



LOTUS
BOCA RATON

**HOMEOWNERS ASSOCIATION
AND OTHER DOCUMENTS**



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This Instrument Prepared By And After Recording Should Be
Returned To: (enclose self-addressed stamped envelope)

Boca Raton Associates VIII, LLLP
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323
Attn: Steven M. Helfman, Esq.



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DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR



LOTUS

BOCA RATON

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DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LOTUS

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LOTUS ("Declaration") is made as of the Effective Date (as hereinafter defined) by BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership, its successors and assigns ("Declarant"), and is joined in by LOTUS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit ("Association").

RECITALS:

A. Declarant desires to develop a planned community to be known as "Lotus" (as hereinafter defined) on certain real property more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property");

B. In order to develop and maintain Lotus as a planned community and to preserve the values and amenities of such community, it is necessary to declare, commit and subject the Property and the improvements now and hereafter constructed thereon to certain covenants, restrictions, easements, reservations, regulations, charges, burdens and liens, and to delegate and assign to the Association certain powers and duties of ownership, administration, operation, maintenance and enforcement; and

C. The Association is joining in this Declaration in order to acknowledge its duties, responsibilities and obligations hereunder.

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

ARTICLE I DEFINITIONS

The following definitions shall be applicable to this Declaration unless expressly stated to the contrary otherwise.

Section 1. "ADDITIONAL PROPERTY" shall mean any real property (other than the Property) that may be submitted by Declarant to the terms and provisions of this Declaration by a Supplemental Declaration which shall be executed by the owner of the Additional Property and need not be joined in by any other person or Owner. No portion of any Additional Property shall be encumbered by this Declaration unless and until such property is added by a Supplemental Declaration executed by the fee owner thereof and Declarant. In the event any

Additional Property becomes encumbered by this Declaration, then, and only then in such event, the term "Property" as used herein shall also mean the Additional Property.

Section 2. "AMENDMENT(S)" shall mean any and all amendments to this Declaration, all of which shall be consecutively numbered beginning with the "First Amendment to the Declaration of Covenants, Restrictions and Easements for Lotus" and each of which shall be properly adopted pursuant to the terms of the Governing Documents and recorded in the Public Records; provided, however, the failure to so consecutively number or otherwise title such amendments shall not impair their validity hereunder and such amendments to the extent not otherwise numbered will be deemed to have been numbered in chronological order of their having been recorded in the Public Records. "Amendment(s)" shall also mean any and all amendments to any Supplemental Declaration, as recorded in the Public Records.

Section 3. "ARCHITECTURAL CONTROL COMMITTEE" or "COMMITTEE" shall mean the committee created pursuant to Article VIII hereof.

Section 4. "ARTICLES" shall mean the Amended and Restated Articles of Incorporation of the Association which have been filed in the Office of the Secretary of State of the State of Florida on January 8, 2019, a true copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference, as such Articles may be amended from time to time.

Section 5. "ASSESSMENTS" shall mean assessments for which all Owners are obligated to pay to the Association and includes "Individual Lot Assessments" and "Special Assessments" (as such terms are defined in Article VII hereof) and any and all other assessments and monetary fines and charges which are or may be levied by the Association in accordance with the Governing Documents.

Section 6. "ASSOCIATION" shall mean LOTUS HOMEOWNERS ASSOCIATION, INC., a not-for-profit Florida corporation (formerly known as Bridges South Homeowners Association, Inc. and also formerly known as Appolonia East Homeowners Association, Inc.), its successors and assigns, existing pursuant to the Articles, which Association is responsible for the ownership, administration, operation, management, maintenance, preservation, enforcement and architectural control of Lotus as provided in this Declaration.

Section 7. "ASSOCIATION PROPERTY" shall mean such portions of the Property which are not included in any Lot and which are or shall be owned or maintained by the Association, as set forth in this Declaration and/or: (a) indicated on the Plat as "Association Property" for the common use and enjoyment of the Owners within Lotus, or (b) dedicated to or reserved for the Association on the Plat. Association Property also includes all landscaping, personal property and any other Improvements on such Property including, without limitation, all of the following if and to the extent located thereon: all structures, the gatehouse and other entranceways; the Lakes (as hereinafter defined); the Recreation Tract and Passive Rec Areas (as more particularly described in Article II, Section 2.A below); wetlands; littoral plantings; private streets and street signs (including, without limitation, decorative or directional signs); bridges; bike paths; sidewalks; the Drainage System (as hereinafter defined), the Irrigation System (as hereinafter

defined); the "Open Space Areas" (as more particularly described in Article II, Section 2.D below); "Street Lights" (as more particularly described in Article II, Section 2.E below) and "Decorative Street Lights" (as more particularly described in Article II, Section 2.F below); perimeter fences and walls; entry or other lighting; entrance features, buffer tracts, monument walls, monument signs, site walls, retaining walls, and fountains. Association Property shall also include: (a) interests acquired by the Association in the form of easements, plat dedications and/or license rights, and (b) such portions of the Property or any other property as are declared to be Association Property in any Supplemental Declaration. Expressly excluded from Association Property are: (i) all public utility installations, (ii) all portions of the Property dedicated to the public by the Plats, (iii) all portions of any "Community Systems" (as hereinafter defined) not made Association Property pursuant to Article II, Section 8 below, (iv) any property of Declarant not intended to be made Association Property, and (v) all portions of the Property which are declared to be withdrawn from the provisions of this Declaration in any Supplemental Declaration.

Section 8. "BOARD" shall mean the board of directors or other legally recognized governing body of the Association.

Section 9. "BYLAWS" shall mean the Bylaws of the Association, which have been or will be adopted by the Board, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference, as such Bylaws may be amended from time to time.

Section 10. "CANALS" shall mean the canals in, around or near Lotus.

Section 11. "CANAL LOT" shall mean a Lot within Lotus abutting one of the Canals.

Section 12. "COMMUNITY SYSTEMS" shall mean any and all television systems (cable, satellite or otherwise), telecommunication systems, broadband and/or internet access systems (whether wired or wireless), and alarm monitoring systems, together with all utility or other lines, conduits, wires, satellites, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by Declarant, an affiliate of Declarant, any other entity in which Declarant or an affiliate of Declarant may have an interest (financial or otherwise), or any third party expressly granted the rights by Declarant or Association to provide Community Systems within the Property, or pursuant to any grant of easement or authority by Declarant or Association and serving the Association Property and/or more than one (1) Lot.

Section 13. "COMPLETED LOT" shall mean a Lot on which the construction of a Home has been completed, for which Home a certificate of occupancy or equivalent therefor has been issued by the appropriate Governmental Authority (as hereinafter defined), and the title to such Lot has been conveyed by Declarant.

Section 14. "COMPLETED LOT OWNER" shall mean the Owner of a Completed Lot.

Section 15. "COUNTY" shall mean Palm Beach County, Florida.

Section 16. "DECLARANT" shall mean Boca Raton Associates VIII, LLLP, a Florida limited liability limited partnership, and any successor or assign thereof to which Boca Raton Associates VIII, LLLP, specifically assigns (on an exclusive or non-exclusive basis) all or part of the rights and/or obligations of Declarant hereunder by an express written assignment, whether recorded in the Public Records or not. The written assignment may give notice as to, among other things, which rights of Declarant are to be exercised and/or obligations assumed, and as to which portion of the Property. In any event, any subsequent Declarant shall not be liable for any default or obligations incurred by any prior Declarant, except as may be expressly assumed by the subsequent Declarant. An Owner shall not, solely by the purchase of a Home and/or Lot, be deemed a successor or assign of Declarant under the Governing Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Declarant. Whether or not specifically stated, a predecessor Declarant shall be afforded the same protection with respect to matters arising during its tenure as Declarant as the predecessor Declarant would have if it were still Declarant.

Section 17. "DECLARATION" shall mean this instrument as it may be amended in writing from time to time, together with any Supplemental Declaration(s) or Amendments thereto, which may be recorded amongst the Public Records.

Section 18. "DIRECTOR" shall mean a member of the Board.

Section 19. "DRAINAGE DISTRICT" shall mean the Lake Worth Drainage District and any successor Governmental Authority charged with the rights and responsibilities of the Drainage District.

Section 20. "DRAINAGE SYSTEM" shall mean a system of structures and other improvements, including, without limitation, control structures, culverts, headwalls and/or swales, which is designed, constructed and installed to, among other things, collect and convey rainwater runoff from Lotus to the water management tracts (i.e., the Lakes) within the Property and/or the Canals adjacent to the Property and to also control the discharge of water from the Lakes into Canals, or vice-versa, all as required or permitted by the Water Management District Permit (as hereinafter defined). The Drainage System is located upon and designed to serve the Property and certain off-site roadway(s) as further described in Article II, Section 2.1 below. Except as set forth in this Declaration, the Drainage System is a private drainage system.

Section 21. "EFFECTIVE DATE" shall mean the date that this Declaration is recorded in the Public Records.

Section 22. "GOVERNING DOCUMENTS" shall mean, in the aggregate, this Declaration, the Articles, the Bylaws, the Rules and Regulations, and all of the instruments and documents referred to herein and therein, including, but not limited to, any Amendment(s) and Supplemental Declaration(s), all as may be amended and/or supplemented from time to time.

Section 23. "GOVERNMENTAL AUTHORITY" shall mean, as applicable, the County, the Water Management District, the Drainage District and all other federal, state or County governmental or quasi-governmental agencies, bureaus, departments, commissions and the like having jurisdiction over Lotus.

Section 24. "HOA ACT" shall mean the Homeowners' Association Act, Chapter 720, Florida Statutes, in effect and as same exists on the Effective Date notwithstanding any subsequent amendment, restatement and/or recodification of the Homeowners' Association Act (or any portion thereof) from time to time. Unless the context otherwise requires, references to the HOA Act shall also be deemed to include the Not for Profit Corporation Act, Chapter 617, Florida Statutes.

Section 25. "HOME" shall mean a residential dwelling unit constructed within Lotus, which is designed and intended for use and occupancy as a single-family residence (including, without limitation, single-family homes and zero-lot line homes), as evidenced by the issuance of a temporary or final certificate of occupancy for the Home; provided, however, that no portion of any Community System, even if installed in a Home, shall be deemed to be a part of a Home unless and until such Community System (or portion thereof) is made a part of a Home pursuant to the terms of this Declaration, if at all. Upon completion of construction of a Home on a Lot, the Lot and the Improvements thereon are sometimes collectively referred to as a Home in this Declaration and the Governing Documents.

Section 26. "IMPROVEMENT" shall mean all structures or artificially created conditions and appurtenances thereto of every type and kind located within Lotus, including, but not limited to, buildings, bridges, structures, fixtures, walkways, recreation areas and facilities, parking areas, berms, fountains, the Irrigation System, the Drainage System, the gatehouse, Streets, Drives, Roads, Roadways, driveways, fences, screening and retaining walls, underground footers and other foundation supports, stairs, decks, landscaping, trees, hedges, shrubs and other plantings, poles, antennae, satellite dishes, swings, gym sets and play structures, trampolines, tennis courts, swimming pools, covered patios, screen enclosures, jogging, bicycling and walking paths, basketball courts, backboards and hoops, signs, site and perimeter walls, gazebos, benches, mailboxes, Street Lights and Decorative Street Lights, and signs.

Section 27. "INCOMPLETE LOT" shall mean a Lot which is not a Completed Lot.

Section 28. "INCOMPLETE LOT OWNER" shall mean the Owner of an Incomplete Lot.

Section 29. "INSTITUTIONAL MORTGAGE" shall mean a mortgage held by an Institutional Mortgagee on any property within Lotus.

Section 30. "INSTITUTIONAL MORTGAGEE" or "INSTITUTIONAL LENDER" shall mean any lending institution owning a first mortgage encumbering any portion of the Property, which owner and holder of said mortgage shall either be: a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, building and loan association, mortgage banking company licensed to do business in the State of Florida, or any

subsidiary thereof, licensed or qualified to make mortgage loans in the State of Florida; or a national banking association chartered under the Laws of the United States of America; or any "secondary mortgage market institution," including the Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"); such other secondary mortgage market institutions as the Board shall hereafter approve in writing; any and all lenders, and the successors and assigns of such lenders, which have loaned money to Declarant or another Owner, and which hold a mortgage on any portion of the Property securing any such loan; any pension or profit-sharing funds qualified under the Internal Revenue Code; and/or Declarant, its successors and assigns. An Institutional Mortgagee shall also include any other lender whose mortgage encumbering any Home or Lot within Lotus is guaranteed by the Veterans Administration, the Federal Housing Administration or the Department of Housing and Urban Development.

Section 31. "INTEREST" shall mean the maximum nonusurious interest rate allowable by Law, as amended from time to time, on the subject debt or obligation, and if no such rate is designated by Law, then eighteen percent (18%) per annum.

Section 32. "IRRIGATION SYSTEM" shall mean one or more irrigation systems for the Association Property and/or any or all of the Lots within Lotus. The Irrigation System may be connected to any of the Lakes as a source of water for the Irrigation System and is designed to use reclaimed water as described in Article XIII, Section 19 below.

Section 33. "LAKES" shall mean those portions of the Property designated on the Plat as lakes, lake tracts or storm water management tracts.

Section 34. "LAKE BANK" shall mean the portion of a Lake from the water's edge of such Lake (as such water's edge may change from time to time) up to the outside perimeter line of the "Lake Maintenance Easement" (as described in Article II, Section 3 below) of such Lake.

Section 35. "LAKE LOT" shall mean a Lot within Lotus abutting or adjacent to one of the Lakes.

Section 36. "LAWS" shall mean all applicable federal, state and local laws, statutes, codes, ordinances, rules, regulations, requirements, restrictions, orders (including, without limitation, development orders), and rulings imposed or binding upon the Community.

Section 37. "LEGAL FEES" shall mean reasonable fees for attorney and paralegal services and all costs and court costs through and including all trial, appellate and post-judgment levels and proceedings incurred in connection with the negotiation and preparation for mediation, arbitration and/or litigation, whether or not an action is actually begun including, without limitation, with respect to the preparation of notices and liens, the collection of past due Assessments, and the enforcement of the Governing Documents. Legal Fees shall also include: (a) pre-litigation attorneys' fees and costs incurred by the Association in enforcing the Governing Documents, and (b) all reasonable fees for attorney and paralegal services and all

costs and court costs incurred in enforcing and exercising the right to collect all such Legal Fees incurred by the Association.

Section 38. "LOT" shall mean any parcel of land within Lotus as shown on the Plat, upon which a Home is permitted to be constructed, together with the Improvements thereon, and any portion of the Property within Lotus that is declared to be a Lot by a Supplemental Declaration and is not subsequently withdrawn from the provisions of this Declaration by a Supplemental Declaration; provided, however, that no portion of any Community System shall be deemed to be part of a Lot unless and until such Community System (or portion thereof) is made a part of a Lot pursuant to the terms of this Declaration, if at all. For purposes of Individual Lot Assessments, a Lot is either a Completed Lot or an Incomplete Lot. Upon completion of construction of a Home on a Lot, such Lot and the Improvements thereon are sometimes collectively referred to as a Lot in this Declaration and the Governing Documents.

