumed by such Owner, notwithstanding the fact that the Lot may be subject to a lien for Assessments in addition thereto, provided that, in a voluntary conveyance of a Contributing Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for the Owner's share of Common Costs up to the time of conveyance.

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

8.3. Late Charges and Collection of Assessments by Association. If any Owner shall fail to pay any Assessment or installment thereof charged to such Owner within 30 days after the same becomes due, then a late charge of \$25, accruing as of the due date, may be levied by the Board for each month the Assessment is unpaid, which late charge may be secured by the filing of a claim of lien. If an Assessment is not paid within 30 days of its due date, the Association shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to all other remedies available to the Association:

8.3.1. To accelerate the entire amount of any Assessments for 12 months from the date of the last overdue Assessment based on the then current Individual Lot Assessment amount, notwithstanding any provisions for the payment thereof in installments; provided that in the event of an increase in the Individual Lot Assessment amount in the next year's Budget, such Owner shall be liable for the increase at such time as the increased Individual Lot Assessment becomes due.

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

8.3.3. To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in like manner as a foreclosure of a mortgage on real property; and



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

8.3.5. Notwithstanding the foregoing, the Association shall not be required to bring any action if it believes that the best interest of the Association would not be served by doing so.

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

8.5. Working Capital Fund. Declarant shall establish a "Working Capital Fund" for the operation of the Association, which shall be collected by Declarant from each Lot purchaser at the time of conveyance of each Lot to such purchaser in an amount equal to Two Hundred Fifty (\$250.00) Dollars. The share of each Lot of the Working Capital Fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot. The purpose of this fund is to assure that the Directors will have cash available to meet any legitimate Association expense, or to acquire insurance, additional equipment, or services deemed necessary or desirable by the Board of Directors, and may be expended at any time for such purposes. Amounts paid into the fund at closing are not to be considered advance payment of Assessments or as a reserve fund, and are not refundable or transferable.

9. METHOD OF DETERMINING ASSESSMENTS

9.1. Determining Amount of Assessments. The total anticipated Common Costs for each fiscal year shall be set forth in a Budget prepared by the Directors as required under the Community Documents. The total anticipated Common Costs (other than those Common Costs which are properly the subject of a "Special Assessment" as hereinafter set forth) shall be apportioned equally among the Contributing Lots by dividing the total anticipated Common Costs which are reflected by the Budget, other than those Common Costs which are properly the subject of Special Assessment (adjusted as hereinafter set forth) by the total number of Contributing Lots at the time of adoption of the Budget, with the quotient thus arrived at being the "Individual Lot Assessment." All questions regarding the number of Contributing Lots subject to this Declaration shall be decided by the Directors.

9.2. Assessment Payments. Individual Lot Assessments which have commenced on a Contributing Lot shall be prorated for the quarter in which the Contributing Lot came into existence, and shall thereafter be payable quarterly in advance on the first day of each quarter of each year, or as otherwise determined from time to time by the Directors. For any Budget year, Declarant may elect to pay: (i) the portion of the actual Common Costs, less any provision for reserves, that do not exceed budgeted amounts and which were properly incurred by the Association during that year which is greater than the sums received by the Association from the payment of Common Costs for that year by Owners other than Declarant; or (ii) such amount as Declarant would otherwise be obligated to pay if it had been subject to the annual assessment for Common Costs for that year on those Contributing Lots within the Property of which it is the Owner. Unless Declarant otherwise notifies the Directors at least 60 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Declarant's obligations hereunder may be satisfied in the form of a cash subsidy or by "in kind" contributions of service or materials, or a combination of these. Notwithstanding the foregoing, until such time as Declarant no longer appoints a majority of the directors of the Association, or until Declarant notifies the Association in writing that Declarant elects to pay Assessments as in the case of any other Owner, Declarant

shall not be liable for Assessments for any Units owned by Declarant, but in lieu thereof, Declarant shall be responsible for all Assessments actually incurred by the Association in excess of the Assessments and any other income receivable by the Association. In any event, during the period when Declarant is not liable for Assessments, the Association will not be required to fund the portion of any reserve account reflected in the budget which is attributable to any Units owned by Declarant. Notwithstanding the foregoing, in the event the Association incurs any Common Costs not ordinarily anticipated in the day-to-day management and operation of the Property, including but not limited to expenses incurred in connection with lawsuits against the Association, or incurred in connection with damage to property, or injury or death to any person, which are not covered by insurance proceeds, the liability of Declarant for such Common Costs shall not exceed the amount that Declarant would be required to pay if it was liable for Assessments as any other Owner, and any excess amounts payable by the Association shall be assessed to the other Owners. Other than as provided in this paragraph, Declarant shall have no obligation to contribute or pay any amount for Assessments or Common Costs as to Lots owned by Declarant. Notwithstanding anything provided herein, Declarant shall never be obligated to pay any amounts for any reserve fund even though the lack of payment of reserves for accounting purposes may be deemed to be an expense of the Association.

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

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

9.5. Liability of Owners for Individual Lot Assessments, Special Assessments and Special Lot Assessments. By the acceptance of a deed or other instrument of conveyance of a Contributing Lot, each Owner thereof, except for Declarant to the extent Declarant is an Owner, acknowledges that each Contributing Lot and the Owners thereof are jointly and severally liable for their own Individual Lot Assessment and their applicable portion of any Special Assessments (as to Special Assessments, subject to the limitations thereon relating to Lots owned by Declarant), as well as for all other Assessments for which they are liable as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Contributing Lots for the Common Costs (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessments insofar as Declarant is concerned and the limitations on the liability of Institutional Mortgagees, their successors and assigns). Further, such Owners recognize and covenant that they are individually liable for Special Lot Assessments (subject to any specific limitations provided for herein). Subject to such specific limitations, it is recognized and agreed by each Owner, for himself and the Owner's heirs, personal representatives, successors and assigns, that if Owners fail or refuse to pay their Individual Lot Assessment or any portion thereof or their respective portions of any Special Assessments or any other Assessments, including Special Lot Assessments, then the other Owners may be responsible for increased Individual Lot Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owners, and such increased Individual Lot Assessment or Special Assessments or other Assessments can and may be enforced by the Association in the same manner as all other Assessments hereunder as provided in this



Declaration. The limitations applicable to Lots owned by Declarant also apply to any portion of an Assessment arising from the failure of any Owner to pay a Special Assessment or a Special Lot Assessment, or any portion thereof. Failure of an Owner to make use of the rights granted in this Declaration shall not terminate the Owner's obligation to pay any Assessments hereunder.

9.6. Cable Television. Declarant and the Association may enter into certain agreements with a provider of cable or satellite television service and facilities (the TV Service Provider), for the purpose of providing for cable or satellite television service to and for each Owner. The agreements, which may include an easement and right of entry agreement and bulk rate agreement, or any of the foregoing or combinations thereof, shall be referred to herein together as the "CATV Agreement". If so provided in the CATV Agreement, the cost of monthly basic cable or satellite television service shall be charged to each Owner as a Special Lot Assessment and shall be collected and enforceable in the same manner as any other Special Lot Assessment. So long as the CATV Agreement or any similar subsequent agreement is in effect, each Owner shall be required to subscribe to and for basic cable or satellite television service (as that term or a similar term may be described and defined in the CATV Agreement). Upon acquiring title to a Lot, each Owner will, if required by the TV Service Provider or the Association, execute a subscription agreement in a form approved by the Association. In the event of the failure of any Owner to enter a subscription agreement within thirty (30) days of the time such owner acquires title to a Lot, then the Association shall be authorized to execute the subscription agreement on behalf of the Owner, and to bind the Owner to the terms thereof. Declarant reserves and retains to itself, its successors and assigns:

(a) The title to any central cable telecommunication receiving and distribution system and any electronic monitoring system which Declarant installs or causes to be installed within the Property, together with a perpetual easement for the placement and location thereof, including without limitation, conduits, wires, amplifiers, towers, antennae and related apparatus and equipment;

(b) A perpetual easement for ingress and egress over the Property, to service, maintain, install, repair and replace the aforesaid apparatus and equipment;

The CATV Agreement may grant to the TV Service provider an exclusive or non-exclusive easement over, under, in and upon any portion of the Property, including, but not limited to, any portion of any Lot, as may be necessary to install and maintain cable or satellite television equipment and facilities and to provide cable or satellite television service to each Dwelling Unit. All charges for basic cable or satellite television service, if any, shall be collected from each Owner each month by the Association as part of the Assessments. The Association shall have the right and authority to collect such charges from each Owner as part of the Assessments and to pay same to the TV Service Provider, as may be provided in the CATV Agreement. Neither Declarant nor the Association shall be responsible in any way for the providing of television service of any kind, and nothing contained herein shall be deemed or construed as a warranty, representation or covenant regarding the quality or content of any television service or the equipment, facilities and programming provided therewith. No Owner may refuse to pay any portion of an Assessment because of any claim or charge that the TV Service Provider has breached the CATV Agreement in any respect. Any claim or offset against the TV Service Provider on account of any such breach shall be asserted exclusively by the Association.

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

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

hereon, as opposed to any such levies or assessments against an individual Lot which shall be paid by the Owner thereof, shall be Common Costs.

10.2. Maintenance, Repair and Replacement

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

10.2.2. Any and all expenses of the Association necessary to maintain, preserve, repair, and replace certain improvements or landscaping located on the Property, as provided in this Declaration, including without limitation entrance ways, roadways, roadway swales, street signage, medians, and personal property and equipment related to such improvements and landscaping, if any, which under the terms of this Declaration the Association is obligated to maintain, preserve, repair and replace shall be Common Costs.

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

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

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

10.5. Indemnification. The costs and expenses of fulfilling the covenant of indemnification set forth in Paragraph 17.19 shall be a Common Cost.

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

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

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

10.9. Costs of Reserves. The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation or deferred maintenance of Common Property and improvements thereto or with respect to other



improvements, landscaping or equipment which the Association is to maintain, repair and replace pursuant to this Declaration, in amounts determined sufficient and appropriate by the Association from time to time shall be Common Costs. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association, and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same. No Reserves shall be imposed as Common Costs or otherwise collected from Lot Owners as long as the Declarant owns a Lot, unless Declarant gives its prior written consent thereto.

10.10. Matters of Special Assessments Generally. Amounts needed for capital improvements or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which are not inconsistent with the terms of any of Community Documents must also be approved by the affirmative vote of a majority of all MURANO Members (at any meeting thereof having a quorum) when the total amount of the Special Assessment for any one item or purpose is in excess of \$5,000, except that no approval need be obtained for a Special Assessment for the replacement or repair of presently existing Improvements or personal property on the Common Property. Declarant shall not be obligated for Special Assessments as to Lots owned by Declarant.

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

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

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

11. INSURANCE.

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

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

11.1.2. Casualty Insurance. To the extent determined by the Board, if at all, casualty property insurance for all improvements, if any, now or hereafter located upon the Common Property,

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

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

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

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

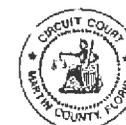
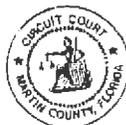
1.3.3. Such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

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

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

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

12. LEASING OF LOTS. For the first year after acquisition of a Lot, an Owner (other than the Declarant) may not lease or rent the Lot or the Dwelling Unit. Thereafter, each lease shall be approved by the Association as provided herein. Every lease shall be subordinate to any lien filed by the Association under this Declaration, whether such lien was filed before or after the commencement of the lease. If an Owner leases the Owner's Lot, a lease together with the names of the lessees shall be delivered to the Association



prior to the occupancy by the lessee. The Association shall have the right to establish a procedure for screening tenants; accordingly, the Association may then have the right to disapprove tenants. Such lease shall contain a covenant that the lessee acknowledges that the Lot is subject to Community Documents and is familiar with the provisions hereof, and the uses and restrictions contained therein, and agrees to abide by all such provisions. If a lease does not contain such a covenant, then such lease shall nonetheless be deemed to include such covenant. This paragraph shall also apply in the event of subleasing of a Lot to the same extent as to the leasing of a Lot. Each Owner hereby assigns to the Association on a non-exclusive basis the rights, but not the obligations, of a landlord as set forth in Chapter 83, Part II, Florida Statutes, as may be amended, including without limitation the right to pursue the remedies set forth therein; provided, however, that nothing shall require that the Association exercise such rights.

13. RIGHTS OF INSTITUTIONAL MORTGAGEES.

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

- 13.1.1. any condemnation or casualty loss that affects either a material portion of the Property or any Lot or Dwelling Unit on a Lot encumbered by its Institutional Mortgage;
- 13.1.2. any 60 day delinquency in the payment of Assessments or charges owed by the Owner of any Lot or Dwelling Unit on a Lot on which it holds the Institutional Mortgage;
- 13.1.3. a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, and
- 13.1.4. any proposed action which requires the consent of a specified percentage of Institutional Mortgagees

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

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

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



14. NON-CONTIGUITY.

MURANO is bifurcated by Sunset Trail, a publicly dedicated road and the Property is therefore not contiguous. Portions of the Property are separate from the Recreational Areas by Sunset Trail.

15. SURFACE WATER MANAGEMENT SYSTEM.

15.1. Association Responsibilities. The Association shall be responsible for operating and maintaining the Property in a manner consistent with the requirements of all Environmental Regulatory Agencies with regard to the flowage, drainage and retention of surface water, including, without limitation, the maintenance of all lakes, retention areas, culverts and related appurtenances, including as required under SFWMD Permit Number ~~17-0000-B~~. Such entities will include, without limitation, the South Florida Water Management District (SFWMD). The system, procedures, improvements and facilities to be employed for such purposes, as set forth in any such governmental requirements and as may be amended from time to time, shall be referred to herein as the "Surface Water Management System". The Association shall be responsible for operating and maintaining the Surface Water Management System in accordance with the foregoing requirements and any requirements imposed in connection with any surface water management permit issued by SFWMD.

15.2. Part of Common Property Assessments. The Surface Water Management System shall form part of the Common Property. The expense of operating and maintaining same shall be an item of Common Costs for which Members may be assessed by the Association.

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

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

15.5. Amendments. Any proposed amendment to the provisions of this Article, or any other provision of this Declaration, the Bylaws or the Articles of Incorporation of the Association, which amendment would affect the Surface Water Management System or the maintenance, operation and monitoring of any wetland mitigation areas (including environmental conservation areas and the water management portions of the water management portions of the Common Property) shall be first submitted to the SFWMD for a determination by said agency of whether the amendment necessitates a modification of the surface water management permit. If a modification to the permit is necessary the SFWMD will so advise the Association.

15.6. Enforcement by SFWMD. SFWMD has the right to take enforcement action, including a civil action for an injunction and penalties against the Association to compel it to correct any outstanding problems with the surface water management system facilities or in mitigation or conservation areas under the responsibility or control of the Association.

15.7. Dissolution of Association. In the event that the Association is permanently dissolved for any reason, then the property consisting of the surface Water Management System shall be conveyed to an appropriate agency of local government. If such agency will not accept such property, then same shall be conveyed and dedicated to a similar non-profit corporation.

16. LAKES AND WATER BODIES. Lakes, swales and water bodies, whether man-made, altered or natural, are part of or contribute to the Water Management System. Rainfall and groundwater elevations may affect the depth of water bodies from dry to deep, and the maintenance of a particular water level is not the responsibility of the Association or the Declarant. Depths of lakes, swales and water bodies may be deceiving. Due to design, construction, groundwater levels and other conditions, bottoms and embankments may vary in the angle of slope, with the resulting possibility of steep drop-offs to deep water levels. Lakes,



swales, water bodies, preserve areas, undeveloped portions of the Property and conservation areas are the natural habitat of various species of Florida wildlife, including the alligator, that may be hostile to humans and domestic animals and property. Persons, Owners, occupants, mortgagees and all of their invitees and licensees and each other person having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such uses) are hereby put on notice of these conditions of the Property, natural, altered and man-made, and by entering the Property or acquiring any interest in any part of the Property, acknowledge the necessary existence of these conditions which, under certain circumstances, may be hazardous and assume the risk of injury or damage as a result thereof. Neither Declarant nor the Association shall have a duty to protect anyone from the consequences of contact with these conditions. Each Owner by acceptance of a deed to any Lot acknowledges and knowingly assumes the risk of personal or property damage arising from conditions of the Property, whether natural, altered or man-made and each Owner hereby waives and releases the Declarant and the Association and any guest, employee, licensee, invitee, director, partner or officer or mortgagee of any such parties from any and all action, cause, suit, reckoning, claim or demand whatsoever, in law or in equity, as a result of property damage or personal-injury to such Owner, Occupant, Owner's or occupant's guests, employees, licensees or invitees caused by conditions of the Property, whether natural, altered or man-made or any species of animal, reptile or other animate or inanimate object. NEITHER DECLARANT NOR THE ASSOCIATION, NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE OR BOARD MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES"), SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES SHALL, FROM TIME TO TIME, EXCAVATE, CONSTRUCT AND MAINTAIN LAKES AND WATER BODIES WITHIN OR IN PROXIMITY TO THE PROPERTY, NOTWITHSTANDING THE FOREGOING, EXCAVATION OR CONSTRUCTION OF WATER BODIES SHALL BE PROHIBITED UNLESS AUTHORIZED BY THE APPLICABLE SOUTH FLORIDA WATER MANAGEMENT DISTRICT PERMIT. IN THE EVENT THAT THE EXCAVATION OR CONSTRUCTION OF WATER BODIES IS NOT AUTHORIZED BY SAID PERMIT, SUCH EXCAVATION OR CONSTRUCTION MAY ONLY TAKE PLACE IF A PERMIT MODIFICATION IS OBTAINED FROM THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE PROPERTY, EACH SUCH OWNER, OCCUPANT OR USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES: (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY; (ii) NOT TO ENTER UPON, OR ALLOW CHILDREN, GUESTS OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY LAKE OR WATER BODY WITHIN THE PROPERTY, EXCEPT AS SPECIFICALLY PERMITTED BY THIS DECLARATION, OR THE RULES AND REGULATIONS ADOPTED BY THE ASSOCIATION; (iii) DECLARANT, THE ASSOCIATION, AND THE OTHER LISTED PARTIES SHALL NOT BE LIABLE BUT, RATHER, SHALL BE HELD HARMLESS, FROM ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES; (iv) ANY PURCHASE OR USE OF ANY PORTION OF THE PROPERTY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING; AND (v) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE PROPERTY. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE BY ACCEPTANCE OF A DEED, EACH OWNER

ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE SUCH AS ALLIGATORS, FISH, SHARKS, RACCOONS, DEER, FOWL, AND FOXES. DECLARANT, OR THE ASSOCIATION SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

17. GENERAL PROVISIONS.

17.1. Notices. Any notice or other communication required or permitted to be given or delivered hereunder shall be properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (1) any Owner, at the address of the Person whose name appears as the Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Lot owned by such Owner; and (2) the Association, certified mail, return receipt requested, at 4788 West Commercial Boulevard, Tamarac, FL 33319, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing, and (3) Declarant, certified mail, return receipt requested, at 4788 West Commercial Boulevard, Tamarac, FL 33319, or such other address or addresses as Declarant shall hereinafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners. Upon request of an Owner, the Association shall furnish to such Owner then current address of Declarant as reflected by the Association records. Notwithstanding the foregoing, notices of meetings of members of the Association, the Board of Directors and the Directors shall be effected in the manner provided in the By-Laws.

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

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

- 17.1.2.1. A copy of any notice of a meeting of the Association or of the Board which is thereafter sent to the Owner of such Lot; and
- 17.1.2.2. A copy of any financial statement of the Association which is thereafter sent to the Owner of such Lot; and
- 17.1.2.3. 30 days' prior written notice of the cancellation or termination by the Association of any policies of insurance covering the Common Property or any improvements thereon, or any fidelity bonds of the Association, as well as copies of any notices of cancellation by others received by the Association with respect thereto; and
- 17.1.2.4. Written notice of any condemnation or eminent domain proceeding or proposed acquisition arising therefrom with respect to the Common Property; and
- 17.1.2.5. Written notice of any material amendment to, or the abandonment or termination of, this Declaration in accordance with the terms hereof or of any proposed action which would require the consent of Institutional Mortgagees; and
- 17.1.2.6. Written notice of any failure by an Owner of a Lot encumbered by a first mortgage held by such Listed Mortgagee to perform the Owner's obligations under Community Documents,



including, but not limited to, any delinquency in the payment of any Assessments where such failure or delinquency has continued for a period of 90 days.

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

17.2. **Protecting Legal Title to Common Property.**

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

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

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

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

17.4. **Enforcement**

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

17.4.2. Notwithstanding the availability of any other remedies set forth herein the Association shall also have the power to assess reasonable fines to enforce any of the provisions of Community Documents and any Rules adopted thereunder. [Such fines shall be deemed Special Lot Assessments which the Association may enforce in accordance with the provisions of this Declaration.]