Section 39. "LOTUS" shall mean the planned development located in the County which encompasses the Property, and is presently intended to consist of Homes and Association Property. Lotus will initially consist of the Property and may be expanded to include Additional Property or reduced by withdrawal of property, all by the recording of one or more Supplemental Declaration(s).

Section 40. "MEMBERS" shall mean all of the Owners who are also members of the Association, as provided in the Governing Documents.

Section 41. "NOTICE AND HEARING" shall mean written notice and a public hearing before the Board or Sanction Review Committee (as hereinafter defined) at which the Owner concerned shall have an opportunity to be heard in person or by counsel, at Owner's expense, in the manner set forth in Article X herein. In that regard, Owner shall have the right, but not the obligation, to have legal counsel of Owner's choice present at such hearing at the Owner's expense.

Section 42. "OCCUPANT" shall mean a family member, guest, or invitee of an Owner, for any period of time, including any tenant or licensee residing in a Home. For purposes of determining who is an Occupant, neither Declarant nor the Owner or family member of Owner, of an Incomplete Lot shall be deemed to be an Occupant. Other than invitees of Declarant, the Board shall have the authority to limit and/or prohibit certain invitees from the use and/or enjoyment of the Association Property (or any portions thereof).

Section 43. "OPERATING EXPENSES" shall mean the expenses for which Owners are liable to the Association as described in this Declaration and any other Governing Documents and include, but are not limited to: (a) all fees, costs and expenses incurred by the Association in owning, administering, operating, managing, maintaining, financing, or repairing (but not reconstructing, replacing or improving) the Association Property, any portion thereof and the Improvements thereon and/or all other property owned by the Association (including, without limitation, the Drainage System and Irrigation System), (b) all fees, costs and expenses described as Operating Expenses in the Governing Documents including, without limitation in

Article VI, Section 1 below, and (c) all fees, costs and expenses incurred by the Association in carrying out its powers, duties and obligations hereunder or under any other Governing Documents.

Section 44. "OWNER" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Lotus, and includes Declarant for as long as Declarant owns fee simple title to a Lot, but excluding therefrom those having such interest as security for the performance of an obligation.

Section 45. "PLAT" shall mean a plat and any replat of the Property and/or Additional Property comprising Lotus (or any portions thereof) recorded or to be recorded in the Public Records. In the event there are more than one plats and/or replats of Lotus, then where the context so requires, the term "Plat" as used in this Declaration shall mean, collectively, all of the plats and replats of Lotus (or any portions thereof).

Section 46. "PROPERTY" shall initially mean that certain real property described in Exhibit "A" attached hereto and made a part hereof, less and except any portion thereof dedicated or conveyed to a Governmental Authority or a public utility and thereafter, as applicable, to such additions thereto as may hereafter be brought within the jurisdiction of this Declaration and/or the Association; provided, however, Declarant reserves the right to withdraw from the provisions hereof, such portion or portions of the Property as Declarant from time to time elects, upon the execution by Declarant of a Supplemental Declaration. However, no amendment that withdraws Property from the terms of this Declaration shall be recorded unless approved in writing by the County Attorney's Office.

Section 47. "PUBLIC RECORDS" shall mean the Public Records of the County.

Section 48. "RULES AND REGULATIONS" shall mean the duly adopted rules and regulations of the Association, as same may be amended from time to time. The initial Rules and Regulations are attached as Exhibit "D" hereto and made a part hereof.

Section 49. "SUPPLEMENTAL DECLARATION" shall mean any instrument executed by Declarant which, when recorded in the Public Records, shall: (a) commit Additional Property, if any to the provisions of this Declaration, and shall be the only method of committing such property to the provisions of this Declaration, (b) withdraw any portion(s) of the Property from the lien and effect of this Declaration, (c) designate portion(s) of the Property or Additional Property to be or not to be Association Property hereunder, and/or (d) be for such other purposes as are provided in this Declaration. A Supplemental Declaration may also be used to impose additional covenants, restrictions, reservations, regulations, burdens, liens and easements upon the Property or any portion thereof and/or remove any of same. The Association shall join in the execution of any Supplemental Declaration at the request of Declarant but such joinder shall not be required to make any such Supplemental Declaration effective. The Owners shall not be required to join in the execution of any Supplemental Declaration but shall nevertheless be bound thereby.

Section 50. "TURNOVER DATE" shall mean the date upon which "Class A Members" (as defined in the Articles) shall assume control of the Association and elect a majority of the Board, as more particularly described in the Articles.

Section 51. "WATER MANAGEMENT DISTRICT" shall mean the South Florida Water Management District, a regional water management district established in accordance with Florida Law, and any successor, Governmental Authority charged with the rights and responsibilities of the Water Management District.

Section 52. "WATER MANAGEMENT DISTRICT PERMIT" shall mean that certain environmental resource permit for Lotus issued by the Water Management District under Permit Number P-50-07787-P, as same may be amended, modified and/or supplemented from time to time.

ARTICLE II

DESCRIPTION OF LOTUS

Section 1. **GENERAL PLAN OF DEVELOPMENT.** Lotus comprises the Property encompassing, or which will encompass, Homes and other Improvements, Lots and Association Property, all as more particularly defined by this Declaration and, in addition, lands which Declarant may add, but shall in no way be obligated to add, by one or more Supplemental Declarations. The Property initially declared hereunder is described in Exhibit "A" attached hereto. It is presently anticipated that Lotus will be developed as a planned community and contain both zero-lot line and non-zero lot line Homes. Notwithstanding the foregoing, however, Declarant reserves the right to: (a) modify its plan of development of Lotus (including, without limitation the right to modify the site plan and/or master plan of Lotus); (b) supplement, change or reduce the recreational facilities and/or amenities; (c) change and/or reduce the number of Homes and Home product types to be constructed within Lotus); and (d) add land to Lotus and/or withdraw land from Lotus; all in Declarant's sole and absolute discretion. Therefore, in the event Declarant modifies its plan of development of Lotus, adds land to Lotus and/or withdraws land from Lotus, the number of Lots, the layout and mixture of Lots and/or the size of Lots within Lotus may change. In any of such events, the Assessments required to be paid pursuant to this Declaration may increase or decrease as applicable. Declarant's general plan of development further contemplates that such Homes shall be whatever types of structures Declarant may choose from time to time which are in conformance with this Declaration. Declarant's general plan of development of Lotus may also include whatever facilities and amenities Declarant considers in its sole and absolute discretion to be appropriate for Lotus, as well as any changes thereto.

The Association is intended to be a "Homeowners Association," governed by and subject to the HOA Act, but is not in any fashion subject to or affected by the provisions of Florida's Condominium Act, Chapter 718, Florida Statutes, including any aspect of regulating condominium associations. Further, the express intent of this Declaration is that the substantive rights, duties and/or obligations hereunder shall not be retroactively affected by

legislation enacted subsequent to the date of the execution of this Declaration, unless specifically stated otherwise in this Declaration.

Additional Property will become a part of Lotus if, and only if, Declarant in its sole and absolute discretion adds Additional Property to Lotus by recording a Supplemental Declaration to such effect. Declarant hereby reserves an easement for ingress and egress and for utilities and drainage over, under and across the Property for the benefit of any Additional Property; provided, however, no such easement may be granted upon any portion of the Property that lies directly beneath a Home.

Declarant expressly further has and reserves the right as to the Property to (i) commence construction and development of the Property if and when Declarant desires; (ii) develop and construct the Property (including, without limitation, the recreational facilities and amenities) upon such timetable and in such phases as Declarant, in its sole and absolute discretion, chooses; and (iii) modify the plan of development of the Property (including, without limitation, the right to modify: the site plan and/or master plan of Lotus, the Water Management District Permit, the permits issued by the Drainage District, the recreational facilities and amenities, the Home product types, and the number of Homes to be constructed within Lotus); all in such manner as Declarant, in its sole and absolute discretion, chooses. Nothing contained herein shall be construed as obligating Declarant to construct Lotus according to the present plan of development or as obligating Declarant to declare any Additional Property to be Property.

Section 2. ASSOCIATION PROPERTY. The Association Property shall consist of: (a) the property indicated on the Plats as Association Property or as property reserved for or dedicated to the Association, (b) any property which may be used and enjoyed by the Association by virtue of an easement or license rights in favor of the Association, and (c) any other property designated as Association Property in this Declaration or any Supplemental Declaration. The Association Property shall be used for recreational and social purposes as well as other proper purposes by the Association and the Owners and their Occupants in accordance with the Governing Documents. Association Property may not be altered, modified, removed or replaced by Owners or their Occupants.

The portions of Lotus described in this Section 2 shall constitute Association Property and shall be used solely in accordance with the covenants, restrictions, reservations, regulations and burdens imposed upon the Association Property including, without limitation, the following:

A. **Recreation Areas.** Lotus is planned to contain one (1) active recreation area (the "Recreation Tract") and may (but shall not be obligated to) contain one or more other passive recreation area(s) (the "Passive Rec Areas"). The Recreation Tract and Passive Rec Areas, if any, shall be used for recreational purposes by the Association, and the Owners and their Occupants. Such portions, if any, of the Recreation Tract and Passive Rec Areas upon which Declarant has constructed or hereafter constructs Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located or to

be located thereon. The Recreation Tract and Passive Rec Areas shall always be kept and maintained by the Association for recreational uses or beautification and attendant uses (e.g., parking spaces within any of the Recreation Tract shall be used for proper purposes by those using the recreational facilities but only while using such facilities), and shall be used for such purposes and not for residential, commercial or industrial construction of any kind. The Recreation Tract and Passive Rec Areas shall be maintained, administered, operated and ultimately owned by the Association.

Declarant reserves the right, but shall not be obligated, to construct additional recreational facilities upon the Recreation Tract and/or Passive Rec Areas, and to modify, reduce and/or eliminate the facilities and amenities planned for the Recreation Tract and/or Passive Rec Areas (or any portions thereof). Declarant, at its sole and absolute discretion, hereby expressly reserves the right to reduce and/or modify the planned facilities, and to determine the timing of construction of the recreational facilities and installation of amenities. The decision as to whether to construct additional recreational facilities or amenities, to modify the planned facilities or amenities, to reduce the planned facilities or amenities, and/or the timing of the construction thereof, shall be in the sole and absolute discretion of Declarant.

Notwithstanding anything contained herein, neither Declarant nor the Association makes any representations whatsoever to commence, complete or construct any of the recreational facilities within any specific time period.

B. Lakes and Canals. The Lakes shall always be kept and maintained as lakes for water retention, drainage, irrigation, littoral plantings, lake banks and water management purposes, all in compliance with all applicable requirements of Governmental Authorities including, without limitation, the Water Management District and Drainage District. The Lakes shall be maintained, administered, operated and ultimately owned by the Association or the Water Management District. In furtherance of the foregoing, Declarant hereby reserves and grants an easement in favor of the Association, the Water Management District and the Drainage District throughout all portions of Lotus as may be necessary for the purpose of accessing, maintaining and administering the Lakes, and no Owner shall do any act which may interfere with the performance by the Association, Water Management District and/or Drainage District of its rights or obligations. The canals in, around or near Lotus (collectively, the "Canals") are owned and/or controlled by the Drainage District and therefore are (i) not part of and are expressly excluded from the Property (including, without limitation, the Association Property), and (ii) not operated, maintained and/or repaired by the Association, except as expressly provided in Article IX, Section 1.H below.

Water levels in the Lakes and Canals may rise and fall significantly due to, among other things, certain natural or man-made causes including, without limitation, rain, sun, and fluctuations in ground water elevations within the Property and areas surrounding the Property as well as water level control measures taken by the Water Management District, Drainage District and/or others having jurisdiction over such functions. Accordingly, neither Declarant nor the Association has any control over such water levels and/or ground water elevations.

Each Owner, by acceptance of a deed or title to a Lot, hereby releases Declarant, the Association and the County from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees) related to, arising out of and/or resulting from water levels in the Lakes and/or Canals regardless of the cause thereof.

THE DECLARANT, THE ASSOCIATION, THE WATER MANAGEMENT DISTRICT AND THE DRAINAGE DISTRICT SHALL BE NOT OBLIGATED TO PROVIDE ANY SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE RECREATION TRACT, PASSIVE REC AREAS, THE LAKES, CANALS AND/OR ANY OTHER PORTIONS OF THE ASSOCIATION PROPERTY. ANY INDIVIDUAL USING THE RECREATION TRACT, PASSIVE REC AREAS, THE LAKES, THE CANALS AND/OR ANY OTHER PORTIONS OF THE ASSOCIATION PROPERTY SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS THE DECLARANT, THE ASSOCIATION, THE WATER MANAGEMENT DISTRICT AND THE DRAINAGE DISTRICT HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES) RELATED TO, ARISING OUT OF AND/OR RESULTING FROM SUCH USE.

EACH OWNER AND OCCUPANT ACKNOWLEDGES THAT THE LAKES AND CANALS MAY BE EXTREMELY DEEP AND DANGEROUS. NEITHER THE DECLARANT, THE ASSOCIATION, THE WATER MANAGEMENT DISTRICT, THE DRAINAGE DISTRICT AND/OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, MANAGERS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN OR AROUND LOTUS, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE OR RESPONSIBLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK.

ALL OWNERS, OCCUPANTS AND USERS OF ANY PORTION OF LOTUS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED OR TITLE TO, OR USE OF SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE SAFETY, QUALITY AND LEVEL OF THE WATER IN SUCH BODIES, INCLUDING ANY STORM OR HURRICANE RELATED DAMAGE WHICH IS A RESULT OF WAVE ACTION WITH ANY WATER BODY. ALL PERSONS ARE ALSO HEREBY NOTIFIED THAT FROM TIME TO TIME WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN OR NEARBY LOTUS 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 OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ALL OWNERS AND USERS OF ANY PORTION OF LOTUS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED OR TITLE TO OR USE OF SUCH PROPERTY, TO HAVE AGREED TO RELEASE AND HOLD HARMLESS THE LISTED PARTIES FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES) RELATED TO, ARISING OUT OF AND/OR RESULTING FROM ANY AND ALL OF THE FOREGOING IN THIS SECTION 2.B, INCLUDING, WITHOUT LIMITATION, CHANGES IN THE SAFETY, QUALITY AND/OR LEVEL OF THE WATER IN SUCH BODIES AND/OR ANY WILDLIFE INHABITING OR ENTERING THE WATER BODIES WITHIN OR NEARBY LOTUS.

C. Streets, Drives, Roads and/or Roadways. The "Streets," "Drives," "Roads" and/or "Roadways" are those portions of the Property designated on the Plats as a street, driveway, road or roadway, and which are reserved for or dedicated to the Association, but specifically excluding any street or roadway dedicated to the public on the Plats. The Streets, Drives, Roads and/or Roadways shall be used as private roads by Declarant, the Association, the Owners, and Owner's Occupants in accordance with the provisions of this Declaration, but subject to non-exclusive easements for public and private utilities, as provided in the Governing Documents or on the Plats. The Streets, Drives, Roads and/or Roadways shall be maintained, administered, operated and ultimately owned by the Association. Notwithstanding anything to the contrary, each Owner shall be responsible for the maintenance, repair and replacement of the driveway serving such Owner's Lot and all brick pavers, marble and/or other driveway surfaces thereon, including that portion of the driveway and surfaces located within a Street, Drive, Road and/or Roadway, if any, unless the driveway was damaged by the Association in the fulfillment of its obligations and duties under this Declaration.

D. Open Space Areas. The "Open Space Areas" are those portions of the Property designated on the Plats, as "OS" tracts or as open space, and are to be used, kept and maintained as such by the Association, the Owners and the Owner's Occupants in accordance with the provisions of this Declaration. No Improvement, landscaping or other additions or deletions are permitted to be made or installed by any Owner in an Open Space Area. The Open Space Areas shall be owned by the Association, and shall be maintained, administered and operated by the Association in accordance with the requirements of this Declaration and the appropriate Governmental Authorities. Except as expressly provided in the Declaration or the Rules and Regulations, no Owner shall be permitted to attach their fence to any fence or wall located within any Open Space Areas or to otherwise fence in or enclose any portion of any Open Space Areas and/or other Association Property.

E. Street Lights. The "Street Lights" and any associated facilities placed within the Property and any street lights and associated facilities placed within public rights of way by agreement between Declarant or Association and the public utility responsible therefor, are or shall be installed by Declarant, and if installed, will be repaired, replaced, relocated, maintained and owned by the public utility responsible therefor, but the Association shall be responsible to pay all fees associated with such installation, repair, replacement, relocation and maintenance, and for the furnishing of electricity thereto, at a set rate pursuant to a street lighting agreement entered into or to be entered into with such public utility. Nothing in this Declaration shall be construed to require Declarant or the Association to install Street Lights within Lotus.

F. Decorative Street Lights. Declarant reserves the right, but shall not be obligated, to install "Decorative Street Lights" in or near the entranceways and gatehouse to Lotus. The Decorative Street Lights, if installed by Declarant, shall be repaired, replaced, relocated, maintained and owned by the Association. If installed, such Decorative Street Lights may not be typical of what may be installed in and around the Lots. Nothing in this Declaration shall be construed to require Declarant or the Association to install Decorative Street Lights within Lotus.

G. Gatehouse, Entranceway(s) and Entry Gate(s). Lotus may include a gatehouse, entranceway(s) and/or entry gate(s) installed by Declarant or the Association. Such gatehouse, entranceway(s) and/or entry gate(s) shall be deemed Association Property and shall be administered, operated, maintained, repaired and/or replaced by the Association and the expense thereof shall be included as an Operating Expense. The gatehouse and/or entry gate(s), if any, may or may not be staffed, as determined in the sole and absolute discretion of the Board. All other portions of the entranceway(s) shall also be owned and maintained by the Association. The Board shall have the right and power to adopt, enforce, amend and/or abolish, from time to time, policies and procedures regarding operation of the gatehouse and/or ingress/egress in and out of Lotus. Neither Declarant nor the Association makes any representations whatsoever as to the security of the Property or the effectiveness of any gatehouse and/or entry gate(s). All Owners agree to hold Declarant (and its partners) and the Association, and each of their respective shareholders, directors, members, managers, officers, employees, agents, successors and assigns, harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees) related to, arising out of and/or resulting from the occurrence of a crime or other act on or within the Property. The Owners acknowledge that the gatehouse and entry gate(s) are designed only to restrict vehicular access to Lotus, and will not be able to prevent crime. Notwithstanding anything herein to the contrary, neither Declarant nor the Association makes any representations whatsoever to commence, complete, construct or staff the gatehouse or entry gate(s) within any specific time period, if at all.

H. Buffers. The "Buffers" are those portions of the Property, if any, which run: (i) along the outer perimeter of the Property, (ii) adjacent to certain Streets, Drives, Roads and/or

Roadways, and/or (iii) between the rear yards of certain "back-to-back" Lots; and are designated on the Plats as "BT" tracts, "Buffer Tracts," "Buffer Easements," or as buffers. The Buffers shall be maintained by the Association in accordance with the provisions of this Declaration and the requirements of the Governmental Authorities. In order to preserve the aesthetic image of Lotus and to help maximize the Owners' use and enjoyment thereof, except as expressly provided in the Governing Documents, no Improvements (including, without limitation, landscaping trees, fences, pools, spas, patios, decks and/or other additions) may be installed within the Buffers without the prior written consent of the Association and applicable Governmental Authorities, excepting any Improvements, landscaping or other additions made or installed by Declarant and/or the Association, such as, but not limited to, berms, landscaping, fences, sod, Irrigation System facilities, Drainage System facilities, signs, walkways, walls and light poles. Additionally, except as specifically provided in Article X, Section 17 below, no Owner shall be permitted to attach their fence to any fence located within the Buffers or to otherwise fence-in or enclose any portion of the Buffers or other Association Property.

I. Drainage System. Except as provided in the Governing Documents and/or the permits issued by the applicable Governmental Authorities, the Drainage System within Lotus is a private drainage system intended to be owned, managed and maintained by the Association. The Drainage System will also be designed to serve and provide legal positive outfall for rainwater runoff from certain portions of public right-of-ways adjacent to or near Lotus (including, without limitation, Lyons Road, the public roadway adjacent to the western boundary of Lotus). The Association shall be responsible for all costs associated with all cleaning, maintenance, repair and replacement of any portion of the Drainage System necessary to maintain the system in its original condition and use. In that regard, each Owner by acceptance of a deed or title to a Lot acknowledges that the widths of drainage easements provided for the Drainage System in Lotus vary from the standard County requirements and will therefore require additional costs for maintenance above and beyond standard costs for stormwater management systems designed in accordance with County standards. All such costs of cleaning, maintenance, repair and replacement of the Drainage System shall be part of the Operating Expenses of the Association. The owner(s) of the properties outside of Lotus who are entitled to use the Drainage System as provided in the Declaration are not obligated to pay or reimburse the Association for any of the costs or expenses associated with the operation, maintenance, repair and/or replacement of the Drainage System.

J. Irrigation System(s). The Irrigation System serving the Association Property, any or all of the Lots within Lotus, and/or other properties to be maintained by the Association in accordance with this Declaration.

K. Easement Areas. All land, landscaping and improvements which may be used or enjoyed by virtue of any easement or license in favor of the Association. The Association shall maintain all such land, landscaping and improvements if, and to the extent, required by such easement or license. All fees, costs and expenses incurred by the Association in connection with such maintenance shall be Operating Expenses of the Association.

L. Right to Add Additional Improvements. Improvements on or in the Association Property shall be kept and maintained for use in a manner consistent with the nature of such Improvements located, or to be located, thereon. Declarant and the Association reserve the right, but shall not be obligated, to construct additional Improvements upon the Association Property. Declarant's decision as to whether to construct additional Improvements and the construction thereof shall be in the sole and absolute discretion of Declarant, and the Association's decision as to whether to construct additional Improvements and the construction thereof shall be in the sole and absolute discretion of the Association.

Section 3. LAKES AND LAKE LOTS. Except as provided in this Declaration, the Lakes shall be reserved for the private use and enjoyment of all Owners and their Occupants, but only in accordance with this Declaration. Notwithstanding the foregoing, such use and enjoyment shall, at all times, be subject to the rights and obligations of the Association under this Declaration to use maintain the Lakes for water retention, drainage, irrigation and water management purposes for all of Lotus, and the right of the Association to adopt rules and regulations from time to time with respect to the use of the Lakes for such purposes.

Only "catch and release" fishing in the Lakes shall be permitted; however, notwithstanding anything contained herein to the contrary, an Owner shall only access the Lakes from the "Lake Maintenance Access Easement" or "Lake Maintenance Easement" shown on the Plats, if any, which immediately abuts such Owner's Lot if the Owner's Lot is a Lake Lot (a "Lake Lot Owner"). If an Owner is not a Lake Lot Owner, or if a Lake Lot Owner wishes to access a different Lake or another area of the same Lake, access to the Lake shall be exclusively from the Lake Maintenance Access Easement and Lake Bank abutting an Open Space Area and such access shall be limited to the portion of the Lake Maintenance Access Easement and Lake Bank abutting the Open Space Area. If no portion of the Lake Maintenance Access Easement and Lake Bank abuts an Open Space Area, Owners other than Lake Lot Owners, shall not be permitted access to that Lake. In addition, no Owner shall be permitted access to or to fish from any Lake Maintenance Easement or Lake Bank which is located on or immediately abuts a Lake Lot owned by another Owner.

Lake Lot Owners and their Occupants shall be permitted at their sole risk to operate non-motorized and electric watercraft in the Lakes. No other persons shall be entitled to operate watercraft in the Lakes. Notwithstanding the foregoing, the launching into and removal from the Lakes of any permitted non-motorized or electric watercraft by a Lake Lot Owner shall be limited to such Lake Lot Owner's Lake Lot and the Lake Lot Owner shall only access the Lakes from the Lake Maintenance Easement which immediately abuts such Lake Lot Owner's Lake Lot. Watercraft shall be limited in size to eighteen feet (18') in length. No watercraft of any kind shall be permitted in the Canals. Watercraft and trailers shall not be stored on the Lake Banks, the Lake Maintenance Easements and/or Lake Maintenance Access Easements. Only watercraft which are permitted to be used within the Lakes of Lotus may be temporarily stored within the backyards of Lake Lots. Swimming in the Lakes is also prohibited.

No planting, fencing or other Improvements or additions to any Open Space Areas surrounding a Lake and outside the Lot is permitted by any Owner (or any of Owner's

Occupants). Other than sod, no planting, fencing or other Improvements (including landscaping) or additions shall be permitted by Owner(s) within or along the Lake Banks, the Lake Maintenance Easements and/or Lake Maintenance Access Easements. No installation of sand or other materials intended to simulate a beach shall be permitted within or along the Lake Banks or within the Lake Maintenance Easements, Lake Maintenance Access Easements and/or rear yards of Lake Lots; provided, however, Declarant shall have the right, but not the obligation, to install sand along the Lake Banks (and/or within the Lake Maintenance Easements and/or Lake Maintenance Access Easements) that are on or adjacent to the Recreational Tract, and if Declarant installs such sand, it shall be the Association's obligation to maintain and replace same, and the expense thereof shall be included as an Operating Expense.

In addition to the use of any Lake Maintenance Easement or Lake Maintenance Access Easement by any Lake Lot Owner, as described and permitted above, such easements are for the use of the Association, the County, the Water Management District, the Drainage District and any other Governmental Authority for access to the Lakes for maintenance of the Lakes and littoral plantings, if any, and other proper purposes. No alteration, relocation, removal or damage to littoral plantings, wetland plantings or upland plantings, if any, located in Lake Maintenance Easements or Lake Maintenance Access Easements is permitted by any Owner.

The Association shall be responsible for the maintenance, repair and replacement of all littoral plantings, if any, in all Lakes. In no event shall any Owner cause erosion or change in grade of any Lake Bank slopes from design grade.

Section 4. COSTS. All fees, costs and expenses associated with owning, operating, maintaining, and repairing (but not reconstructing, replacing or improving) the Association Property shall be Operating Costs and therefore the obligation of the Association. The costs associated with reconstructing, replacing or improving the Association Property shall be the subject a Special Assessment as provided in Article VII, Section 3 below.

Section 5. PRIVATE USE. Except as otherwise expressly provided in this Declaration, the Association Property is not for the use and enjoyment of the public, but is expressly reserved for the private use and enjoyment of Declarant, the Association, the Owners, and Owners' Occupants, at all times in accordance with the Governing Documents (including, without limitation, the Rules and Regulations).

A. Notwithstanding anything in this Declaration to the contrary, however, Declarant hereby expressly reserves for itself and its affiliates the right to use the Association Property (including, without limitation, all parking spaces within or adjacent to the Recreation Tract, if any) for such period of time as Declarant determines to be necessary in connection with the sale and marketing by Declarant and/or its affiliates of Homes in Lotus and/or in any other communities developed or to be developed by Declarant or its affiliates, including, but not limited to, the holding of sales and marketing meetings, the use of "model row(s)" if one or more, the use of design centers, the use of service and construction trailers, and engaging in sales promotions and events, and related sales and marketing activities for the general public.

B. The administration, management, operation and maintenance of the Association Property shall be the responsibility of the Association, as provided herein and in the Governing Documents.

Section 6. PRIVACY FENCES AND HEDGES. Certain of the Lots within Lotus on which "zero lot line" homes are constructed, as further described in Article IV, Section 6.C below, may have privacy fences installed by Declarant ("Privacy Fences") on or along their rear and/or side lot lines (or portions thereof), with hedges planted by Declarant on either or both sides of such Privacy Fences ("Hedges"). The Privacy Fences and Hedges, if installed by Declarant (which Declarant shall have no obligation whatsoever to do), shall be the maintenance, repair and replacement obligation of the Association, except as otherwise provided in Article X, Section 17 below, and may not be altered in any way or removed by the Owner or Occupant of the Lot.

Section 7. MODEL ROW. Declarant hereby reserves the right to construct and/or operate one or more "model row(s)" in Lotus. The "model row(s)" may contain models for Lotus or other communities being developed by Declarant or affiliate(s) of Declarant, as Declarant and/or any of Declarant's affiliates may so determine, in their sole and absolute discretion. The "model row(s)" may also contain parking, landscaping and fencing across Streets, Drives, Roads and/or Roadways as Declarant may determine in its sole and absolute discretion. In the event that Declarant and/or any of Declarant's affiliates constructs a "model row(s)" in Lotus, such "model row(s)" may be used for such period of time that Declarant and/or any of Declarant's affiliates determine to be necessary in its or their sole and absolute discretion including, without limitation, after the Turnover Date. Each Owner, by acceptance of a deed or title to a Lot in Lotus, acknowledges and agrees that: (i) Declarant and/or any of Declarant's affiliates have a right to construct and/or operate one or more "model row(s)" even after the Turnover Date; (ii) Declarant and/or any of Declarant's affiliates have an easement over and across Lotus for ingress and egress to and from the "model row(s)" (whether through the gatehouse or any alternative temporary entrances constructed by Declarant) and to use and show the models, the Recreation Tract, and the other portions of the Association Property to prospective purchasers in Lotus or other communities being developed by Declarant and/or any of Declarant's affiliates; and (iii) Owner shall not interfere in any manner whatsoever with the sales process by Declarant and/or any of Declarant's affiliates, including, without limitation, prohibiting the carrying of signs, the posting of signs on Lots or Homes, or other types of demonstrations in or around Lotus or any public right-of-way adjacent to the Property. Each Owner acknowledges and agrees that any such sales interference by Owner (directly or indirectly) shall be deemed a nuisance and actionable, improper interference with Declarant's and/or its affiliates' business, and therefore detrimental to: (x) the quiet enjoyment of Lotus by the other Owners, (y) the value of the Homes within Lotus, and (z) Declarant's and/or Declarant's affiliates' ability to conduct their business.