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

17.4.4. In the event of a violation by any Owner (other than the nonpayment of any Assessment or other moneys) of any of the provisions of this Declaration, or of the Articles or Bylaws, the Association shall notify the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written Notice, or if the violation

is not capable of being cured within such seven (7) day period, if the Owner fails to commence and diligently proceed to completely cure as soon as practicable such violation within seven (7) days after written notice by the Association, the Association may, at its option:

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

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

17.4.4.3 Commence an action to recover damages; and/or

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

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

17.4.5. The amount of any fine shall be determined by the Directors, and shall not exceed 1/3 of one month's Assessment per Dwelling Unit for the first offense, 2/3 of one month's Assessment per Unit for a second similar offense, and one month's Assessment per Dwelling Unit for a third or subsequent similar offense. Prior to imposing any fine, the Owner shall be afforded an opportunity for a hearing after reasonable notice to the Owner of not less than 14 days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, Bylaws or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. The Owner shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association. At the hearing, the Directors shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Directors so determine, they may impose such fine as it deems appropriate by written notice to the Owner. If the Owner fails to attend the hearing as set by the Directors, the Owner shall be deemed to have admitted the allegations contained in the notice to the Owner. Any fine imposed by the Directors shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the Directors' decision at the hearing. Notwithstanding the foregoing, the Association shall not have the right to impose any fine against Declarant or against any other developer of any portion of the Property

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

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

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

17.8. **Order of Precedence.** In the event of any conflict between any of the provisions of Community Documents, other instruments affecting the Property and the Rules, the conflicting provision of the highest



order instrument or item shall prevail, with the order of such instruments or items determined as follows, in descending order of priority: 1) Laws, statutes, ordinances, codes, regulations and other governmental requirements; 2) Easements, restrictions, covenants and other matters affecting the Property duly recorded in the Public Records of Marlin County prior to the recordation of the Declaration (including, without limitation, the Master Declaration); 3) The Declaration; 4) The Articles; 5) The By-Laws; and 6) the Rules. Notwithstanding the foregoing, specific provisions shall prevail over more general provisions regarding the same subject matter.

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

17.10. Certain Rights of Declarant. Notwithstanding anything to the contrary herein contained, no improvements constructed by Declarant shall be subject to the approval of the Board. Furthermore, notwithstanding anything to the contrary contained in this Declaration, nothing herein contained shall, or shall be construed to, limit, or in any way affect the rights of Declarant and its successors and assigns to use all portions of the Property in conjunction with, and as part of, its program of sale, leasing, construction and development of and within the Property including, without limitation, the right to use portions of the Property owned by Declarant or the Association to store construction materials, assemble construction components, park vehicles, transact business, maintain models and a sales office, place signs, employ sales personnel, and show Lots, without any cost to Declarant and its successors, nominees and assigns for such rights and privileges. Declarant and its successors, nominees, and assigns shall have the right to construct, maintain, and repair such structures or improvements including the carrying on of all activities appurtenant thereto or associated therewith as Declarant deems necessary or appropriate for the development of the Property. Declarant may, pursuant to its programs of construction, temporarily suspend or interrupt the use of Common Property. Further, the provisions and covenants set forth in Paragraph 5 of this Declaration shall not apply to Declarant or Declarant's designees, successors or assigns to the extent Paragraph 5 conflicts with the rights of Declarant contained in this Paragraph 17.10. The rights and privileges of Declarant as set forth in this Paragraph, which are in addition to and are in no way a limit on any other rights or privileges of Declarant under any of Community Documents, shall terminate upon Declarant's no longer owning any portion of the Property, or upon such earlier date as Declarant shall notify the Association in writing of Declarant's voluntary election to relinquish the aforesaid rights and privileges. This paragraph may not be suspended, superseded, or modified in any manner by any amendment to this Declaration unless such amendment is first consented to in writing by Declarant. For the purposes of this Paragraph, the term "Declarant" shall include any "Lender" which has loaned money to Declarant to acquire or construct improvements upon the Property, or its successors and assigns, if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to Declarant, or acquires title thereto by deed in lieu of foreclosure.

17.11. Declarant reserves the right to record, modify, amend, revise and add to, at any time and from time to time, one or more subdivision plats or resubdivision plats setting forth such information as Declarant may deem necessary with regard to the Property, including without limitation the locations and dimensions of the Lots, Dwelling Units, Common Property, roads, utility systems, drainage systems, utility easements, drainage easements, access easements and set-back line restrictions without the joinder or permission of any Owner, the Association or any other person.

17.12. Disputes as to Use. If there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and the determination rendered with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property or any parts thereof in accordance with Paragraph

17.10 shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Association.

17.13. Term, Amendment, Termination and Modification.

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

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

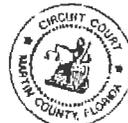
17.13.3. Except as set forth in Paragraph 17.10, the process of amending or modifying this Declaration shall be as follows:

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

17.13.3.2. By the vote of two-thirds of all MURANO Members, together with the approval or ratification of a majority of the Board. The aforementioned vote of MURANO Members may be evidenced by an instrument of writing signed by the required number thereof or by the affirmative vote of the required number thereof at any regular or special meeting of the Association called and held in accordance with the Bylaws, evidenced by a certificate of the Secretary of the Association. Amendments for correction of scrivener's errors or other defects in this Declaration may be made by Declarant alone until the termination of the Developer Control Period, and thereafter by the Board alone without the need of consent of the Owners or any other Person.

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

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



17.13.4. Notwithstanding the other provisions of Paragraph 17.13.3, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Association or any Institutional Mortgagee, under this Declaration or any other of Community Documents without the specific written approval of Declarant, the Association or Institutional Mortgagee affected thereby. Notwithstanding any other provision of this Paragraph 17.13.4, Declarant shall have the right, power and authority to make any amendment to this Declaration without the joinder of any other person, entity or agency, within ninety days of the date this Declaration is recorded in the Public Records of Marlin County, Florida.

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

17.13.6. Supplements are not amendments and need only be executed as set forth in Paragraph 2

17.13.7. No amendment that withdraws property from the terms of this Declaration shall be recorded unless approved in writing by the County Attorney's office.

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

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

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

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

17.17.1. the collection of Assessments;

17.17.2. the collection of other charges which Owners are obligated to pay, pursuant to Community Documents;

17.17.3. the enforcement of the covenants and restrictions contained in Community Documents, including but not limited to those regarding tenants;

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

17.17.5. defending any condemnation proceeding.

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

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

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



THE FINAL LOCATION OR NUMBER OF THE ENTRANCES. DECLARANT HAS NO OBLIGATION OR RESPONSIBILITY TO CONSTRUCT OR SUPPLY ANY SUCH ENTRANCES AND NO PARTY SHALL BE ENTITLED TO RELY UPON ANY STATEMENT CONTAINED HEREIN AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE ENTRANCES. THE ASSOCIATION FURTHER SPECIFICALLY RETAINS THE RIGHT TO ADD TO, DELETE FROM, OR MODIFY ANY OF ENTRANCES REFERRED TO HEREIN.

17.19. Indemnification and Exculpation.

17.19.1. Indemnification.

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

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

17.19.2. Exculpation.

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

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

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

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

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

(WP205538;4)



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

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

Witnessed:

Sandra Therese Gaudet
Name: Sandra Therese Gaudet
Alejandra Delfino
Name: Alejandra Delfino
Sandra Therese Gaudet
Name: Sandra Therese Gaudet
Alejandra Delfino
Name: Alejandra Delfino

STATE OF FLORIDA,
COUNTY OF Duval

Acknowledged before me on Sept 8, 2006, by David Schack, as member and manager of HOME DYNAMICS MURANO, LLC, who is personally known to me.



Sandra Therese Gaudet
NOTARY PUBLIC

STATE OF FLORIDA,
COUNTY OF Duval

Acknowledged before me on Sept 8, 2006, by Alejandra Delfino, as Vice President of MURANO HOMEOWNERS ASSOCIATION, INC., a Florida not for Profit Corporation, who is personally known to me



Sandra Therese Gaudet
NOTARY PUBLIC

(WP205538;4)



EXHIBIT "A"

Articles of Incorporation

See following pages

**ARTICLES OF INCORPORATION FOR
MURANO HOMEOWNERS ASSOCIATION, INC.,
a Florida corporation not for profit**

The undersigned incorporators by these Articles associate themselves for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, and hereby adopt the following Articles of Incorporation:

ARTICLE 1

NAME

The name of the corporation shall be **MURANO HOMEOWNERS ASSOCIATION, INC.** For convenience, the corporation shall be referred to in this instrument as the "Association," these Articles of Incorporation as the "Articles," and the Bylaws of the Association as the "Bylaws."

ARTICLE 2

PURPOSE

The purpose for which the Association is organized is to provide an entity for the purpose of administering a residential real estate project known as MURANO (the "Property"), which is being developed by HOME DYNAMICS MURANO, LLC., a Florida limited liability company (the "Declarant"), and for any other lawful purpose.

ARTICLE 3

DEFINITIONS

The terms used in these Articles shall have the same definitions and meaning as those set forth in the Declaration of Covenants, Conditions and Restrictions for Murano, as amended and modified from time to time, (the "Declaration") to be recorded in the Public Records of Martin County, Florida, and/or the Bylaws, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE 4

POWERS

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

- 4.1 General. The Association shall have all of the common-law and statutory powers of a corporation not for profit under the laws of Florida that are not in conflict with the provisions of these Articles, the Declaration or the Bylaws, together with such additional specific powers as are contained in the Declaration, the Bylaws and elsewhere in these Articles.
- 4.2 Enumeration. The Association shall have all of the powers reasonably necessary to operate the Property pursuant to the Declaration and as more particularly described in the Bylaws and these Articles, as they may be amended from time to time, including, but not limited to, the following:
 - (a) To make and collect Assessments and other charges against Members as Owners, and to use the proceeds thereof in the exercise of its powers and duties.
 - (b) To buy, own, operate, lease, sell, trade and mortgage both real and personal property.



[WP205338;5]

36

[WP218143;2]



- (c) To maintain, repair, replace, reconstruct, add to and operate the Property, and other property acquired or leased by the Association.
- (d) To purchase insurance upon the Common Property and all portions of the Property, including improvements thereon, under the jurisdiction of the Association, and insurance for the protection of the Association, its officers, directors and Owners.
- (e) To make and amend reasonable rules and regulations for the maintenance, conservation and use of the Property and for the health, comfort, safety and welfare of the Owners.
- (f) To approve or disapprove the leasing, transfer, ownership and possession of Lots as may be provided by the Declaration.
- (g) To enforce by legal means the provisions of the Declaration, these Articles, the Bylaws, and the rules and regulations for the use of the Property, subject, however, to the limitation regarding assessing Lots owned by the Declarant for fees and expenses relating in any way to claims or potential claims against the Declarant as set forth in the Declaration and/or Bylaws.
- (h) To contract for the management and maintenance of the Property and to authorize a management agent (who may be an affiliate of the Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Property with funds as shall be made available by the Association for such purposes. The Association and its officers and Directors shall, however, retain at all times the powers, and duties granted by the Declaration, including, but not limited to the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (i) To employ personnel to perform the services required for the proper operation of the Property.
- (j) To pay the cost of all power, water, sewer, waste collection, and other utility services rendered to the property of the Association, and not billed to the Owners.
- (k) To grant such permits, licenses, and easements over the Common Property for utilities, roads and other purposes reasonably necessary or useful to the Association.
- (l) To do such other things as may be necessary in order to perform the duties and to exercise the powers provided to the Association in the Declaration.

4.3 Association Property. All funds and the titles to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the Members in accordance with the provisions of the Declaration, these Articles and the Bylaws.

4.4 Distribution of Income; Dissolution. The Association shall make no distribution of income to its Members, Directors or officers, and upon dissolution, all assets of the Association shall be transferred only to another non-profit corporation or a public agency, except in the event of a termination of the Declaration.

4.5 Limitation. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration and the Bylaws.

ARTICLE 5

MEMBERS

- 5.1 Membership. The members of the Association ("Members") shall consist of the Declarant and all of the Owners of Lots in the Property from time to time, as further described in the Declaration.
- 5.2 Change of Membership. Subject to the terms and conditions of the Declaration, change of membership in the Association shall be established by recording in the public records of the County, a deed or other instrument establishing a record title to a Lot and the delivery to the Association of a copy of such instrument. The Owner designated by such instrument shall be deemed to become a Member of the Association, and the membership of the prior owner shall be deemed terminated on the date of execution of such instrument.
- 5.3 Assignment. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Lot for which that share is held.
- 5.4 Voting. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Lot, which vote shall be exercised or cast in the manner provided by the Declaration and Bylaws; provided, however, the Declarant shall also have additional votes in accordance with its Class B membership, as provided in the Declaration. Any person or entity owning more than one Lot shall be entitled to one vote for each Lot owned.
- 5.5 Meetings. The Bylaws shall provide for an annual meeting of Members, and may make provision for regular and special meetings of Members other than the annual meeting.

ARTICLE 6

TERM OF EXISTENCE

Unless otherwise terminated in accordance with these Articles, the Declaration or the laws of Florida, the Association shall have perpetual existence.

ARTICLE 7

INCORPORATOR

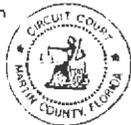
The names and address of the Incorporator to these Articles is as follows:

<u>NAME</u>	<u>ADDRESS</u>
Thomas E. Strait, Esquire	Akerman, Senterfitt & Eldson, P.A. 222 Lakeview Avenue, Suite 400 West Palm Beach, FL 33401

ARTICLE 8

OFFICERS

Subject to the direction of the Board (described in Article 9 below) the affairs of the Association shall be administered by the officers holding the offices designated in the Bylaws. The officers shall be elected by the Board at its first meeting following the annual meeting of the Members of the Association and shall serve



at the pleasure of the Board. The Bylaws may provide for the removal from office of officers, for filling vacancies and for the duties of the officers.

The names of the officers who shall serve until their successors are designated by the Board are as follows:

<u>President</u>	Michael Schack
<u>Vice President</u>	Alejandro Delfino
<u>Secretary/Treasurer</u>	Michael Hanley

**ARTICLE 9
DIRECTORS**

- 9.1 Number and Qualification. The property, business and affairs of the Association shall be managed by a board (the "Board of Directors") consisting of the number of Directors determined in the manner provided by the Bylaws, but which, prior to the Declarant's turnover of control of the Association to Owners other than Declarant, as provided in the Bylaws, shall consist of not less than two (2) Directors, and after the Declarant's turnover of such control as aforesaid, shall consist of not less than three (3) Directors. Directors need not be members of the Association or Owners of Lots in the Property.
- 9.2 Duties and Powers. All of the duties and powers of the Association existing under the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by Lot Owners when such approval is specifically required and except as provided in the Declaration.
- 9.3 Election; Removal. Directors of the Association shall be elected at the annual meeting of the Members in the manner determined by and subject to the qualifications set forth in the Bylaws. Directors may be removed and vacancies on the Board shall be filled in the manner provided in the Bylaws. Notwithstanding the foregoing, until the Turnover Date (as defined in the Bylaws), the Declarant shall have the exclusive right to elect and remove all of the Directors to the Board of Directors.
- 9.4 Initial Directors. The names of the members of the first board who shall hold office until their successors are elected and have qualified, as provided in the Bylaws are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Michael Schack	Home Dynamics Murano, LLC 4788 West Commercial Boulevard Fort Lauderdale, FL 33319
Alejandro Delfino	Home Dynamics Murano, LLC 4788 West Commercial Boulevard Fort Lauderdale, FL 33319

**ARTICLE 10
INDEMNIFICATION**

- 10.1 Indemnity. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or

proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, employee, officer, or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful, and (b) such court also determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

- 10.2 Expenses. To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.
- 10.3 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the affected Director, officer, employee or agent to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified by the Association as authorized in this Article 10
- 10.4 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.
- 10.5 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving, at the request of the Association, as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and insured by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.
- 10.6 Amendment. Anything to the contrary herein notwithstanding the provisions of this Article 10 may not be amended without the approval in writing of all persons whose interest would be adversely affected by such amendment.

**ARTICLE 11
BYLAWS**

The first Bylaws of the Association shall be adopted by the initial Board of Directors and thereafter may be altered, amended, modified or reacquired in the manner provided in the Bylaws and as permitted by law.



ARTICLE 12

AMENDMENTS

12.1 Prior to the Turnover Date, the Declarant may amend these Articles (consistent with the provisions of the Declaration allowing certain amendments to be effected by Declarant alone) without the consent of the Members or of the Board of Directors.

12.2 On or after the Turnover Date, amendments to these Articles shall be proposed and adopted in the following manner:

(a) The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Association, which may be either the annual or a special meeting.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member entitled to vote thereon within the time and in the manner provided in the Bylaws for the giving of notice of a meeting of the Members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

(c) At such meeting, a vote of the Members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of at least sixty-seven (67%) percent of the votes of each class of Members.

(d) Any number of amendments may be submitted to the Members and voted upon by them at any one meeting.

(e) If all of the Directors and all of the Members eligible to vote sign a written statement manifesting their intention that an amendment to these Articles be adopted, then the amendment shall thereby be adopted as though the above requirements had been satisfied.

12.3 No amendment shall make any changes in the qualifications for membership nor in the voting rights of Members without approval by all of the Members and the holder of all Institutional Mortgages holding Institutional Mortgages upon the Lot(s). No amendment shall be made that is in conflict with the Declaration or the Bylaws. Prior to the closing of the sale of all Lots within the Property, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Declarant, unless the Declarant shall join in the execution of the amendment.

12.4 No amendment to these Articles shall be made which discriminates against any Owner(s), or affects less than all of the Owners within the Property, without the written approval of all of the Owners so discriminated against or affected.

12.5 Upon the approval of an amendment to these Articles, the articles of amendment shall be executed and delivered to the Department of State as provided by law, and a copy certified by the Department of State shall be recorded in the public records of the County.

ARTICLE 13

ADDITIONAL PROVISIONS

13.1 No Officer, Director or Member shall be personally liable for any debt or other obligation of the Association, except as provided in the Declaration.



(WP218143;2)

6

13.2 The Association shall not be operated for profit. This corporation is organized under a non-stock basis, no dividend shall be paid, and no part of the income of the Association shall be distributed to its Members, Directors or officers. The Association may pay compensation in a reasonable amount to its Members, Directors or Officers for services rendered, and may confer benefits upon its Members as permitted by law. No such payment, benefit or distribution shall be deemed to be a dividend or distribution of income.

13.3 Any assessments of fees collected by the Association, or by any managing entity acting on behalf of the Association, are held for the benefit of Members of the Association and shall not be considered income of the Association.

13.4 Where the context of these Articles permits, the use of plural shall include the singular and the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

13.5 Should any paragraph, sentence, phrase or portion thereof, of any provision of these Articles or of the Bylaws or rules and regulations promulgated thereunder be held invalid or held inapplicable to certain circumstances, it shall not affect the validity of the remaining parts thereof or of the remaining instruments or the application of such provisions to different circumstances.

ARTICLE 14

PRINCIPAL ADDRESS OF ASSOCIATION

The principal office of this corporation shall be at 4788 West Commercial Boulevard, Fort Lauderdale, Florida 33319, or such other place as may subsequently be designated by the Board.

ARTICLE 15

CONVEYANCE

The Association shall accept any and all deeds of conveyance delivered to it by the Declarant.

ARTICLE 16

REGISTERED AGENT

The name and address of the initial registered agent for service of process upon the Association shall be:

Home Dynamics Murano, LLC
4788 West Commercial Boulevard
Tamarac, FL 33319

The above address is also the address of the registered office of the Association.



(WP218143;2)

7

IN WITNESS WHEREOF, the Incorporator has affixed his/her signature and caused these Articles of Incorporation to be executed as of this 17th day of August, 2006.

Thomas E. Strett
Thomas E. Strett

STATE OF FLORIDA)
) SS:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 17th day of August, 2006, by Thomas E. Strett, as Incorporator of Murano Homeowners Association, Inc., a Florida not for profit corporation, on behalf of the corporation. He is personally known to me.



Elaine Berman
(SIGNATURE OF NOTARY)

(Name of Notary, typed, printed or stamped)

**CERTIFICATE DESIGNATING PLACE OF BUSINESS OR
DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS
STATE NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

In compliance with the laws of Florida, the following is submitted:

Desiring to organize under the laws of the State of Florida with its principal office, as indicated in the foregoing Articles of Incorporation, in the County of Broward, State of Florida, the corporation named in the said Articles has named Home Dynamics Murano, LLC, a Florida limited liability company, as its statutory registered agent.

ACKNOWLEDGEMENT

Having been named the statutory registered agent for Murano Homeowners Association, Inc. and named to accept service of process for said corporation at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and acknowledge that I am familiar with and accept the obligations of my position as registered agent.