In addition, whether before or after the Turnover Date, the Association shall not prohibit, restrict or limit access into or out of Lotus (whether through the gatehouse or other portions of Lotus) of any potential customer or invitee of Declarant including, without limitation: customers or invitees desirous of using such "model row(s)" and/or contractors,

subcontractors and vendors of Declarant. Declarant hereby reserves the right to provide access to and from such "model row(s)" from alternative portions of Lotus, as determined by Declarant from time to time in Declarant's sole and absolute discretion. Notwithstanding anything to the contrary in this Declaration (including, without limitation, Article XIII, Section 8 below), this Section 7 may not be amended or modified without the prior written approval of Declarant, which approval may be withheld or delayed by Declarant in Declarant's sole and absolute discretion.

Section 8. COMMUNITY SYSTEMS. Declarant shall have the right, but not the obligation, to convey, transfer, sell, license or assign all or any portion of the Community Systems located within the Property, or all or any portion of the rights, duties or obligations with respect thereto to the Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in such Owner's Lot). Without limiting the generality of this Section 8, if and when any of the aforesaid persons and/or entities receive such a conveyance, sale, transfer or assignment, such person and/or entity shall automatically be deemed vested with such rights of Declarant with regard thereto as are assigned by Declarant in connection therewith; provided, however, that if the Association is the applicable entity, then any Community Systems or portions thereof shall be deemed Association Property hereunder and the Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Association Property unless otherwise provided by Declarant. Any conveyance, transfer, sale or assignment made by Declarant pursuant to this Section 8: (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Association or any Owner, and (iii) if made to the Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed). In recognition of the intended increased effectiveness and potentially reduced installation and maintenance costs and user fees arising from the connection of Lots and Association Property to the applicable Community Systems, each Owner and occupant of a Home shall, by virtue of the acceptance of a deed or title to a Lot or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that such Lot be so connected. The foregoing shall not, however, prohibit the Association or Community Systems provider from making exceptions to any such use requirement in its reasonable discretion. WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO ARTICLE VI, SECTION 8 BELOW, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

Section 9. PARKING RIGHTS. The Association may maintain upon the Association Property parking spaces for Owners and their Occupants, as well as Declarant. The use of such parking spaces by Owners and their Occupants shall be subject to the Rules and Regulations.

Section 10. CENTRAL IRRIGATION SYSTEM(S). Declarant shall have the right, but not the obligation, to install one or more Irrigation Systems for the Association Property and/or any and all of the Lots within Lotus. The Irrigation System(s) may be centrally controlled and operated by the Association and is(are) intended to utilize reclaimed water provided by the County. In the event Declarant installs one or more central Irrigation System(s) for: (a) the Association

Property, (b) any or all of the Lots within Lotus, and/or (c) other properties to be maintained by the Association in accordance with this Declaration, the responsibility for operating, maintaining, repairing and replacing such Irrigation System(s) shall be governed by Article IX below. The foregoing shall in no way obligate Declarant to: (i) install any of such Irrigation System(s), and/or (ii) cause the Irrigation System(s) or any portion thereof to use reclaimed water provided by the County except and to the extent required by the County.

ARTICLE III
ADDITIONS TO AND WITHDRAWALS FROM THE PROPERTY;
CONVEYANCE OF ASSOCIATION PROPERTY

Section 1. ADDITIONS. Declarant may from time to time, in its sole and absolute discretion, by the recording of Supplemental Declaration(s) in the Public Records, add any Additional Property or any other real property to the Property governed by this Declaration, and may declare all or part of such Additional Property or other property (including any Improvements thereon) to be Lots or Association Property. Upon the recording of a Supplemental Declaration, the property described therein shall be deemed part of the Property as if it were originally included therein and subject to this Declaration. Any such Supplemental Declaration may submit any Additional Property or any other real property to such modifications of the covenants, restrictions, reservations, regulations, burdens, liens and/or easements contained in this Declaration as may be necessary or convenient to reflect or adapt to any changes in circumstances or differences in the character of any such Additional Property or other property. Nothing contained in this Section 1 shall be construed to require the joinder by or consent of the Owners or the Association to any such Supplemental Declaration; provided, however, the Association shall join in the execution of any such Supplemental Declaration at the request of Declarant. In addition, nothing herein shall require Declarant to add any Additional Property.

Section 2. DESIGNATION OF ADDITIONAL ASSOCIATION PROPERTY. Declarant may, from time to time, in its sole and absolute discretion, by the recording of Supplemental Declaration(s) in the Public Records, designate additional portions of the then existing Property owned by it to be Association Property.

Section 3. DISCLAIMER OF IMPLICATION. As of the Effective Date, only the real property described in Exhibit "A" hereto is submitted and declared as the Property subject to this Declaration. Unless and until property is added to Lotus in the manner provided in Section 1 above, no other property (including any Additional Property) shall in any way be deemed to constitute a portion of the Property or be affected by the covenants, restrictions, easements, reservations, regulations, charges, burdens, and liens expressly binding the Property as provided by the terms of this Declaration.

Section 4. ABSENCE OF OBLIGATION. Nothing in this Declaration shall be construed to require Declarant to add any Additional Property to the Property encumbered by this Declaration or to require Declarant to declare any portion of any properties added to the Property to be Association Property, nor shall anything in this Declaration be construed to

require Declarant to declare any portion or portions of the existing Property as Association Property, except to the extent expressly provided in this Declaration.

Section 5. WITHDRAWAL. Notwithstanding anything herein to the contrary, Declarant reserves the absolute right at any time to withdraw portions of the Property from the provisions of this Declaration by recording Supplemental Declaration(s) in the County. Any such Supplemental Declaration must be: (a) executed by Declarant, the Owner of any portion of the Property sought to be withdrawn (if any), and each holder of an Institutional Mortgage on a Lot located on the Property sought to be withdrawn (if any), in order to be effective, and (b) approved in writing by the County Attorney's Office. Nothing contained in this Section shall be construed to require the joinder by or consent of the Association or the Owners of Lots on the portion of the Property which is not withdrawn by such Supplemental Declaration, or such Owners' Institutional Mortgagees holding mortgages on Lots on the portion of the Property which is not withdrawn by such Supplemental Declaration, or the Association.

Section 6. TITLE TO THE ASSOCIATION PROPERTY. To the extent herein provided, the Association Property is hereby dedicated non-exclusively to the joint and several use in common with the Declarant and all Owners of Lots that may, from time to time, constitute part of the Property. Except as otherwise required by applicable Law, when deeds and/or title to all Lots subject to the provisions of this Declaration have been conveyed to non-Declarant purchasers (or earlier at Declarant's option, exercisable from time to time, as to any portions of the Association Property), the Declarant or its successors and assigns shall convey and transfer to the Association, by: (a) quitclaim deed, the fee simple title, or (b) by easement or license (or assignment of easement or license), the easement or license rights, as applicable, to the Association Property free and clear of any mortgages. The Association shall accept such conveyance and transfer for the Owners as aforesaid. Such conveyance shall be subject to: (i) all real estate taxes and assessments due with respect to the Association Property from and after the date of recording of this Declaration; (ii) all Laws imposed by Governmental Authorities, including, without limitation, all building, zoning, land use and environmental Laws; (iii) matters which would be disclosed by an accurate survey of the Association Property; (iv) easements, covenants, conditions, restrictions, reservations, limitations and other matters of record; and (v) the terms and provisions of this Declaration, as the same may have been modified, amended and/or supplemented from time to time.

At the time of conveyance of the Association Property or any portion thereof, the Association shall accept the Association Property (together with the personal property and Improvements appurtenant thereto, if any), and shall pay all costs of such conveyance including documentary stamps and other taxes of conveyance, recording charges, title insurance expenses and insurance fees. The conveyance shall not, however, impair in any way Declarant's rights and easements as set forth in this Declaration. The Association shall also accept the Association Property and the personal property and Improvements appurtenant thereto in "AS IS" "WHERE IS" condition, with all faults, and without any representation or warranty, expressed or implied, in fact or by law, as to the condition or fitness of the Association Property, the personal property and/or the Improvements appurtenant thereto being conveyed. IN THAT REGARD, TO THE FULL EXTENT PERMITTED BY LAW (INCLUDING, WITHOUT

LIMITATION SECTION 553.835, FLORIDA STATUTES), THE ASSOCIATION AND EACH OWNER KNOWINGLY AND VOLUNTARILY RELINQUISHES AND WAIVES, AND DECLARANT EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES (EXPRESS OR IMPLIED) AS TO THE HOMES, ASSOCIATION PROPERTY, PERSONAL PROPERTY AND THE IMPROVEMENTS ON OR UNDER THE PROPERTY, WHETHER ARISING FROM CUSTOM, USAGE OR TRADE, COURSE OF CONDUCT, COURSE OF DEALING, CASE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE.

TO THE EXTENT THAT BY LAW OR OTHERWISE ANY OF THE WARRANTIES RELINQUISHED, WAIVED OR DISCLAIMED CANNOT BE RELINQUISHED, WAIVED OR DISCLAIMED, IN WHOLE OR IN PART, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES ARE SPECIFICALLY EXCLUDED AND DISCLAIMED (INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM CLAIMS OF PROPERTY DAMAGE, LOSS OF USE, PERSONAL INJURY AND/OR EMOTIONAL DISTRESS). Without limitation, the Association shall accept all Streets, Drives, Roads, Roadways, bridges and sidewalks, including, without limitation, all gutters, curbs and paver bricks located within and adjacent to the Streets, Drives, Road, Roadways, bridges and sidewalks, all as installed by Declarant; provided such Streets, Drives, Roads, Roadways, bridges, sidewalks, gutters, curbs and paver bricks perform their intended purposes. The Association and all Owners hereby further acknowledge and agree that cracks, lifting, settlement, expansion, erosion and differential displacement in the Streets, Drives, Roads, Roadways, bridges, driveways, sidewalks, gutters, curbs and paver bricks, as well as the ponding or collection of water following periods of rain thereon, are normal and shall not be considered to be defects or deficiencies of any kind whatsoever. Acceptance of same by the Governmental Authorities having jurisdiction thereover shall be conclusive evidence that all such Streets, Drives, Roads, Roadways, bridges, driveways, sidewalks, gutters, curbs and paver bricks are performing their intended purposes and not defectively designed or constructed.

The Association and each Owner acknowledge and agree that Declarant has or will install trees, shrubs, plants and other landscaping in and around Lotus consistent with a landscape plan that meets or exceeds the requirements of the County Unified Land Development Code ("ULDC") and that such trees, street trees, shrubs, plants and other landscaping will mature, expand, decay and/or die from time to time. In addition, the Association and each Owner further acknowledge and agree that the roots from such trees, shrubs, plants and other landscaping will grow and expand over time (collectively, "Root Growth"). Such Root Growth may expand, intrude under and potentially damage, among other things, sidewalks, driveways, drainage structures and pipes, walking paths, bike paths, tennis courts, Streets, Drives, Roads, Roadways, bridges, gutters, curbs, paver bricks and other Improvements located on the Property. Such Root Growth, expansion, intrusion, decay and death are natural and expected conditions and occurrences, and shall be maintained and repaired in accordance with this Declaration. Declarant shall not have any liability or responsibility for losses (including, without limitation, personal injury and/or death) or damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), repair and/or replacement arising out of and/or resulting from the following (collectively, the "Landscaping Inherent Conditions"): (i) Root Growth, (ii) the maintenance and

prevention of Root Growth or the lack of such maintenance and prevention, (iii) cracks, lifting, settlement, expansion, erosion and/or differential displacement in sidewalks, driveways, drainage structures and pipes, walking paths, bike paths, tennis courts, Streets, Drives, Roads, Roadways, bridges, gutters, curbs and paver bricks and other improvements located on the Property, and/or (iv) decay or death of trees, shrubs, plants and other landscaping regardless of the reasons therefor so long as all of the remaining trees, shrubs, plants and other landscaping, when looked at as a whole, meets or exceeds the minimum requirements of the ULDC. Accordingly, neither the Association nor any Owner shall have any claim whatsoever against Declarant as a result of the foregoing, and the Association and each Owner (past, present or future) hereby releases and agrees to hold harmless and indemnify Declarant and Declarant's partners, and each of their respective affiliates, shareholders, directors, officers, employees, successors and assigns, from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees) related to, arising out of and/or resulting from any of the Landscaping Inherent Conditions.

The Association and each Owner further acknowledge and agree that Palm Beach County: (i) shall not have any responsibility to control, maintain or repair any such Root Growth or any of the damage caused by the roots and/or any such Root Growth, and (ii) shall not have any liability for losses or damages arising out of and/or resulting from such Root Growth, expansion or intrusion. The exculpation of Palm Beach County in this paragraph may not be amended without the prior written consent of the Palm Beach County Engineer or the Board of County Commissioners of Palm Beach County.

Commencing on the Effective Date, and notwithstanding that title thereto has not yet been conveyed to the Association, the Association shall be responsible for the maintenance and repair of the Association Property in a continuous and satisfactory manner in accordance with the Governing Documents. The Association shall indemnify, defend and hold Declarant and its partners, and each of their respective shareholders, directors, members, managers, employees, affiliates, successors and assigns harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the Association's failure to so maintain and/or repair the Association Property.

The Association shall be responsible for the payment of real estate taxes, if any, against the Association Property including taxes on any Improvements and any personal property thereon, accruing from and after the date this Declaration is recorded.

Subject to the foregoing, the Declarant may mortgage any or all portions of the Association Property to finance construction and development expenses provided that the

mortgagee recognizes the rights of Owners under this Declaration and neither the Association nor any Owner is personally liable for paying the debt secured by such mortgage. In such event, neither the Association nor the Owners shall be required to join in or be entitled to consent to such mortgage. The Association Property shall be released from any such mortgage no later than the date same is conveyed to the Association.

ARTICLE IV

EASEMENTS AND PROPERTY RIGHTS

Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner and Occupant of Owner shall, except as may otherwise be provided in this Declaration, have a permanent and perpetual, nonexclusive easement for ingress and egress over, enjoyment in, and use of Association Property within the Property in common with all other Owners and Owners' Occupants, which easement shall be appurtenant to, and shall pass with a deed or title to, each Owner's Lot. This right shall be subject to the following conditions and limitations:

A. The right of the Association to establish, amend and/or abolish Rules and Regulations from time to time to, among other things, govern the use and enjoyment of the Association Property by the Owners and their Occupants including, without limitation, Rules and Regulations to: (i) reasonably limit the number of Occupants of an Owner using the Association Property, (ii) limit or prohibit certain types of Occupants from using the Association Property, and (iii) require issuance of guest passes for Occupants of Owners and charging fees for such guest passes.

B. The right and duty of the Association to levy Assessments against each Lot for the purpose of operating, maintaining, repairing and replacing the Association Property and Improvements thereon in compliance with the provisions of this Declaration and with the restrictions on portions of the Property from time to time recorded by Declarant.

C. The right of the Association to establish, amend and/or abolish Rules and Regulations from time to time for the purposes of enhancing the aesthetic uniformity of the Property.

D. The right of the Association in accordance with its Articles, Bylaws, and this Declaration, with the affirmative vote or written consent of two-thirds (2/3) of the total voting interests, except as provided to the contrary in this Declaration, to borrow money for the purpose of improving the Association Property and Improvements thereon, and, in aid thereof, to mortgage, pledge, or hypothecate any or all of its real or tangible or intangible personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the use rights of the Owners in the Association Property. Notwithstanding the foregoing, such two-thirds (2/3) vote or written consent of total voting interests shall not be required for such Improvements made for the sole purpose of preservation of, or prevention of damage to the Association Property or compliance with Laws.

E. The right of the Association to dedicate, release, alienate, or transfer all or any part of the Association Property owned by the Association to any public agency,

authority, or utility; and to grant any covenant, restriction or reservation against the Association Property in favor of any such public agency, authority or utility; provided, however, no such dedication, release, alienation, or transfer shall be effective unless Members entitled to cast two-thirds (2/3) of the total voting interests agree to such dedication, release, alienation or transfer.

F. The right of the Association, without any vote of the Owners, to grant "blanket" (i.e., general) and specific easements and rights-of-way, where necessary or desirable, for utilities, water and sewer facilities, Community Systems, cable television, and other services over the Association Property to serve the Association Property and other portions of the Property.

G. The right of Declarant, Declarant's affiliates, and each of their respective officers, directors, partners, employees, agents, licensees, and invitees to the nonexclusive use of the Association Property and the Improvements thereon, without charge, for sales, marketing, display, access, ingress, egress, construction, and exhibit purposes, and to grant (without consent of the Association and/or vote of the Owners) easements and rights-of-way as provided in this Declaration.

H. The right of Declarant to grant to purchasers under contract with Declarant for the purchase a Lot in Lotus the right to use and enjoy the Association Property and/or participate in Association events or functions, all as determined by Declarant in Declarant's sole and absolute discretion and without the consent of the Association and/or the Owners.

I. The right of the Association, by action of the Board, to reconstruct, replace, or refinish any Improvement or portion thereof upon the Association Property, in accordance with the original design, finish, or standard of construction of such Improvement.

J. The right of the Association to replace sod, destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the Association Property, except as may be prohibited under the Water Management District Permit.

K. The right, however not the duty, of the Association by action of the Board to seek the vacation of publicly dedicated streets, if any, upon the Property.

L. The right, however not the duty, of the Association, following a tropical storm, hurricane or other Act of God, to upright and/or remove any fallen or dislodged trees on: (i) any Lot, and/or (ii) any grassed areas located between the front and/or side(s) of such Owner's Lot and the Street; all as more particularly set forth in Article IX below.

M. The easements provided elsewhere in this Declaration and designated on the Plats including, but not limited to, those set forth in this Article IV.

N. The right of the Association to provide for the maintenance, preservation and architectural control of Lots, Improvements and other properties as set forth in this Declaration.

O. The right of the Association and the Declarant, and their respective employees, agents, licensees, and invitees to come upon the Property (including, without limitation, Association Property as well as a Lot, other than entry into a Home, even after the same has been conveyed to an Owner) as may be necessary or convenient for the Association and/or the Declarant to exercise their respective rights and remedies, and to carry on their respective duties and obligations under and pursuant to the Governing Documents (including, without limitation, Declarant's development and construction of Lotus and Homes therein).

P. The right of the Water Management District and Drainage District to use the Streets, Drives, Roads and/or Roadways for access to and from drainage, easements, lake maintenance easements, boat ramps, lake access easements, and the Lakes, and the right of the County to use the Streets, Drives, Roads and/or Roadways for access purposes by emergency vehicles and for the maintenance of utilities.

Q. The right of the Association to suspend the rights of Owners and their Occupants to use the Association Property (including, without limitation, the Recreation Tract) except for legal access and parking (provided that requiring the use of guest or non-resident lands through entry gates shall not be deemed a suspension of access rights), and the right to levy fines, all in accordance with the Governing Documents.

R. The right of the Association to suspend voting rights of Owners that are more than ninety (90) days delinquent in the payment of any monetary obligation due to the Association.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws, such Owner's right of enjoyment to the Association Property to the Occupants of such Owner who reside in such Owner's Home, subject to this Declaration, all of the Rules and Regulations presently in effect and any which may become effective in the future, and subject further to reasonable regulation by the Board and the suspension rights set forth in Section 1.Q above.

Section 3. RECOGNITION OF EASEMENTS. Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved and/or granted with respect to the Property under this Declaration.

Section 4. EASEMENTS FOR VEHICULAR TRAFFIC. In addition to the general easements for use of the Association Property reserved herein, there shall be, and Declarant hereby reserves, grants, and covenants for itself and all future Owners, Occupants, Institutional Mortgagees of the Property (or portions thereof), and to the Association, that all of the foregoing shall have a perpetual nonexclusive easement for vehicular traffic over (i) all streets within or upon the Property dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private,

paved areas abutting or serving the same), and (ii) any private Streets, Drives, Roads and/or Roadways within or upon the Property.

Section 5. ACCESS EASEMENT. Declarant hereby reserves perpetual, nonexclusive easements of ingress and egress over and across: (i) any and all streets within or upon the Property dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), (ii) any and all private Streets, Drives, Roads and/or Roadways and driveways within or upon the Property, and (iii) all other portions of the Property, any of the foregoing of which are necessary or convenient for enabling Declarant to carry on and complete the work and/or exercise its rights referred to in this Declaration, as well as the sales and marketing of Homes and other properties of Declarant and/or its affiliates. All of the foregoing easements shall be for the use of Declarant and Declarant's employees, contractors, agents, invitees, licensees, successors and assigns.

Section 6. GRANT AND RESERVATION OF EASEMENTS. Declarant hereby reserves and grants the following perpetual, nonexclusive easements over and across the Property as covenants running with the Property for the benefit of the Owners, the Association, and Declarant as hereinafter specified for the following purposes:

A. Utility and Services Easements. All of the Property shall be subject to an easement or easements to provide for: (i) installation, service, meter reading, repair and maintenance of the equipment required to provide utility services other than Community Systems to the Association Property and the Lots, including, but not limited to, power, lights, telephone, gas, water, sewer, irrigation and drainage, and (ii) governmental services, including, but not limited to, police, fire, mail, health, sanitation, emergency services and other public service personnel, including reasonable rights of access for persons and equipment necessary for such purposes for the benefit of the appropriate utility companies, agencies, franchises or Governmental Authorities.

B. Easement for Encroachment. All of the Property shall be subject to an easement or easements for encroachment in favor of each Owner in the event any portion of such Owner's Home or appurtenant Improvements installed by Declarant such as stucco, a fence, concrete base for an air conditioning compressor, or underground footer, now or hereafter, encroaches upon any of the Lots and/or Association Property as a result of: minor inaccuracies in survey or construction, by design, and/or due to settlement or movement. Such encroaching Improvements installed by Declarant shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching Improvements in favor of the Owner thereof or such Owner's designees.

C. Zero Lot Line Maintenance Easements.

(1) Preamble: A portion of the Homes in Lotus may be designed, site planned and constructed as "zero lot line" Homes, such that each zero lot line Home is constructed so that all or portions of one side of such Home (and such fences or masonry walls

extending from such side or sides) are situated on the side boundary lines of the Lot. Because of this design, it is necessary to provide a means by which the Owner of a Lot ("Dominant Lot") containing such a Home may have access to the "zero lot line" side of the Home (and other portions of such Owner's Lot and Home) in order to maintain portions of the Lot, the side(s) of the Home, the roof and other applicable portions of the Home and Lot, and so that rain water may run off the roof of a particular Home onto the easement area described below. Because such access must be, of necessity, over those portions of the neighboring Lot or Lots ("Servient Lot[s]") adjacent to the "zero lot line" side[s] of such a Home, Declarant hereby makes provision for the "Maintenance Easements" and "Overhang/Encroachment Easements" declared and regulated pursuant to this Section 6 (as well as similar easements for the aforesaid purposes which may, but need not, appear on the Plats).

(2) **Creation and Extent of Roof Overhang and Encroachment Easement.** Declarant hereby reserves a permanent and perpetual non-exclusive easement or easements in favor of each Dominant Lot over the unimproved portion of the Servient Lots adjacent to the building lines of the "zero lot line" Home located on the Dominant lot, which building lines are co-extensive with the Lot lines dividing the aforesaid Lots (the "Overhang/Encroachment Easement") to provide for the roof overhang of a zero lot line Home in favor of the Owner thereof. Owners shall have the rights of access for persons or equipment necessary to maintain, repair and replace such roof overhang pursuant to the Maintenance Easement described in this Subsection C. In addition to roof overhangs, the foregoing easement shall be deemed to include an easement to allow for the encroachment of all architectural features, covered entry landscape screening (per plan), and other decorative features which are appurtenant to and have been included as part of the initial construction by Declarant of the Owner's Home, which now or hereafter encroach upon any of the Lots. The Overhang/Encroachment Easement shall be only as extensive as reasonably necessary to permit for the encroachments of the roof and all architectural features, covered entry landscape screening (per plan), and other decorative features which are appurtenant to the Home, but in no event less than the greater of two (2) feet in width or as may be otherwise shown as a roof overhang, encroachment or similar easement on the Plats.

(3) **Creation and Extent of Maintenance Easement:** Declarant hereby reserves a permanent and perpetual non-exclusive maintenance easement in favor of each Dominant Lot over the unimproved portion of the Servient Lot(s) adjacent to the building lines of the "zero lot line" Home located on the Dominant Lot, which building lines are co-extensive with the Lot lines dividing the aforesaid Lots ("Maintenance Easement"). Said Maintenance Easement shall be appurtenant to and pass with the deed or title of the Dominant Lot and the Servient Lot(s). The Maintenance Easement shall be only as extensive as reasonably necessary to permit the Owner of a Dominant Lot to make the uses described in the Preamble above, subparagraph (4) below and for rainwater run-off, but in no event less than the greater of seven (7) feet in width or as may be otherwise shown as a maintenance, access or similar easement on the Plats.

(4) **Use and Conditions of Maintenance Easements:** The Owner of a Dominant Lot, such Owner's Occupants, contractors, subcontractors, suppliers, laborers and

other service personnel, shall be entitled to enter onto the appurtenant Maintenance Easement for purposes of maintaining, repairing and replacing portions of such Owner's Lot and Home including, without limitation, the Home's walls, roof, fence, landscaping, permitted encroachments and other installations which cannot be conveniently or properly maintained, repaired or replaced solely from the Dominant Lot. The right of each Owner of the Dominant Lot to use the Maintenance Easement shall be limited to the aforesaid uses, and such Owner shall not do anything within the Servient Lot(s) which: (i) shall cause damage to the Servient Lot(s) or any Improvement or landscaping thereon which is not promptly and fully remedied by said Owner by returning such damaged Improvement or landscaping to the condition immediately preceding said damage, (ii) shall create an undue hazard to persons or pets located on or coming into the Servient Lot(s), or (iii) is in furtherance of any activity as to the Dominant Lot or the Home thereon which is, or would result in, a violation of the restrictions set forth in the Governing Documents. The Owner of the Dominant Lot shall, by virtue of making use of any Maintenance Easement, be deemed to indemnify the Owner of a Servient Lot for any and all losses, costs, expenses or damage to any person or property incurred by reason of the former's violations of the restrictions contained herein.

(5) Servient and Dominant Lot Owner Duties: Owners of Servient Lots shall not make any Improvement to the Servient Lot, including, without limitation, the placement of fences or landscaping, which would unreasonably interfere with the permissible uses of any maintenance or access easement or roof overhang easement appurtenant to the adjoining Dominant Lot reserved herein or with the drainage and flowage easements described in Subsection F below. Notwithstanding the foregoing, except as provided in Article X, Section 17 below, the Owner of a Servient Lot may install a fence or landscaping within such Maintenance Easement or Overhang/Encroachment Easement provided such installation is approved by the Architectural Control Committee pursuant to Article VIII below and all Governmental Authorities. The Committee's approval may require that an operable gate be installed by the Owner of the Servient Lot to provide access to the maintenance, access, and roof overhang easement areas for the Dominant Lot Owner.

Each Owner of a Dominant Lot, by acceptance of a deed or title for such Lot is hereby deemed to consent and hereby acknowledges that the Owner of the Servient Lot may install fencing or landscaping within or upon the Servient Lot which encroaches into or crosses over the Maintenance Easement and/or Overhang/Encroachment Easement reserved herein provided such fencing or landscaping is permitted by the Committee and all Governmental Authorities. Each Owner of a Dominant Lot shall execute and deliver all documents required by the Association, the Committee, and or the County to evidence such Owner's consent to the fence installation described in this subparagraph.

(6) Reciprocity: Each Owner, by acceptance of a deed or title for a Lot containing a "zero lot line" Home, hereby acknowledges and agrees that such Owner's Lot may not only be a Dominant Lot having rights across adjacent Servient Lot(s) as described above, but also a Servient Lot encumbered by the easement rights hereinbefore described in favor of the Dominant Lots adjacent to such Owner's Lot.

D. Easement to Enter Upon Lots. An easement or easements for ingress and egress in favor of the Association, including the Board or the designee of the Board, to enter upon the Lots for the purposes of fulfilling its duties and responsibilities of ownership, maintenance and/or repair in accordance with the Governing Documents, including, by way of example, the making of such repairs, maintenance or reconstruction as are necessary for the Association Property and to maintain any Lot in the event the Owner thereof fails to do so.

E. Easement Over Association Property. An easement of enjoyment in favor of all Owners and Occupants in and to the Association Property which shall be appurtenant to and shall pass with a deed or title to every Lot in the Property, subject to the following:

(1) the right of the Association to suspend the rights of any Owner and/or such Owner's Occupants to use the Association Property in accordance with the Governing Documents and Laws;

(2) the right of the Association to grant permits, licenses and easements over the Association Property for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property;

(3) all easements, rights-of-way, dedications and restrictions set forth on the Plats; and

(4) all provisions set forth in the Governing Documents.