Home Dynamics Murano, LLC, a Florida limited liability company

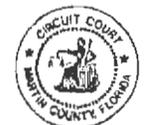
By: David Saffick
Name: David Saffick
Title: Managing Member
Dated this 18 day of August, 2006



(WP218143:2)

8

(WP218143:2)



STATE OF FLORIDA

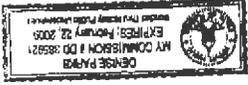
COUNTY OF BROWARD

SS: }

The foregoing instrument was acknowledged before me this 16 day of August, 2008, by David Schack as Managing Member of Home Dynamics Murano, LLC, on behalf of the company. He is personally known to me.

David B. Bors
(SIGNATURE OF NOTARY)

(Name of Notary, typed, printed or stamped)



WP2181432



WP20553815



EXHIBIT "B"

Bylaws

See following pages

BYLAWS
OF

MURANO HOMEOWNERS ASSOCIATION, INC., a corporation not-for-profit organized under the laws of the State of Florida

1. **Identity.** These are the Bylaws of MURANO HOMEOWNERS ASSOCIATION, INC., (the "Association"), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purpose of administering a residential real estate project known as MURANO located in Martin County, Florida (the "Property").
 - 1.1 **Principal Office.** The principal office of the Association shall be at 4788 West Commercial Boulevard, Fort Lauderdale, FL 33319, or at such other place as may be subsequently designed by the Board of Administration. All books and records of the Association shall be kept at its principal office.
 - 1.2 **Fiscal Year.** The fiscal year of the Association shall be the calendar year.
 - 1.3 **Seal.** The seal of the Association shall bear the name of the corporation, the word "Florida," the words "Corporation Not for Profit," and the year of incorporation.
2. **Definitions.** For convenience, these Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of the Association as the "Articles." The other terms used in these Bylaws shall have the same definition and meaning as those set forth in that certain Declaration of Covenants, Conditions and Restrictions for Murano (the "Declaration"), unless herein provided to the contrary, or unless the context otherwise requires.
3. **Members.** The members of the Association ("Members") shall be as specified in the Articles and Declaration.
 - 3.1 **Annual Meeting.** The annual Members' meeting shall be held on the date, at the place and at the time determined by the Board from time to time, provided that there shall be an annual meeting every calendar year. To the extent possible, the annual meeting shall be held during October, November or December and no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the Members, or as stated in the notice of the meeting sent to Owners in advance thereof.
 - 3.2 **Special Meeting.** Special Members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board. A special meeting must be called by the President or Secretary upon receipt of a written request from a majority of the Members of the Association. The business conducted at a special meeting shall be limited to the purposes stated in the notice of the meeting.
 - 3.3 **Notice of Meeting; Waiver of Notice.** Notice of a meeting of Members stating the time and place and the purpose(s) for which the meeting is called shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place within the Property. The notice of the annual meeting shall be hand delivered or sent by mail to each Owner, unless the Owner waives in writing the right to receive notice of the annual meeting by signing a waiver of notice, in person or by proxy, either before or after the meeting. The delivery or mailing shall be to the address of the Member as it appears on the roster of Members described in Section 10 hereof. The posting and mailing of the notice shall be effected not less than two (2) days, nor more than fourteen (14) days, prior to the date of the meeting. Proof of posting or hand delivery may be given by affidavit, and proof of mailing of the notice may be given by retention of post

WP218153:2



office receipts, or by affidavit. Notice of an annual meeting need not include a description of the purposes or purposes for which the meeting is called. Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called.

Notice of Member, annual or special meetings may be waived before or after the meeting. The attendance of any Member (or person authorized to vote for such member) shall constitute such Member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

- 3.4 **Quorum.** A quorum at Members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast thirty percent (30%) of the votes of Members, unless a higher number is specifically provided elsewhere in the Declaration, the Articles or these Bylaws. If voting rights of any Member are suspended pursuant to the provisions of the Declaration or these Bylaws, the vote(s) of such Member shall not be counted for the purpose of determining the presence of a quorum and the total number of authorized votes shall be reduced accordingly during the period of such suspension.
- 3.5 **Voting.**

(a) **Classes of Voting Membership.** The Association shall have two (2) classes of Members, each with voting rights as follows:

Class A. Class A Members shall be all Members including Declarant. Class A Members shall be entitled to one (1) vote in accordance with the Bylaws, for each Lot they own. The vote of a Lot shall not be divisible.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote which the sum of all Class A Members are entitled to cast at any time, thus giving the Class B Member a two-thirds (2/3rds) majority of votes in the Association. The Class B Membership shall cease upon the first to occur of the following ("Turnover Date"):

- (i) The date which is ten (10) years from the date upon which the Declaration is recorded in the Public Records of the County; or
- (ii) The date on which Declarant ceases to own at least ten (10%) percent of the Lots in all phases of the Property; or
- (iii) Termination of the Class B Membership by resignation of all Declarant-appointed directors and delivery to the Secretary of the Association of a certificate in recordable form, signed by Declarant and stating that Declarant elects to terminate the Class B Membership. Upon termination of the Class B Membership, Declarant shall retain any voting rights it may have as a Class A Member.

Notwithstanding the foregoing, Declarant shall be entitled to elect at least one (1) member of the Board of Directors of the Association as long as Declarant holds for sale in the ordinary course of business at least five (5) percent of the Lots in all phases of the Property. After Declarant relinquishes control of the Association, Declarant may exercise the right to vote any Declarant owned

WP218153:2

2

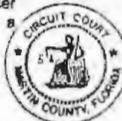


voting interest in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the Members of the Board of Directors.

- (b) **Majority Vote.** The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Members for all purposes except where otherwise provided by law, the Declaration, the Articles or these Bylaws. As used in these Bylaws, the Articles or the Declaration, the terms "majority of the Members" and "majority of the Members" shall mean a majority of the votes of Members and not a majority of the Members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Owners at which a quorum shall have been attained. Similarly, if some greater percentage of Members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of Members and not of the Members themselves.
- (c) **Voting Member.** If a Lot is owned by one person, his right to vote shall be established by the roster of Members. If a Lot is owned by more than one person, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record owners of the Lot according to the roster of Owners and filed with the Secretary of the Association. Such person need not be a Owner, nor one of the joint owners. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. A certificate designating the person entitled to cast the vote for a Lot may be revoked by any record owner of an undivided interest in the Lot. If a certificate designating the person entitled to cast the vote for a Lot is not on file or has been revoked, the vote of the Member(s) of such Lot shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed, except if the Lot is owned jointly by a husband and wife. If a Lot is owned jointly by a husband and wife, they may, without being required to do so, designate a Voting Member in the manner provided above. Such designee need not be a Owner. In the event a husband and wife do not designate a voting member, the following provisions shall apply:
- (i) If both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting, and their vote shall not be considered in determining whether a quorum is present on that subject at the meeting (and the total number of authorized votes in the Association shall be reduced accordingly for such subject only).
- (ii) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the Lot vote just as though he or she owned the Lot individually, and without establishing the concurrence of the absent person.
- (iii) If both are present at a meeting and concur, either one may cast the Lot vote.
- (d) **Corporation.** If a Lot is owned by a corporation or other entity, the Chairman of the Board, President, Vice President, Secretary, or Treasurer of the Corporation holding such Membership in the Association, and any like officer of a foreign corporation whether for profit or not for profit, holding a

(WP218153;2)

3



Membership in the Association, shall be deemed by the Association to have the authority to vote on behalf of the Corporation and to execute proxies and written waivers and consents in relation thereto, unless before a vote is taken on a waiver of consent is acted upon it is made to appear by certified copy of the Bylaws or Resolution of the Board of Directors or executive committee of the Corporation that such authority does not exist or is vested in some other officer or person. In absence of such certification, the person executing any such proxies, waivers or consents or presenting himself at a meeting as one of such officers of a Corporation shall be for the purposes of this Section conclusively deemed to be duly elected, qualified and acting as such officer and be fully authorized. In the case of conflicting representation, the corporate Member shall be deemed to be represented by its Senior Officer, in the order first stated in this subsection.

- (e) **Trusts.** If a Lot is owned by a trust or in the name of a trustee, the trustee shall be deemed by the Association to have the authority to vote on behalf of the Owner.

3.6 **Proxies.** A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawfully adjourned and reconvened meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be dated, must state the date, time, and place of the meeting for which it was given, and signed by the person authorized to cast the vote for the Lot (as above described) and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Holders of proxies need not be Owners. If the proxy form expressly so provided, any proxy holder may appoint, in writing, a substitute to act in his place.

3.7 **Adjourned Meetings.** Adjournment of an Annual or Special meeting to a different date, time, or place must be announced at the meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to the notice provision of the Bylaws. If a new record date for the adjourned meeting is or must be fixed, notice of the adjourned meeting must be given to persons who are entitled to vote and are Members as of the new record date but were not Members as of the previous record date. If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as provided by law, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

3.8 **Order of Business.** If a quorum has been attained, the order of business at annual Members' meetings, and, if applicable, at other Members' meetings, shall be:

- (a) Call to order by President;
- (b) Appointment by the President of a chairman of the meeting (who need not be a Member or a Director);
- (c) Proof of notice of the meeting or waiver of notice;
- (d) Reading of minutes;
- (e) Reports of officers;

(WP218153;2)

4



- (f) Reports of committees;
- (g) Appointment of inspectors of election;
- (h) Determination of number of Directors;
- (i) Election of Directors;
- (j) Unfinished business;
- (k) New business;
- (l) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

- 3.9 Minutes of Meeting. Minutes of all meetings of the Members of an Association must be maintained in written form or in another form that can be converted into written form within a reasonable time. The minutes of all meetings of Members shall be kept in a book available for inspection by Members or their authorized representatives or board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 3.10 Delinquent Members. If any Assessment or portion thereof imposed against a Member remains unpaid for thirty (30) days following its due date, such Member's voting rights in the Association shall be automatically suspended until all past due Assessments and other sums then due are paid, whereupon the voting rights shall be automatically reinstated.
- 3.11 Action Without A Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action herein required to be taken at any annual or special meeting of Members, or any action which may be taken at any annual or special meeting of such Members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken shall be signed by the Members (or persons authorized to cast the vote of any such Member as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of such Members at which a quorum of such Members (or authorized persons) entitled to vote thereon were present and voted.

Written consent shall not be effective to take the Association action referred to in the consent unless the consent is signed by the Members having the requisite number of votes necessary to authorize the action within sixty (60) days of the date of the earliest dated consent and is delivered in the manner required by this Section.

Any written consent may be revoked prior to the date that the Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Association, or received by the Secretary or other officer or agent of the Association.