F. Drainage and Drainage System Easement. An easement for drainage and flowage over, under and upon the Property, including each of the Lots, in favor of the Association and the Water Management District including, but not limited to, reasonable rights of access for persons and equipment to construct, install, operate, maintain, alter, inspect, remove, relocate, repair and/or replace the Drainage System and/or flowage system including, without limitation, the swales, drainage pipes, and related equipment. By this easement, the Association shall have the right to enter upon any portion of any Lot or any portions thereof, at a reasonable time and in a reasonable manner, to operate, maintain, repair or replace the Drainage System as required by the Water Management District and the Water Management District Permit. In addition, Declarant reserves and grants to the Water Management District a perpetual, non-exclusive, ingress, egress and access easement over and across all private streets and roads, on all dedicated access easements created by the Plats, as may be necessary or convenient for the Water Management District to obtain access to and from the Drainage System, and for enabling the Water Management District to carry out any work permitted to be performed by the Water Management District under the Water Management District Permit and/or this Declaration. Notwithstanding the foregoing, in the event of any damage caused by Owner to the Drainage System or any portions thereof (including, without limitation, any portions of the Drainage System located upon such Owner's Lot), the cost of the repairs and/or replacements resulting from such damage shall be paid by such Owner. No Owner shall install any plantings, landscaping, levees and/or other Improvements whatsoever in, on, over or across any drainage easement. By this easement, the Association shall have the right to enter

upon any portion of any Lot to operate, maintain, and repair the Drainage System as required by the Water Management District.

G. **Irrigation and Irrigation System Easement.** An easement for irrigation over, under and upon the Property, including each of the Lots, in favor of the Association including, but not limited to, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate, repair and/or replace the Irrigation System including, without limitation, all irrigation pipes, pumps, sprinklers and related equipment. Notwithstanding the foregoing, in the event of any damage caused by Owner to the Irrigation System or any portions thereof (including, without limitation, any portions of the Irrigation System located upon such Owner's Lot), the cost of the repairs and/or replacements resulting from such damage shall be the responsibility of and paid for by such Owner.

H. **Drainage System and Irrigation System Encroachment Easement.** An easement for encroachment over, under and upon the drainage easements and irrigation easements located within the Lots, if any, in favor of: (i) the Owner of the Lot upon which the drainage easement and/or irrigation easement, as applicable, are located for the existence of any driveway and/or sidewalk or irrigation system, or part thereof, encroaching over, under and upon such drainage easement and/or irrigation easement, as applicable, (ii) the Association for reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair any driveway and/or sidewalk or irrigation system, or part thereof installed or located over, under and upon such drainage easement and/or irrigation easement, as applicable, and (iii) the Water Management District for access for persons and equipment for proper purposes. In the event the Association requires access to any Drainage System and/or Irrigation System improvements within a drainage easement or irrigation easement located within a Lot upon which any such driveway and/or sidewalk or irrigation system encroaches, the Association has the obligation, at its own cost and expense, to remove and replace any such encroachment, and to return it to its condition immediately preceding such removal and replacement once access to the drainage easement or irrigation easement, as applicable, is no longer required. The flowage easements providing for drainage run between each of the Lots parallel to and over the side lot line thereof, draining either from the rear to the front, or from the front to the rear of the Lots. In addition, Declarant may, but is not obligated to, convey easements to the owner(s) of adjacent properties (or portions thereof) to provide legal positive outfall for runoff from such adjacent properties.

I. **Lake Maintenance Easements and Lake Maintenance Access Easements.** Easements over Lake Lots as shown on the Plats, granted in favor of the Association, for the purpose of maintaining and accessing the Lakes and storm water management and drainage facilities within the Lakes.

J. **Lift Station Easements.** Easements in favor of the County for ingress, egress and access to and from the Lift Station Tract(s) as shown on the Plats, and for the installation, repair, maintenance and service of equipment, lines and other structures necessary to supply sanitary sewer and drinking water services to and from Lotus.

K. **Rear Yard Drainage Swale Easement.** Declarant hereby reserves and grants a perpetual, nonexclusive drainage easement ("Drainage Swale Easement") over and across the rear five feet (5') of all "Non-Lake Lots." As used in this Declaration, a "Non-Lake Lot" means and refers to a Lot in which no portion of such Lot is abutting any portion of a Lake or a twelve foot (12') drainage easement dedicated on a Plat. The Drainage Swale Easement shall be for drainage and flowage of storm water runoff, and the pipes and other ancillary equipment installed to provide for such drainage and flowage. Except as expressly provided in the following sentence, and except for any Improvements, landscaping and other additions made or installed by Declarant, no planting, landscaping and/or Improvements whatsoever, including, without limitation, pool decks, patios, screen enclosures, hedges, trees, etc. shall be permitted within the Drainage Swale Easement. Notwithstanding the foregoing, subject to approval from the Association, an Owner of a Non-Lake Lot that is subject to the Drainage Swale Easement may install a pool/spa deck, patio and/or screen enclosure within the Drainage Swale Easement on such Owner's Non-Lake Lot provided that such improvement is constructed in a manner that will not discharge storm water runoff from such improvement onto any adjacent property (including, without limitation, any adjacent Owner's Lot or Association Property). In that regard, all such improvements approved to be constructed within the Drainage Swale Easement shall be designed and constructed in a manner that will retain all such storm water runoff on such Owner's Non-Lake Lot including, without limitation, installation of a commercial grade deck drain that will collect such runoff and discharge it to the side yard of the Non-Lake Lot. In addition, each Owner of a Non-Lake Lot shall have the right to seek approval from the Association for the installation of a fence across the Drainage Swale Easement to the rear property line of the Non-Lake Lot, subject to the terms and conditions of the Governing Documents and the prior approval of the Association, the Architectural Control Committee, and otherwise in accordance with the Governing Documents.

L. **Buffer Easements.** An easement or easements as shown on the Plats, if any, in favor of the Association for landscape, buffer, drainage and utility purposes.

M. **Bus Stop Boarding and Alighting Area Easement.** Easement granted or to be granted in favor of the County to construct and operate a bus stop, boarding and alighting area within or adjacent to Lyons Road.

N. **Platted Easements.** All other easements as shown on the Plats, for the purposes stated therein.

O. **Air Space Easement.** An easement over and across the Property (including all Lots, Homes, and Association Property) in favor of Declarant and the Association to operate and fly unmanned aerial vehicles including, without limitation, drones (collectively, "UAVs") subject only to limitations imposed by applicable Laws and the Association's Rules and Regulations. Such rights include, without limitation, the use of imaging and other devices to record photographs, video and sound. Use of UAVs by Declarant and the Association shall not be deemed a nuisance and shall not be interfered with by any Owner or any of Owner's Occupants. Each Owner and his/her Occupant is hereby put on notice of, and expressly consents to, such recordings and therefore waives any right to privacy resulting from

Declarant's and/or the Association's use of UAVs and the easement created hereby. This easement is not, however, for the benefit of any Owners (other than Declarant) and therefore use of UAVs by Owners and their Occupants over any portion of the Property (including, without limitation, the Association Property and/or any of the Lots, even the Lot owned by Owner) is prohibited except and to the extent expressly permitted by the Rules and Regulations, if any, regarding use and operation of UAVs by Owners and their Occupants.

Section 7. EASEMENT FOR COMMUNITY SYSTEMS. Notwithstanding anything to the contrary in this Declaration, Declarant and its affiliates and their respective designees shall have a perpetual exclusive easement over, across, upon and under the Association Property and the Lots for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems.

Section 8. ASSIGNMENTS; ADDITIONAL EASEMENTS. The easements reserved hereunder may be assigned by Declarant or the Association in whole or in part to any city, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant. Declarant, and after the Turnover Date, the Association, shall have and hereby reserves the right to grant and/or reserve additional easements over, under and upon the Property or portions thereof (including the portion of Lots where no physical structure of the Home is located) which may be necessary or desirable by Declarant, and after the Turnover Date, the Association. The Owners hereby authorize Declarant and/or the Association to execute, on their behalf and without any further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Property or portions thereof in accordance with the provisions of this Declaration.

Notwithstanding anything in this Declaration to the contrary, the easement rights granted to or reserved by Declarant hereunder are not to be construed as creating an affirmative obligation to act on the part of Declarant.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; BOARD; DURATION OF THE ASSOCIATION

Section 1. MEMBERSHIP AND VOTING RIGHTS. The Association is the entity responsible for management, maintenance, operation and control of the Association Property. Membership in the Association shall be established, governed, modified and terminated as set forth in the Articles and Bylaws. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Governing Documents. The voting rights of the Members shall be as set forth in the Articles and Bylaws.

Section 2. BOARD. The Association shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles.

Section 3. DURATION OF ASSOCIATION. The duration of the Association shall be perpetual, as set forth in the Articles. In the event of termination, dissolution or final liquidation of the

Association, the responsibilities for the operation and maintenance of the Drainage System must be transferred to and accepted by an entity approved by the Water Management District prior to such termination, dissolution or liquidation.

ARTICLE VI

COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS; COLLECTION OF ASSESSMENTS; COLLECTION BY DECLARANT; CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES

Section 1. AFFIRMATIVE COVENANT TO PAY ASSESSMENTS. In order to: (a) fulfill the terms, provisions, covenants, conditions, restrictions, easements, reservations, regulations, charges, burdens and liens contained in the Governing Documents; and (b) own, manage, operate, maintain, repair, replace and preserve the Association Property for the use, safety, welfare and benefit of the Owners and their Occupants, there is hereby imposed upon each Completed Lot, and Incomplete Lot, and each Completed Lot Owner and Incomplete Lot Owner, the affirmative covenant and obligation to pay to the Association commencing from and after the first conveyance of a Completed Lot from Declarant as evidenced by the recordation of a deed in the Public Records (in the manner herein set forth) all Assessments as set forth herein, which Assessments may include, but are not limited to, the Individual Lot Assessments and Special Assessments, as applicable. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot within the Property, 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 Governing Documents.

The following expenses of the Association are hereby declared to be Operating Expenses which the Association is obligated to assess and collect, and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the Governing Documents: (1) all taxes and tax liens which may be assessed or levied at any and all times against the Association Property, the Community Systems or against any and all personal property or Improvements thereon; (2) all charges levied for Community Systems or other utilities providing services for the Association Property or to Owners on a bulk basis, such as water, gas, electricity, telephone, cable television, internet access, sanitation, sewer and any type of utility or any other type of service charge which is not separately billed to an Owner; (3) the premiums on policies of insurance including, but not limited to, liability and casualty insurance for the Association Property and directors and officers liability insurance for the officers and directors of the Association; (4) all fees, costs, expenses, and other sums necessary for the ownership, maintenance, repair and replacement of the Association Property and all Improvements located thereon; (5) all administrative and operational fees, costs and expenses including but not limited to, compensation paid by Association to managers, accountants, attorneys and other agents, employees and independent contractors providing labor and services to the Association; (6) all fees, costs and other sums of owning, operating, maintaining, repairing and replacing the Irrigation System(s) including, without limitation, all water usage related thereto and all fees, costs and charges incurred for reclaimed water as provided in Article II, Section 10 above and Article XIII, Section 19 below; (7) all fees, costs and other sums of owning, operating, maintaining, repairing and replacing the Drainage System, including,

without limitation, work within retention areas, drainage structures and drainage easements; (8) all fees, costs and expenses of maintaining, repairing and replacing the "L-38 Landscaping Facilities" as defined and provided in Article IX, Section 1.H below; and (9) any and all other expenses deemed to be Operating Expenses by the Board and/or under this Declaration. The Board may, if it so determines, include a contingency or other general fund in the Association's annual budget. Reserves for replacements, capital expenditures and deferred maintenance, however, are specifically excluded from Operating Expenses. Notwithstanding anything to the contrary in the Governing Documents, and unless otherwise prohibited or limited by the HOA Act, Declarant shall be exempt from the payment or funding of any reserves, if any, established by the Board.

In addition, any expense which is required by the Declaration to be the matter of Special Assessment shall not be deemed to be an Operating Expense. Expenses which are required to be the matter of Special Assessment include, by way of example but not by way of limitation, the following: the cost of reconstructing, replacing or improving the Association Property or any portion thereof or Improvements thereon; any casualty loss affecting the Association or the Association Property to the extent such loss exceeds the insurance proceeds, if any, received by the Association as a result of such loss; any judgment against the Association (or against a Director or Directors if and to the extent such Director is, or such Directors are, entitled to be indemnified by the Association therefor pursuant to the Articles) to the extent such judgment exceeds the insurance proceeds, if any, received by the Association as a result of such judgment, or an agreement by the Association (or such Director or Directors to whom indemnification is owed) to pay an amount in settlement of a lawsuit against it (or such Director or Directors) to the extent such settlement exceeds the insurance proceeds, if any, received by the Association as a result of such settlement agreement; and Legal Fees incurred by the Association in connection with litigation (whether incurred for the preparation, filing, prosecution or settlement thereof or otherwise), except Legal Fees incurred by the Association in connection with the collection of Assessments or other charges which Owners are obligated to pay pursuant to the Governing Documents or the enforcement of the use and occupancy restrictions contained in the Governing Documents, and except Legal Fees incurred for lawsuits not approved pursuant to Article XIV, Section 12 below.

The Operating Expenses with respect to the Association Property are payable by each Owner to the Association notwithstanding the fact that Declarant may not have as yet conveyed title to some or all of the Association Property to the Association.

Section 2. ESTABLISHMENT OF LIENS. Each Assessment against a Lot, together with Interest thereon, late charges imposed and costs of collection, including, but not limited to, Legal Fees, shall be the personal obligation of the Owner of such Lot. Any and all Assessments made by the Association in accordance with the provisions of the Governing Documents with Interest thereon, late charges imposed and costs of collection, including, but not limited to, Legal Fees, are hereby declared to be a charge and continuing lien (the "Assessment Lien") upon each Completed Lot against which each such Assessment is made. Said Assessment Lien shall relate back to and be effective from the date of recordation of this Declaration. However, as to first mortgages of records, the Assessment Lien is effective only from and after recording of the

claim of lien (a "Claim of Lien") in the Public Records setting forth the amounts due and owing to the Association and such other information as required by the HOA Act. Notwithstanding anything to the contrary herein contained, in the event an Institutional Mortgagee of record obtains a deed or title to a Lot as a result of foreclosure of its first mortgage or deed in lieu of foreclosure, such acquirer of a deed or title, its successors or assigns, shall be liable for Assessments pertaining to such Lot and/or chargeable to the former Owner except and to the extent limited by applicable Florida Law.