A consent signed under this Section has the effect of a meeting vote and may be described as such in any document. Whenever action is taken pursuant to this Section, the written consent of the Members consenting to such action or the written reports of inspectors appointed to tabulate such consents must be filed with the minutes of proceedings of the Members.



Within ten (10) days after obtaining such authorization by written consent, notice must be given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

- 3.12 Recording. Any Member may tape record or videotape meetings of the Membership. The Board of Directors of the Association may adopt reasonable rules governing the taping of meetings of the Membership.

4. Directors

- 4.1 Membership. The affairs of the Association shall be managed and governed by a Board of Directors (the "Board") of not less than two (2) Directors prior to the Declarant's turnover of control of the Association to Members other than Declarant; of not less than three (3) after the Declarant's turnover of such control; and in no event more than five (5) Directors, the exact number initially to be as set forth in the Articles, and thereafter, except as provided herein, to be determined from time to time upon majority vote of the membership. Directors need not be Owners.

- 4.2 Election of Directors. The election of Directors shall be conducted in the following manner:

- (a) Election of Directors shall be held at the annual Members' meeting, except as provided herein to the contrary.
- (b) Nominations for Directors and additional directorships created at the meeting shall be made from the floor.
- (c) The election shall be by written ballot (unless dispensed with by majority consent of the Lots represented at the meeting) and decided by a plurality of the votes cast for each candidate. Each Lot entitled to vote shall have a number of votes equal to the number of vacancies to be filled. No Lot may cast more than one vote for one candidate. There shall be no cumulative voting.
- (d) All Members of the Association shall be eligible to serve on the Board of Directors, and a Member may nominate himself as a candidate for the Board at a meeting where the election is to be held.

- 4.3 Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of Directors by Members, vacancies on the Board occurring between annual meetings of Members shall be filled by majority action of the remaining Director(s), provided that all vacancies in directorships to which Directors were appointed by the Declarant pursuant to the provisions of Section 4.16 hereof shall be filled by the Declarant without the necessity of any meeting.
- (b) Any Director elected by the Members may be removed from office with or without cause by the vote or agreement by a majority of all votes of the Membership. The vacancy in the Board so created shall be filled by the Members at the same meeting or at a meeting of the Membership shortly thereafter. The conveyance of all Lots owned by a Director in the Property who owned one or more Lots at the time he was elected or appointed (other than appointees of the Declarant) shall constitute the resignation of such Director.



(c) Until a majority of the Directors are elected by the Members other than the Declarant, no Directors named by the Declarant shall be subject to removal by Members other than the Declarant. Directors appointed by the Declarant and Directors replacing them may be removed and replaced by the Declarant without the necessity of any meeting.

(d) If a vacancy on the Board of Directors results in there being no incumbent Directors, any Member may apply to the Circuit Court within whose jurisdiction the Property lies for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the Member shall mail to the Association and post in a conspicuous place in the Property a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these Bylaws. If, during such time, the Association fails to fill the vacancy(ies), the Member may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these Bylaws.

4.4 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the Members and subsequently until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided.

4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed members of the Board shall be held within ten (10) days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed, and no further notice to or by the Board of the organizational meeting shall be necessary.

(a) All meetings of the Board must be open to all Members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by attorney client privilege. Notices of all Board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the Property, notice of each Board meeting must be mailed or delivered to each Member at least seven (7) days before the meeting, except in an emergency. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. This subsection also applies to the meetings of any committees or other similar body, including anybody vested with the powers to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a Member.

4.6 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Regular meetings of the Board shall be open to all Members and notice of such meetings shall be posted conspicuously in the Property at least forty-eight (48) hours in advance for the attention of the Members of the Association, except in the event of an emergency.

Members shall not be permitted to participate, and need not be recognized at any such meeting.

4.7 Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of two-thirds (2/3rds) of the Directors. Notice of the meeting shall be given personally by mail, telephone or telegraph to each Director, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Special meetings of the Board shall be open to all Members and notice of a special meeting shall be posted conspicuously in the Property at least forty-eight (48) hours in advance for the attention of the Members of the Association, except in the event of an emergency. Members shall not be permitted to participate, and need not be recognized, at any such meeting.

4.8 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

4.9 Quorum. A quorum at Directors' meetings shall consist of a majority of the then incumbent Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board, except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these Bylaws.

4.10 Adjourned Meetings. If, at any proposed meeting of the Board, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

4.11 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).

4.12 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:

- (a) Proof of due notice of meeting;
- (b) Reading and disposal of any unapproved minutes;
- (c) Reports of officers and committees;
- (d) Election of officers;
- (e) Unfinished business;
- (f) New business;
- (g) Adjournment.

Such order may be waived in whole or in part by direction of the presiding officer.



4.13 Minutes of Meetings. Minutes of all meetings of the Board of Directors must be maintained in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each Director present at the Board meeting must be recorded in the minutes. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Members or their authorized representative or board member at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

4.14 Recording. Any Member may tape record or videotape meetings of the Board of Directors. The Board of Directors of the Association may adopt reasonable rules governing the taping of meetings of the Board of Directors.

4.15 Committees. The Board of Directors by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution or in the Articles of Incorporation or the Bylaws, shall have and may exercise all of the authority of the Board of Directors, except that no such committee shall have the authority to:

- (a) Approve or recommend to members actions or proposals required by this act to be approved by members;
- (b) Fill vacancies on the Board of Directors or any committee thereof; or
- (c) Adopt, amend, or repeal the Bylaws.

The provisions of the Bylaws governing meetings, notice and waiver of notice, quorum and voting requirements of the Board of Directors shall apply to all committees and their members as well.

Each committee must have two or more members who serve at the pleasure of the Board of Directors. The Board, by resolution adopted, may designate one or more director(s) as alternative members of any such committee who may act in the place instead of any absent member at any meeting of such committee.

Neither the designation of any such committee, and delegation thereto of authority, nor action by such committee pursuant to such authority shall alone constitute compliance by any member of the Board of Directors not a member of the committee in question with his responsibility to act in good faith, in a manner he reasonably believes to be in the best interest of the Association, and with such care as an ordinary prudent person in a like position would use under similar circumstances.

4.16 Declarant Control of Board; Turnover. So long as there shall be a Class B Membership as set forth in the Declaration, vesting voting control of the Association in the Declarant, the Declarant shall have the right to appoint and replace all Directors and Officers.

Declarant shall be entitled to elect at least one (1) member of the Board of Directors of the Association as long as Declarant holds for sale in the ordinary course of business at least five (5) percent of the Lots in all phases of the project. After Declarant relinquishes control of the Association, Declarant may exercise the right to vote any Declarant owned voting interest in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the Members of the Board of Directors.

The Declarant shall turn over control of the Association to Members other than the Declarant upon termination of the Class B Membership by causing all of its appointed

Directors to resign, whereupon it shall be the affirmative obligation of Members other than the Declarant to elect Directors and assume control of the Association. Provided at least thirty (30) days' notice of Declarant's decision to cause its appointees to resign is given to Members, neither the Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Members other than the Declarant refuse or fail to assume control. Control of the Association shall be deemed "turned over" upon (i) termination of the Class B Membership and (ii) resignation of all Declarant appointed Directors. Upon such turnover the Declarant shall retain all voting rights incident to its ownership of Lots.

Within a reasonable time after control of the Association is turned over to Members other than the Declarant, (but not more than ninety (90) days after such event) the Declarant shall deliver to the Association all property of the Members and of the Association held by or controlled by the Declarant, including, but not limited to, the following items, if applicable:

- (a) The original or a photocopy of the recorded Declaration, and all amendments thereto. If a photocopy is provided, the Declarant must certify by affidavit that it is a complete copy of the actual recorded Declaration;
- (b) A certified copy of the Articles of Incorporation for the Association;
- (c) A copy of the Bylaws of the Association;
- (d) The Minute Books, including all minutes, and other books and records of the Association;
- (e) Any rules and regulations which have been adopted;
- (f) Resignations of resigning officers and Board members who were appointed by the Declarant;
- (g) The financial records, including financial statements of the Association, and source documents since the incorporation of the Association to the date of turnover. The records may be reviewed, at the Association's expense, by an independent certified public accountant;
- (h) Association funds or the control thereof;
- (i) All tangible personal property that is the property of the Association, and an inventory of such property;
- (j) Insurance policies;
- (k) Copies of any Certificates of Completion which may have been issued for the Common Property;
- (l) Any other permits issued by governmental bodies applicable to the Common Property in force or issued within one (1) year prior to the date the Members take control of the Association;
- (m) All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective with respect to the Common Property;



- (n) A roster of Members and their addresses and telephone numbers, if known, as shown on the Association's records;
- (o) Leases to which the Association is a party, if applicable;
- (p) Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Members have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service; and,
- (q) All other contracts to which the Association is a party.
- (r) All deeds to the common property owned by the Association.
- (s) A list of the names, addresses and telephone numbers of all contractors, subcontractors and others in the employ of the Association at the time the control of the Association is turned over to Members other than Declarant.

4.17 Official Records. The Association shall maintain each of the following items, when applicable, which constitute the Official Records of the Association:

- (a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Areas or other property that the association is obligated to maintain, repair, or replace, if any;
- (b) A copy of the Bylaws of the Association and of each Amendment to the Bylaws;
- (c) A copy of the Articles of Incorporation of the Association and of each Amendment thereto;
- (d) A copy of the Declaration of Covenants and a copy of each Amendment thereto;
- (e) A copy of the current Rules of the Association;
- (f) The minutes of all meetings of the Board of Directors and of the Members, which minutes must be retained for at least seven (7) years;
- (g) A current roster of all Members and their mailing addresses and parcel identification;
- (h) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years;
- (i) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has an obligation or responsibility. Bids received by the Association for work to be performed must also be considered Official Records and must be kept for a period of one (1) year;
- (j) The financial and accounting records of the Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

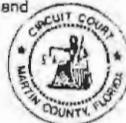
- (i) Accurate, itemized, and detailed records of all records and expenditures.
- (ii) A current account and a periodic statement of the account for each Member, designating the name and current address of each Member who is obligated to pay assessments, the due date and the amount of each assessment or other charge against the Member, the date and amount of each payment on the account, and the balance due.
- (iii) All tax returns, financial statements, and financial reports of the Association.
- (iv) Any other records that identify, measure, record, or communicate financial information.

4.18 Inspection and Copying of Records. The Official Records shall be maintained within the State and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. This subsection may be complied with by having a copy of the Official Records available for inspection or copying in the Property.

- (a) The failure of the Association to provide access to the records within ten (10) business days after receipt of a written request creates a rebuttable presumption that the Association willfully failed to comply with this subsection.
- (b) A Member who is denied access to the Official Records is entitled to the actual damages or minimum damages for the Association's willful failure to comply with this subsection. The minimum damages are to be \$50.00 per calendar day up to ten (10) days, the calculation to begin on the eleventh (11th) business day after receipt of the written request.
- (c) The Association may adopt reasonable written rules governing the frequency, time, location, notice, and manner of inspections, and may impose fees to cover the costs of providing copies of the Official Records, including, without limitation, the costs of copying. The Association shall maintain an adequate number of copies of the recorded governing documents, to insure their availability to Members, and prospective members and may charge only its actual costs for reproducing and furnishing those documents to those persons who are entitled to receive them.

5. Powers and Duties. The Board shall have the powers and duties necessary for the management and administration of the affairs of the Association and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these Bylaws may not be delegated to the Board by the Members. Such powers and duties of the Board shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining the Common Property and other property owned by the Association.
- (b) Determining the expenses required for the operation of the Association.
- (c) Collecting the Assessments for Common Expenses of the Association from Owners.



- (d) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Property and other property owned by the Association.
- (e) Adopting and amending rules and regulations concerning the details of the operation and use of the Property and any property owned by the Association, subject to a right of the Members to overrule the Board as provided herein.
- (f) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
- (g) Purchasing, leasing or otherwise acquiring Lots or other property in the name of the Association, or its designee.
- (h) Purchasing Lots at foreclosure or other judicial sales, in the name of the Association, or its designee.
- (i) Selling, leasing, mortgaging or otherwise dealing with Lots acquired by the Association.
- (j) Settling or compromising claims of or against the Association in which all Members have a common interest.
- (k) Obtaining and reviewing insurance for the Common Property and other property owned by the Association.
- (l) Making repairs, additions and improvements to, or alterations of, the Common Property, in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (m) Enforcing obligations of the Members, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Property.
- (n) Levying fines against appropriate Members for violations of the Declaration or rules and regulations established by the Association to govern the conduct of such Members.
- (o) Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Property or the acquisition of property, and granting mortgages on and/or security interests in Association owned property; provided, however, that the consent of the holders of at least sixty-seven (67%) percent of the votes of the Membership represented at a meeting of Members at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of \$50,000.00. If any sum borrowed by the Board on behalf of the Association pursuant to the authority contained in this subparagraph (o) is not repaid by the Association, an Member who pays to the creditor such portion thereof as his interest in the property owned by the Association bears to the interest of all the Members in the property owned by the Association shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Member's Lot. The Association shall take no action authorized in this paragraph without the prior written consent of the Declarant as long as the Declarant owns any Lot.

(WP218153;2)

13



- (p) Contracting for the management and maintenance of the Common Property or other property owned by the Association and authorizing a management agent (who may be an affiliate of the Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Property or other Association property with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (q) At its discretion, authorizing Members or other persons to use portions of the Common Property or other property owned by the Association for private parties and gatherings and imposing reasonable charges for such private use.
- (r) Exercising (i) all powers specifically set forth in the Declaration, the Articles, and these Bylaws, and (ii) all powers incidental thereto, and all other powers of a Florida corporation not for profit.
- (s) Imposing a lawful fee in connection with the approval of the transfer, lease, or sale of Lots, not to exceed the maximum amount permitted by law in any one case.
- (t) Contracting with and creating special taxing districts.
- (u) Adopt and appoint executive committees.

Anything herein to the contrary notwithstanding, no general funds of the Association shall be utilized for bringing, supporting, investigating, or otherwise abetting any legal action, claim or extra-judicial action except for (i) imposition, enforcement and collection of assessments, including lien rights, (ii) collecting of debts owed to the Association, (iii) bringing any contest or appeal of tax assessments relating to any property owned by the Association, (iv) actions brought by the Association to enforce the provisions of the Declaration, and (v) counterclaims brought by the Association in proceedings instituted against it, unless such legal action, claim or extra-judicial action shall be specifically approved for such purposes by seventy-five percent (75%) of the vote of the Members of the Association.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board and who may be peremptorily removed at any meeting at which a quorum of Directors is attained by concurrence of a majority of all of the present Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Officers need not be Members.
- 6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.
- 6.3 Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the

(WP218153;2)

14



President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as shall otherwise be prescribed by the Directors.

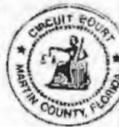
- 6.4 **Secretary.** The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving of all notices to the Members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.
- 6.5 **Treasurer.** The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board.
- 6.6 **Declarant Appointees.** No officer appointed by the Declarant may be removed except as provided in Section 4.16 hereof and by law.
- 7 **Compensation.** Neither Directors nor officers shall receive compensation for their services as such, but may be compensated for services performed outside the scope of their service as officers or Directors.
8. **Resignations.** Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such later date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer (other than appointees of the Declarant or other Directors or officers who are not Owners when elected or appointed) shall constitute a written resignation of such Director or officer.
9. **Fiscal Management.** The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
- 9.1 **Budget.**

- (a) **Adoption By Board; Items.** The Board shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of Assessments payable by the Members to meet the expenses of the Association, and allocate and assess such expenses among the Members in accordance with the provisions of the Declaration.

The budget must reflect the estimated revenues and expenses for the year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Association, the Developer, or another person. In addition to the annual operated expenses, and to the extent applicable, the budgets may include reserve accounts for capital expenditures and deferred maintenance. Prior to turnover of control of the Association by the Declarant to the Owners other than the Declarant, the Declarant may vote to waive reserves annually for each year of the operation of the Association. In the event of such waiver, the budget need not reflect or include reserve accounts for capital expenditures and deferred maintenance. After the Declarant has

(WP218153;2)

15



turned over control of the Association to the Owners other than the Declarant, the Board may, by a vote of the majority of Members present in person or by proxy at a meeting at which a quorum shall have been attached, determine for a fiscal year, not to provide for reserves.

The adoption of a budget for the Association by the Board shall comply with the requirements hereinafter set forth:

- (i) **Notice of Meeting.** A copy of the proposed budget shall be mailed to each Member not less than fourteen (14) days prior to the meeting of the Board at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting. The meeting shall be open to the Members, provided that Members shall not have the right to participate, and need not be recognized, at such meeting.

- (b) **Adoption by Membership.** In the event that the Board shall be unable to adopt a budget in accordance with the requirements of Subsection 9.1(a) above, the Board may call a special meeting of Members for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said subsection. Alternatively, the Board may propose a budget in writing to all Members of the Association. If either such budget is adopted by a majority of the votes of Members present at such meeting, or receiving such written budget, upon ratification by a majority of the Board, it shall become the budget for such year.

- 9.2 **Common Assessments.** Assessments against the Members for their share of the items of the budget shall be made for the applicable fiscal year annually, if possible at least ten (10) days preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each quarter (or other period at the election of the Board) of the year for which the Assessments are made. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment, and quarterly installments on such Assessment shall be due upon each installment payment date until changed by an amended Assessment.
- 9.3 **Individual Assessments.** Charges by the Association against less than all Members for other than routine Common Expenses, shall be payable in advance. These charges may be collected by Individual Assessment. Individual Assessments may be made only when expressly provided for in the Declaration or the exhibits annexed thereto, as the same may be amended from time to time, which charges may include, without limitation, charges for the use of portions of the Common Property or other Association property, maintenance services furnished at the expense of an Member, other services furnished for the benefit of an Member and fines and damages and other sums due from such Member.
- 9.4 **Special Assessments.** In the event the annual Common Assessment proves to be insufficient, the Board may adopt a Special Assessment to cover any shortfall in the manner otherwise set forth for the adoption of regular annual Common Assessments and as further provided in the Declaration. Special Assessments shall be made in the manner and for the purposes otherwise provided in the Declaration.
- 9.5 **Depository.** The depository of the Association shall be such bank(s) or savings and loan association(s) in the State as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of

(WP218153;2)

16



monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from Assessments or contributions to working capital or otherwise may be commingled in a single fund or divided into more than one fund, as determined by the Board.

- 9.6 Acceleration of Assessment Installments upon Default. If a Member shall be in default in the payment of an installment upon an Assessment for more than thirty (30) days, the Board or its agent may accelerate the remaining installments of the annual Assessment upon written notice to such Member, and the then unpaid balance of the Assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice or ten (10) days after mailing of the notice, whichever shall first occur.
- 9.7 Fidelity Bonds. Fidelity bonds may be required by the Board for all persons handling or responsible for Association funds in such amount as shall be determined by a majority of the Board, but no less than \$10,000 for each such person so bonded, if any. The premiums on such bonds shall be paid by the Association as a Common Expense.
- 9.8 Accounting Records and Reports. The Association shall maintain accounting records in the State of Florida, according to accounting practices normally used by similar associations or the manager under any applicable management contract. The records shall be open to inspection by Members or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each Lot designating the name and current mailing address of the Member, the amount of each Assessment, the dates and amounts in which the Assessments come due, the amount paid upon the account and the dates so paid, and the balance due.

Within sixty (60) days following the end of the fiscal year, the Association shall prepare a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The Association shall provide each Member with a copy of the annual financial report or a written notice that a copy of the annual financial report is available upon request at no charge to the Member. The financial report may consist of either financial statements presented in conformity with general accepted accounting principals or a financial report of actual receipts and expenditures, cash basis, which report must show the amounts of receipts by accounts and receipt classifications and may show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Cost for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Cost for recreation facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Cost for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses;

[WP218153;2]

17



- (j) General reserves, maintenance reserves and depreciation reserves; and
- (k) Beginning and ending cash balances of the Association.

- 9.9 Application of Payment. All payments made by a Member shall be applied as provided in these Bylaws and in the Declaration or as determined by the Board.
- 9.10 Notice of Meetings. Notice of any meeting where Assessments against Members are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such assessments.
- 9.11 Declarant Exemption From Assessments for Lawsuits. The Declarant shall not be liable for the payment of any Assessments applicable to Lots it owns which relate in any way to the payment of legal or other fees to persons or entities engaged for the purpose of suing, or making, preparing or investigating possible claims against the Declarant.
10. Roster of Owners. The Association shall maintain current information regarding the title holders of all Lots. Such information shall be obtained by requiring each Member to file with the Association a copy of the deed or other document showing his ownership. The Association may rely upon the accuracy of any such information for all purposes until notified in writing of changes therein.
- Only Members of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Members shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.
11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles or these Bylaws.
12. Amendments. Except as in the Declaration provided otherwise, these Bylaws may be amended in the following manner:
- 12.1 A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than 1/3 of the votes of Members of the Association. A majority of the Board shall thereupon adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may be the annual or a special meeting.
 - 12.2 Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member entitled to vote thereon within the time and in the manner provided in these Bylaws for the giving of notice of a meeting of the Members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.
 - 12.3 At such meeting, a vote of the Members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of at least sixty-seven (67%) percent of the votes of each class of Members.
 - 12.4 Any number of amendments may be submitted to the Members and voted upon by them at any one meeting.