Section 3. COLLECTION OF ASSESSMENTS. In the event any Owner shall fail to pay any Assessment, or installment thereof, charged to such Owner within fifteen (15) days after the same becomes due, then the Association, through its Board, 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:

A. To accelerate the entire amount of any Assessment for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

B. 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 (are) liable to the Association and the amount or amounts of monies so advanced, together with Interest and all costs of collection thereof, including, but not limited to, Legal Fees, may thereupon be collected by the Association from the Owner(s), and such advance by the Association shall not waive the default.

C. To file an action in equity to foreclose its lien at any time after the effective date thereof as provided in Section 2 above. 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. The Association, through a duly authorized officer or agent, shall have the power to bid on the Lot at the foreclosure sale, with credit given for the amount of the judgment and to acquire and hold, lease mortgage and convey the same.

D. To file an action at law to collect said Assessment plus Interest and all costs of collection thereof, including, but not limited to, Legal Fees, without waiving any lien rights or rights of foreclosure of the Association.

E. To charge Interest on such Assessment from the date it becomes due, as well as a late charge in the highest amount permitted by Law, and if no such late charge is designated by Law, then Twenty-Five and No/100 (\$25.00) Dollars, to defray additional collection costs.

F. To suspend the rights of an Owner (and their Occupants) in default to use the Association Property, if such Owner is delinquent in payment of Assessments for more than ninety (90) days, subject to the Notice and Hearing provisions of Article X of this Declaration.

G. To suspend the rights of the Owner(s) in default to vote on any matter on which Owners have the right to vote if such Owner is delinquent in payment of Assessments for more than ninety (90) days, but subject to any restrictions or prohibitions in the HOA Act.

H. To collect any monetary obligation, including delinquent Assessments due for the Home from the rents paid by any tenant occupying the Home if the Owner has leased the Home. In such case, the tenant shall remit such delinquent Assessments and other amounts due the Association directly to the Association upon written notice from the Association that the Owner is delinquent in the payment of its monetary obligations and the tenant may deduct such amounts paid to the Association from the rent due to the Owner. The Association has the right to require Owners to use a lease addendum, the form of which may be prescribed by the Association, which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association.

Section 4. CURING OF DEFAULT. Upon full payment of all sums secured by the Assessment Lien (including, without limitation, payment of all delinquent principal, interest, late charges, costs of collection and Legal Fees), a duly authorized officer or agent of the Association shall record in the Public Records an appropriate release for the sums paid (and release of the Claim of Lien, if applicable) upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed Two Hundred Fifty Dollars (\$250.00), to cover the cost of preparing and recording the applicable releases.

Section 5. CUMULATIVE REMEDIES. The Assessment Lien and the rights to foreclosure and sale thereunder, shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and under law or in equity, including a suit to recover a money judgment for unpaid Assessments, as above provided. Notwithstanding anything to the contrary herein contained, in the event an Institutional Mortgagee of record obtains a deed or title to a Lot as a result of foreclosure of its first mortgage or deed in lieu of foreclosure, such acquirer of a deed or title, its successors or assigns, shall be liable for Assessments pertaining to such Lot and/or chargeable to the former Owner except and to the extent limited by the HOA Act. However, any third party who acquires title to a Lot as a result of a first mortgagee's foreclosure of its first mortgage upon such Lot, or by deed in lieu of foreclosure, shall be jointly and severally liable with the previous Owner for all Assessments, fees (including, without limitation Legal Fees), costs, expenses, and other monetary obligations due and owing to the Association that have accrued against the subject Lot prior to such third party acquiring title to such Lot. For purposes of additional clarification, the term "successors or assigns" as used in this Section strictly refers to any person or entity who lawfully acquires the first mortgage from the Owner's first mortgagee; therefore, a third party who acquires title as a result of the first mortgagee's foreclosure, or by deed in lieu of foreclosure, shall not be considered a successor or assignee of the first mortgagee.

Section 6. COLLECTION BY DECLARANT. In the event for any reason the Association shall fail to collect the Assessments (or any portions thereof), Declarant shall at all times have the right (but not the obligation): (i) to advance such sums as the Association could have advanced as set

forth above; and (ii) to collect such Assessments and, if applicable, any such sums advanced by Declarant, together with Interest and costs of collection, including, but not limited to, Legal Fees.

Section 7. RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES TO PAY ASSESSMENTS AND RECEIVE REIMBURSEMENT. Declarant and any Institutional Mortgagee(s) shall have the right, but not the obligation, jointly or individually, 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 Lot(s). Further, Declarant and any Institutional Mortgagee shall have the right, but not the obligation, jointly or individually, and, at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Association in the event the same are overdue and when lapses in policies or services may occur. Declarant and any Institutional Mortgagee paying overdue Operating Expenses on behalf of the Association will be entitled to immediate reimbursement from the Association plus Interest and any costs of collection including, but not limited to, Legal Fees, and the Association shall execute an instrument in recordable form acknowledging such reimbursement obligations 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.

Section 8. COMMUNITY SYSTEMS SERVICES. The Association shall have the right to enter into one or more agreement(s) ("Bundled Service Agreements") for receipt of television (via cable, satellite or otherwise), entertainment, telecommunication, internet, monitored alarm and/or other services (collectively, "Bundled Services") for Homes in Lotus. Any and all costs and expenses incurred by the Association under or pursuant to any Bundled Service Agreements entered into by the Association for Bundled Services will be assessed against all Completed Lot Owners. It is contemplated that there may be features and services that are or will be available in addition to and not part of the Bundled Services (each, an "Optional Service"). Notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Bundled Service Agreements shall be apportioned equally, but only amongst those Homes with respect to which the Association is being charged under or pursuant to the Bundled Service Agreement except to the extent, if any, that any Owner elects to receive an Optional Service (being a service not automatically received by all Owners entitled to receive Bundled Services pursuant to the Bundled Service Agreements). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs of such Optional Services and for any hook-up costs, any converter boxes, remote control units, and the charge therefor shall be billed directly to Owner. The foregoing shall in no way obligate Declarant or the Association to enter into any Bundled Service Agreement.

ARTICLE VII
METHOD OF DETERMINING ASSESSMENTS
AND ALLOCATION OF ASSESSMENTS

Section 1. DETERMINING AMOUNT OF ASSESSMENTS. The total anticipated Operating Expenses for each calendar year shall be set forth in an estimated annual operating budget ("Budget") prepared by the Board as required under the Governing Documents.

A. For each Budget to be adopted prior to the Turnover Date, upon completion of a proposed Budget by the Board (but prior to its adoption), the Board shall deliver same to Declarant following which Declarant shall provide the Board: (i) the estimated number of Completed Lots that Declarant anticipates will come into existence by the end of the calendar year covered by the proposed Budget or an average number of Completed Lots for such year, and (ii) the amount of Voluntary Contributions, if any, that Declarant is willing to make pursuant to Section 5.D below and Section 7 below during the calendar year covered by the proposed Budget, but which Declarant shall have absolutely no obligation whatsoever to make.

B. Using the information provided by Declarant, the Board shall then adopt the Budget in accordance with the Governing Documents which shall include "Individual Lot Assessments" as described and calculated below, and any reserves determined by the Board, but excluding any expected or possible Special Assessments.

Each Completed Lot and Incomplete Lot shall be assessed its *pro rata* portion of the total anticipated Operating Expenses, which shall be the "Individual Lot Assessment" as to each Lot.

The Individual Lot Assessment shall be based upon the level of service to each Lot and the state of the Lot's development and completion, with the Owners of Completed Lots paying the Operating Expenses on a twenty to one ratio (20:1) compared to the Owners of Incomplete Lots, calculated as set forth below. In that regard, the Individual Lot Assessment for an Incomplete Lot shall be determined by dividing the total anticipated Operating Expenses by an amount equal to the sum of: (a) the product obtained by multiplying the total number of Completed Lots by twenty (20), and (b) the sum of such product and the total number of Incomplete Lots. The Individual Lot Assessment for a Completed Lot shall be an amount equal to the product obtained by multiplying the Individual Lot Assessment for an Incomplete Lot (as calculated above) by twenty (20). The number of Completed Lots and Incomplete Lots shall be adjusted quarterly, as needed, as hereinafter set forth. At such time as Declarant has conveyed title to all of the Homes on all of the Lots, each Lot shall be a Completed Lot and the Individual Lot Assessment shall be equal for each Lot.

Notwithstanding anything in the Governing Documents to the contrary, any Assessment for Legal Fees incurred by the Association for a lawsuit shall be the subject of Special Assessment and not the subject of an Individual Lot Assessment, and only if such lawsuit is approved pursuant to Article XIII, Section 12 below, except for Legal Fees incurred by the Association in connection with the collection of assessments or other charges which Owners

are obligated to pay pursuant to the Governing Documents or the enforcement of the use and occupancy restrictions contained in the Governing Documents.

Section 2. ASSESSMENT PAYMENTS. Individual Lot Assessments shall be payable quarterly, in advance, on the first day of January, April, July and October of each year; provided, however, at the Board's option, Individual Lot Assessments may be payable monthly. Individual Lot Assessments, and the quarterly or monthly installments thereof, may be adjusted from time to time by the Board to reflect changes in the number and status of Completed Lots and Incomplete Lots (thus apportioning all such Assessments and installments thereof among all Lots at the time such installment is due), changes in the Budget or in the event the Board determines that an Assessment or any installment thereof is either less than or more than the amount actually required. When an Incomplete Lot becomes a Completed Lot during a period with respect to which an Assessment or installment thereof has already been assessed, such Completed Lot shall be deemed assessed the amount of such Assessment or installment thereof which was assessed against Completed Lots in existence at the time of such Assessment, prorated from the date the Lot became a Completed Lot through the end of the period in question. If the payment of such Assessment or installment thereof was due at the time the Lot became a Completed Lot or prior thereto, said prorated amount thereof shall be immediately due and payable. Likewise, the amount paid with respect to such Completed Lot based upon the Lot's status as an Incomplete Lot, prorated from the date the Incomplete Lot became a Completed Lot to the end of the period in question, shall be credited against the amount owed as a Completed Lot.

Section 3. SPECIAL ASSESSMENTS. "Special Assessments" include, in addition to other Assessments designated as Special Assessments in the Governing Documents and whether or not for a fee, cost or expense which is included within the definition of Operating Expenses, those Assessments which are levied for capital improvements which include the fees, costs and expenses (whether in whole or in part): (a) of acquiring Improvements for, or on, the Association Property, (b) of reconstructing or replacing such Improvements and/or other Association Property, and/or (c) needed to supplement reconstruction, repair or replacement expenses not covered by insurance. In addition, Special Assessments may be levied against particular Lots and/or Owners to the exclusion of others based on the purpose of the Special Assessment and the benefits bestowed in fulfilling such purpose. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Individual Lot Assessment. Any Special Assessments assessed against Lots and the Owners thereof shall be paid by such Owners in addition to any other Assessments and shall be assessed in the same manner and using the same 20:1 ratio as the Individual Lot Assessment, subject to the Board's right to levy Special Assessments against only certain Lots or Owners as provided above. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Special Assessment after the Turnover Date shall require the affirmative consent of at least two-thirds (2/3) of all Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws for all Special Assessments, except only any Special Assessment for: (a) repair, reconstruction or replacement of damaged or destroyed Improvements previously existing on Association Property (including,

without limitation, landscaping) which shall be assessed in accordance with Article XII below, (b) capital improvements necessary or desirable for the sole purpose of preservation of, or prevention of damage to Association Property, or (c) uprighting or removing any fallen or dislodged trees as set forth in Article IX, Section 1.F below; which shall not require such affirmative consent of at least two-thirds (2/3) of all Members. Prior to the Turnover Date, but subject to any affirming vote of the Members if and to the extent required by the HOA Act, a Declarant-controlled Board may levy a Special Assessment. Special Assessments are not included in the guarantee set forth in Subsection Section 5.B below.

Section 4. LIABILITY OF OWNERS FOR ASSESSMENTS. By the acceptance of a deed or other instrument of conveyance of a Lot in the Property, each Owner thereof acknowledges and agrees that each Lot and the Owners thereof are jointly and severally liable for their own Individual Lot Assessments and their applicable portion of any Special Assessments, as well as for any and all other Assessments for which they are liable, as provided for in the Governing Documents. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Lots for the Operating Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessment and the limitations on the liability of Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Owner, for such Owner and such Owner's heirs, executors, successors and assigns, that in the event any Owner fails or refuses to pay such Owner's Individual Lot Assessment or any portion thereof, or such Owner's respective portion of any Special Assessment or any other Assessment, then the other Owners may be responsible for any shortfall in receipt of Individual Lot Assessments or Special Assessments or other Assessments due to the nonpayment or underpayment by such other Owner, and such additional Individual Lot Assessment or Special Assessment, or any other Assessment can and may be enforced by the Association and Declarant in the same manner as all other Assessments hereunder as provided in the Governing Documents. Each Owner further acknowledges and agrees that it is possible that the Association may collect or spend more or less than the amounts budgeted for as Operating Expenses in each adopted Budget of the Association.

Section 5. ASSESSMENTS PAYABLE BY DECLARANT. Except as may be limited by applicable Law, Declarant has the right (at its sole election) to select one, or a combination of the following, as may be applicable:

A. **Deficit Funding:** Pay the Deficit during the Deficit Funding Period (as defined and described in Section 6 below), in which event Declarant shall be excused from payment of its share of Assessments related to Lots owned by Declarant during the Deficit Funding Period;

B. **Stated Guarantee:** Elect to guarantee the amount of Individual Lot Assessments and pay the Deficit during the Deficit Funding Period as provided in the HOA Act and, in the event of such election by Declarant, Declarant shall be excused from payment of its share of Assessments related to Lots owned by Declarant;

C. Assessments Based on Services Provided: During and after the Deficit Funding Period, pay Individual Lot Assessments for the Lots owned by Declarant in the same manner as other Owners, but at the 20:1 ratio as described in Section 1 above; and/or

D. Voluntary Contributions: During and/or after the Deficit Funding Period, subsidize the Budget of the Association as described in Section 7 below by making "Voluntary Contributions" (as hereinafter defined) in amounts determined by Declarant in Declarant's sole and absolute discretion.