[WP218153;2]

18



- 12.5 If all of the Directors and all of the Members eligible to vote sign a written statement manifesting their intention that an amendment to these Bylaws be adopted, then the amendment shall thereby be adopted as though the above requirements had been satisfied.
- 12.6 No amendment shall make any changes in the qualifications for membership nor in the voting rights of Members without approval by all of the Members and the joinder of all Institutional Mortgagees holding Institutional Mortgages upon the Lot(s). No amendment shall be made that is in conflict with the Declaration or the Articles. Prior to the closing of the sale of all Lots within the Property, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Declarant, unless the Declarant shall join in the execution of the amendment, including, but not limited to, any right of the Declarant to appoint Directors pursuant to these Bylaws.
- 12.7 No amendment to these Bylaws shall be made which discriminates against any Member(s), or affects less than all of the Members within the Property, without the written approval of all of the Members so discriminated against or affected.
- 12.8 Upon the approval of an amendment to these Bylaws, the certificate of amendment shall be executed and a copy shall be recorded in the public records of the County.
13. Rules and Regulations. The Board may, from time to time, adopt, modify, amend or add to rules and regulations concerning the use and operation of the Property, except that subsequent to the date control of the Board is turned over by the Declarant to Members other than the Declarant, Members of a majority of the Lots represented at a meeting at which a quorum is present may overrule the Board with respect to the adoption or modification of any rules and regulations. Copies of such rules and regulations shall be furnished by the Board to each affected Member not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Declarant.
14. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders. If any portion hereof shall be found by competent judicial authority to be unenforceable, then only that portion shall be deemed deleted and the remainder shall be given its nearest permissible meaning and effect.
15. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these Bylaws or the intent of any provision hereof.
16. Conflict. In the event there should be found any irreconcilable conflict among or between the Declaration, the Articles and/or these Bylaws and in the absence of any express language indicating which document controls the particular subject matter, then the provisions of the Declaration shall be paramount, the Articles next paramount and these Bylaws subordinate.
17. Indemnification of Officers and Directors. Subject to the further provisions of this paragraph, the Association shall indemnify and hold harmless all officers and Directors, (and members of a Tribunal, as provided in Section 18.3 hereof) past or incumbent, from and against all costs, claims, damages, expenses and liabilities of any kind whatsoever, including attorneys' fees and costs at all tribunal levels, arising out of the performance of such person's duties hereunder. Such indemnification and hold harmless provision shall (i) exist regardless of whether the Association itself is named as a party defendant or alleged to have any liability, (ii) include the payment of any settlements upon approval by the Board, and (iii) include indemnification of the estate and heirs of the indemnified party. Such indemnification and hold harmless provision shall not be applicable (i) to the extent the claim or liability is covered by insurance, or (ii) in the event a court of competent jurisdiction finally determines, after all appeals have been exhausted or not

(WP218153;2)

19



timely pursued, that the indemnified party did not act in good faith within what he reasonably believed to be the scope of his duty and/or authority and for purposes which he reasonably believed to be in the best interests of the Association or its Members generally and such court further specifically determines that indemnification should be denied. The provision of this paragraph may not be amended to terminate the effect hereof as to any persons who became officers or Directors while this paragraph was effective.

16. Suspension of Privileges; Fines. In the event of an alleged violation of the Declaration, the Articles, these Bylaws or the rules and regulations adopted hereunder, and after written notice of such alleged failure is given to the Member in the manner herein provided, the Board shall have the right, after the alleged violator has been given an opportunity for an appropriate hearing and upon an affirmative vote of the Board, to suspend or condition said Member's and his Family's, guests' and tenants' right to the use of the Common Property (except for the portions thereof which are necessary as a means of ingress and egress) and to fine such Member. Any such suspension shall be for a period of not more than thirty (30) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of any Assessment after the same becomes delinquent) the suspension may be imposed for so long as the violation continues. No fine shall exceed the sum of \$50.00 per violation. Repair or replacement costs shall not be deemed fines subject to the foregoing limitation. Any continuing violation shall be a separate violation for each day it continues. The Association may not suspend the voting rights of a Member. The failure of the Board to enforce the rules and regulations, these Bylaws, the Articles or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by these Bylaws or by law shall be cumulative and none shall be exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by those Bylaws, or by any rules and regulations adopted by the Association, before that Member may resort to a court of law for relief from any provision of the Declaration, the Articles, these Bylaws or the rules and regulations. The rights of the Association to suspend voting rights, to impose interest charges, accelerate Assessment payments, or to otherwise enforce the payment of Assessments, as elsewhere provided in the Declaration and these Bylaws, shall not be subject to the provisions of this paragraph 16 or require the notice and hearing provided for herein.
- 18.1 Written Complaint. A hearing to determine whether a right or privilege of a Member or any of his Family or tenants ("Respondent") under the Declaration or these Bylaws should be suspended or conditioned or a fine imposed shall be initiated by the filing of a written Complaint by any Member or by any officer or Director with the President or Secretary of the Association. The Complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the Respondent is charged, to the end that the Respondent will be able to prepare his defense. The Complaint shall specify the specific provisions of the Declaration, the Articles, these Bylaws or the rules and regulations which the Respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of such provisions without supporting facts.
- 18.2 Discovery. After initiation of a proceeding in which the Respondent is entitled to a hearing, the Respondent and the individual filing the Complaint, upon written request made to the other party, prior to the hearing and within fifteen (15) days after service by the Board of Directors of the Complaint or within ten (10) days after service of any amended or supplemental Complaint, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, and (2) inspect and make a copy of any statements, writings and investigative reports relevant to the subject matter of the hearing. Nothing in this section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as work product.
- 18.3 Tribunal. The Board shall appoint Tribunal of at least three Members upon receipt of a written Complaint. No member of the Tribunal shall be a Director, Officers or employee

(WP218153;2)

20



of the Association, nor shall any member of the Tribunal be involved in any prior investigation of the matter on behalf of the Board nor related by blood or marriage to either the complaining party or the Respondent. In appointing the members of the Tribunal, the Board should make a good faith effort to avoid appointing any Members who are witnesses to the alleged violation giving rise to the Complaint or otherwise biased. The decision of the Board shall be final, except that the Respondent may challenge any member of the Tribunal for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence of the hearing. In the event of such a challenge, the Board shall meet to determine the sufficiency of the challenge, without the President voting. If such challenge is sustained, the President shall appoint another Member to replace the challenged member of the Tribunal. All decisions of the Board in this regard shall be final. The Tribunal shall elect a Chairman. The Tribunal shall exercise all other powers relating to the conduct of the hearing. If the Tribunal, by majority vote does not approve a proposed fine or suspension, it may not be imposed.

18.4 Notice of Hearing. The Tribunal shall serve a notice of hearing, as provided herein, on all parties at least fourteen (14) days prior to the hearing.

18.5 Hearing.

(a) Whenever the Tribunal has commenced to hear the matter and a member of the Tribunal is forced to withdraw prior to a final determination by the Tribunal, the remaining members shall continue to hear and decide the case. Oral evidence shall be taken only on oath or affirmation administered by an officer of the Association. The use of affidavits and written interrogatories in lieu of oral testimony shall be encouraged by the Tribunal.

(b) Each party shall have the right to be represented by counsel; to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination; to impeach any witness regardless of which party first called him to testify; and to rebut the evidence against him. If the Respondent does not testify in his own behalf, he may be called and examined as if under cross-examination.

(c) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding, unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitious evidence shall be excluded.

(d) Neither the accusing Member nor the allegedly defaulting Member must be in attendance at the hearing. The hearing shall be open to attendance by all Members. In rendering a decision, official notice may be taken at any time of any generally accepted matter within the Declaration, the Articles, these Bylaws, the rules and regulations or the workings of the Association.

18.6 Decision. The Tribunal will prepare written findings of fact and recommendations for consideration by the Board of Directors. The Tribunal shall make its determination only in accordance with the evidence presented to it and in accordance with these Bylaws.

[WP218153;2]

21



After all testimony and documentary evidence has been presented to the Tribunal, the Tribunal shall vote by secret written ballot upon the matter, with a majority of the entire Tribunal controlling. A copy of the findings and recommendations of the Tribunal shall be posted by the Board at a conspicuous place on the Common Property, and a copy shall be served by the President on each party in the matter and his attorney, if any. Disciplinary action and fines under the Declaration, these Bylaws or the rules and regulations shall be imposed only by the Board, and based upon the findings and recommendations of the Tribunal. The Board may adopt the recommendations of the Tribunal in their entirety, or the Board may reduce the proposed penalty and adopt the balance of the recommendations. In no event shall the Board impose more stringent disciplinary action than recommended by the Tribunal. The decision of the Board shall be in writing and shall be served and posted in the same manner as the findings and recommendations of the Tribunal. The decision of the Board shall become effective ten (10) days after it is served upon the Respondent, unless otherwise ordered in writing by the Board. The Board may order a reconsideration at any time within fifteen (15) days following service of its decision on the parties on its own motion or upon petition by a party.

18.7 Suspension of Privileges and/or Fines for Failure to Pay Assessments. The Association may, without notice of a hearing, or an opportunity for a hearing, impose a suspension or fine upon any Member because of the failure of the Member to pay assessments or other charges when due. However, in no event shall a suspension of common area use rights impair the right of an Owner or tenant of a Lot to have vehicular and/or pedestrian ingress to and egress from the Lot, including, but not limited to the right to park.

The foregoing was adopted as the Bylaws of MURANO HOMEOWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at its first meeting of the Board of Directors on the 6th day of September, 2006.

Approved:

Name: Alejandro Delfino
Title: Vice President

[WP218153;2]

22



EXHIBIT "C"

Property

All of MURANO, P.U.D., according to the plat thereof recorded in Plat Book 16, Page 35,
Public Records of Martin County, Florida.

STATE OF FLORIDA
MARTIN COUNTY

THIS IS TO CERTIFY THAT THE
FOREGOING 10 PAGES IS A TRUE
AND CORRECT COPY OF THE ORIGINAL.
MARSHA EWING, CLERK

BY: Jimmy Jones D.C.
DATE: 11-8-05