Section 6. DEFICIT FUNDING. In the event that Declarant elects to pay the Deficit during the Deficit Funding Period pursuant to Clause A or B of Section 5 above, which Declarant has no obligation whatsoever to do, then during the Deficit Funding Period, Declarant shall be obligated to pay the difference ("Deficit"), if any, between: (a) the Operating Expenses (other than those Operating Expenses which are properly the subject of a Special Assessment) incurred by the Association during the Deficit Funding Period, and (b) the sum of (i) the amounts assessed as Assessments against Owners during the Deficit Funding Period, and (ii) all other income and/or revenue received by or on behalf of the Association including, but not limited to, Voluntary Contributions. The Deficit, if any, to be paid by Declarant pursuant to this Section 6 shall be determined by examining the entire Deficit Funding Period, without regard to quarterly, annual or any other accounting or fiscal periods and without regard to intraperiod allocations. In that regard, in the event it is determined at the end of the Deficit Funding Period that Declarant has previously advanced funds to the Association in excess of the Deficit incurred during the Deficit Funding Period, Declarant shall be entitled to the immediate repayment from the Association of the amount of funds advanced by Declarant in excess of the Deficit. The Declarant's Deficit payment obligation, if any, expressly does not include payments of reserves, Special Assessments and/or any unpaid Assessments of any kind by Owners. All Voluntary Contributions made by Declarant to the Association shall be applied to (and shall reduce) any Deficit owed to the Association by the Declarant.

"Deficit Funding Period" as used herein shall mean and be defined as the period commencing with the Effective Date of this Declaration and ending upon the sooner to occur of: (i) the Turnover Date; or (ii) the date of delivery of written notice from Declarant to Association of Declarant's termination of the Deficit Funding Period, but in no event shall such termination be effective later than the Turnover Date.

Following expiration or termination of the Deficit Funding Period, each Owner shall be obligated to pay Assessments as set forth in Section 1 above and commencing at such time, Declarant shall be required to pay Assessments on any Lots it owns but at the 20:1 ratio as provided in said Section 1.

Section 7. VOLUNTARY CONTRIBUTION. During the period of time that Declarant is offering Homes for sale in Lotus and/or based on the number of Homes owned by Owners other than Declarant, Declarant may seek to keep Assessments lower than they otherwise may be by subsidizing the Budget of the Association by making one or more voluntary contributions in amounts determined by Declarant ("Voluntary Contributions"). The amount of any such Voluntary Contributions may vary from time to time or may be discontinued and recommenced

by Declarant from time to time. The determination to subsidize the Budget of the Association, the amount of any such Voluntary Contributions, the discontinuance and/or recommencement of any such Voluntary Contributions shall all be made by Declarant in Declarant's sole and absolute discretion and in no event shall Declarant have any obligation whatsoever to make any such Voluntary Contributions. Each Owner shall be solely responsible to review the Budget of the Association then in effect to determine if and to what extent Declarant is making any Voluntary Contributions to subsidize the Budget and thus lower the Assessments payable by the Owners that would otherwise be higher based on the Operating Expenses of the Association.

Section 8. DECLARANT'S GUARANTEED ASSESSMENT NOT THE OBLIGATION OF INSTITUTIONAL MORTGAGEES. Notwithstanding anything to the contrary herein contained, it is specifically understood and declared that each Owner, by the acceptance of a deed or other instrument of conveyance of a Lot within the Property, shall be deemed to have acknowledged and agreed that no Institutional Mortgagee (other than Declarant) or any successor or assign of such Institutional Mortgagee, or any person acquiring a deed or title to any part of the Property by reason of the foreclosure or otherwise of an Institutional Mortgagee shall be deemed to have made, assumed or otherwise undertaken any covenants or obligations of Declarant: (i) to guarantee the level and/or duration of any guaranteed Assessments provided for under any of the Governing Documents; or (ii) to pay the difference between the actual Operating Expenses and the guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Deficit Funding Period (as same may have been previously extended) as may be provided for in any of the Governing Documents; provided, however, that an Institutional Mortgagee may, at its option, determine to continue the obligation of Declarant to guarantee the amount of the Assessments as herein provided. Additionally, a successor declarant shall not be deemed to guarantee the level and/or duration of any guaranteed Assessments provided for under any of the Governing Documents or be obligated to pay the difference between the actual Operating Expenses and the guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Deficit Funding Period (as same may have been previously extended) unless such obligation is assumed in writing by such successor declarant.

Section 9. WAIVER OF USE. No Owner, other than Declarant, will be exempt from personal liability for Assessments duly levied by the Association for any reason whatsoever including, without limitation, the non-use of any Association Property or the Owner's Home or because of any dispute with or complaint against the Association an Owner may have. Likewise, no Owner may release the Lot owned by such Owner from the liens and charges hereof for any reason, including those stated above.

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. MEMBERS OF THE COMMITTEE. Prior to the Turnover Date, the Architectural Control Committee, sometimes referred to in this Declaration as the "Committee," shall be comprised solely of the President of the Association or the President's designee. After the Turnover Date, the Committee shall be comprised of three (3) members appointed by the

Board and shall hold office until such time as such member has resigned or been removed, all as provided in the Governing Documents. Members of the Committee may be removed at any time without cause. The Board shall have the sole right to appoint and remove all members of the Committee.

Section 2. REVIEW OF PROPOSED CONSTRUCTION.

A. Subject to Section 13 below, no Improvements, including, by way of example and not of limitation, accessory structures, exterior lighting fixtures, brick pavers, stamped concrete, concrete flatwork, basketball goals, gym sets and play structures, other recreational equipment, hot tubs, patios, summer kitchens and the like, awnings, buildings, fences, walls, pools, roofs, gutters or rain spouts, antennae, aerials, microwaves, reception devices, mailboxes, external enclosures or attachments (including entry screen and patio screen enclosures), or landscaping (including hedges, massed plantings and trees) shall be commenced, erected, installed, altered, modified, painted, planted, removed or maintained on the Property, including the Lots, nor shall any canopies, shutters, or window coverings be attached to or placed upon outside walls or roofs of any Home or building by any Owner other than Declarant, or its designee(s), unless such Improvements have been reviewed by and received the written approval of the Committee in accordance with Paragraph B below. Any Owner desiring to make Improvements shall submit two (2) complete sets of plans and specifications prepared by an architect, landscape architect, engineer or other person determined by the Committee to be qualified, showing the nature, dimensions, materials and location of the same, together with the "Security Deposit" (as defined in Section 4 below) if required by the Committee, to be held and disbursed by the Association in accordance with Section 4 below.

B. The Committee shall approve proposed plans and specifications submitted for its approval only if: (i) it deems that the construction, alterations or additions contemplated will not be detrimental to the appearance of the surrounding area of the Property as a whole; (ii) that the appearance of any structure affected thereby will be in harmony with the surrounding structures and is otherwise desirable; and (iii) such Improvements are consistent with the "Community Standard" (as defined in Section 3 below). The Committee shall also adhere to the Rules and Regulations and other guidelines as may be promulgated by the Board with respect to any and all additions and alterations within the Property. The Committee may also: (i) issue and amend from time to time rules or guidelines setting forth procedures for the submission of plans and specifications, and (ii) set, establish, and charge reasonable fees ("Review and Inspection Fees") for, among other things, processing Owner's request for proposed Improvements, review of the plans and specifications for proposed Improvements by Owner and inspections of the Improvements constructed by Owner, which review and/or inspection may be performed by third parties. The Committee may require Review and Inspection Fees to be paid in advance (i.e., at the time of submission of the Owner's application). In the event any Review and Inspection Fees remain unpaid by an Owner, in addition to the other rights of the Association, the Committee shall have the right, at its option, to: (i) not release the Security Deposit until all Review and Inspection Fees have been paid, or (ii) deduct all unpaid Review and Inspection Fees from any such Security Deposit paid

by Owner. In addition (and in addition to any other remedies under and pursuant to the Governing Documents for a failure of an Owner to perform Owner's obligations), if any Review and Inspection Fees are not paid by Owner, the Board may levy an Assessment against such Owner for such unpaid Review and Inspection Fees, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.

If the proposed construction, alterations or additions are to a portion of the Improvements which the Association is obligated to maintain, said approval shall also be subject to approval by the Board. The Committee may condition its approval of proposed plans and specifications in such a manner as it deems appropriate and may require the submission of additional information prior to approving or disapproving such plans. In that regard, the Committee may also require such detail in plans and specifications submitted for its review as it deems necessary or proper, including, without limitation, floor plans, site plans, surveys, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. Notwithstanding anything to the contrary in the Governing Documents, diversity of architectural elevation and exterior color scheme for Homes in Lotus shall comply with the following: (i) no more than three (3) Homes with the same exterior elevation shall be placed next to each other; and (ii) no Home shall have the same exterior color scheme as either of the homes placed next to it whose front elevation is on the same street frontage. The Committee shall have no obligation to and shall not approve (nor grant any variances for) any bids, proposals or plans and specifications submitted if approval of same would result in failure to comply with the foregoing requirements.

If the proposed construction, alterations or additions to a Home or Lot includes any landscaping or other improvements which would cause the performance of the "Home Landscaping Services" (as defined in Article IX, Section 1.F below) to be more difficult or more expensive to the Association, the Committee may condition its approval on Owner's agreement to pay such additional fees and costs for the Home Landscaping Services or to waive receipt of the Home Landscaping Services (without reduction of the Assessments paid by Owner), as the Committee shall determine.

C. The Committee shall have forty-five (45) days after delivery of all required materials to give written approval or rejection of any such plans and, if written approval is not given within such forty-five (45) day period, such plans shall be deemed rejected, provided however, that, in any event, no such addition, construction or alteration shall be made by any Owner which is detrimental to or inconsistent with the harmony, appearance or general scheme of the Property as a whole.

D. No landscaping or other Improvements on the Lake Lots which materially interfere with the view of the Lakes by adjacent neighbors who are also Lake Lot Owners, as applicable, shall be permitted. In its review of proposed plans and specifications of landscape design and materials for Lake Lots, including, but not limited to, any massed plantings, the Committee will take into consideration the effect on Lake views of such landscaping, both at the proposed time of installation and at the time when maximum growth shall have occurred.

The only fence type allowed on the back and sides of a Lake Lot shall be an aluminum rail picket fence, with the rails no wider than one inch (1") and no closer together than three inches (3") on center and having a height of sixty inches (60"), unless otherwise required by applicable Laws. Notwithstanding anything to the contrary in this Declaration, such aluminum rail picket fence is the only type of fence which the Committee may approve for installation on the back or sides of a Lake Lot. The permitted color(s) of such fence shall be as set forth in the Rules and Regulations. No Owner shall be permitted to install any fence (or landscaping) within any Lake Maintenance Easement or Lake Maintenance Access Easement whatsoever (refer to Article X, Section 17 below for additional restrictions regarding fences).

E. There shall be a minimum two foot (2') setback requirement from the side yard lot line on the "zero lot line" side of a Home for that portion of any open patio, screen enclosed patio and/or pool deck that extends beyond the ten (10') foot masonry wall extending from such "zero lot line" side of the Home (the "Privacy Wall"). In addition, if an Owner installs or constructs such open patio, screen enclosed patio and/or pool deck between two feet (2') and five feet (5') from the side yard lot line on the "zero lot line" side of a Home, then a Hedge must also be installed by said Owner within the two foot (2') setback area along that portion of the open patio, screen enclosed patio and/or pool deck that extends beyond the Privacy Wall in order to provide a vegetative privacy barrier.

F. No plantings, landscaping and/or Improvements whatsoever, including, without limitation, pool decks, patios, screen enclosures, hedges, trees, etc. shall be installed in any Drainage Swale Easement except only as expressly provided in Article IV, Section 6.K above.

G. An Owner shall not plant any shrubs, trees and/or landscaping on his or her Lot and/or in any manner alter the landscaping in Lotus as initially installed by Declarant without the prior written consent of the Committee. If an Owner receives such approval and plants any shrubs, trees and/or landscaping on his or her Lot, such Owner shall be responsible for the payment of any increase for the Home Landscaping Services to maintain such shrubs, trees and/or landscaping.

H. Notwithstanding any provision in this Article to the contrary, the approval of the Committee shall not be required for any additions, changes or alterations within any Home if such additions, changes or alterations are not visible from the outside of such Home. All changes and alterations shall be subject, independently, to all applicable Laws.

I. Notwithstanding anything to the contrary herein contained, no construction, reconstruction, addition or alteration by Declarant shall require the prior approval or any certificate of consent of the Committee or any security deposit.

Section 3. COMMUNITY STANDARD. As used in the Governing Documents, the "Community Standard" shall mean the conduct, maintenance or other activity generally prevailing throughout the Property, but may be more specifically determined by the Board or the Committee, which shall not be inconsistent with any standard created by the Declarant, and shall at all times be in compliance with all environmental restrictions set forth herein or

pursuant to any other recorded documents. In reviewing proposals and plans and specifications for conformity with the Community Standard, the Committee shall determine whether the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Property and that the appearance of any Improvement or other structure affected thereby will be in harmony with surrounding structures and Improvements and is otherwise desirable.

Section 4. SECURITY DEPOSIT FOR IMPROVEMENTS; INDEMNIFICATION. Any Owner desiring to make Improvements may be required by the Committee, depending upon the Improvements being requested and the manner of installation of such Improvements, to provide to the Committee, at the time of the Owner's submission of plans and specifications for review and approval by the Committee, a security deposit ("Security Deposit") paid to the Association to cover: (a) costs of incidental damage caused to Association Property, an adjacent Home or Lot, or any other property (whether real or personal) by virtue of such Owner's construction of Improvements, and (b) the Review and Inspection Fees if and to the extent not paid by Owner. The Security Deposit shall initially be Five Thousand Dollars (\$5,000.00) and may be increased or decreased by the Board from time to time. The Committee shall have the sole and absolute discretion to determine whether a Security Deposit is required for the Improvements being requested. The Association shall not be obligated to place the Security Deposit in an interest bearing account. The Owner shall be entitled to the return of the Security Deposit upon: (i) such Owner's written notice to the Committee that the Improvements covered by the Security Deposit have been completed in accordance with the plans and specifications approved by the Committee, (ii) the Committee's (or its duly authorized representative's) inspection of such Improvements confirming completion; provided, however, should any incidental damage be caused to Association Property by virtue of such Owner's construction of Improvements, the Security Deposit shall not be returned to Owner until such damages have been repaired, and (iii) Owner's payment of all Review and Inspection Fees. Alternatively, the Association may, at Association's option, deduct all unpaid Review and Inspection Fees from the Security Deposit. In the event that Owner has not repaired such damages to the Association Property to the satisfaction of the Committee, Association shall have the right (but not the obligation), after five (5) days' notice to the offending Owner, to repair such incidental damage and to use so much of the Security Deposit held by the Association to reimburse itself for the costs of such work. Further, the offending Owner hereby agrees to indemnify and reimburse the Association for all reasonable costs expended by the Association that exceed the Security Deposit, including Legal Fees, if any, incurred in connection therewith. All amounts incurred or paid by the Association to repair such damages caused by and not repaired by an Owner as set forth in this Section 4 shall, in addition to the other rights of the Association, be subject to a Special Assessment levied by the Association against such Owner, which Special Assessment shall be collectible in the same manner as other Assessments as set forth in this Declaration. Should any incidental damage be caused to an adjacent Lot or Home by virtue of such Owner's construction of Improvements, the Owner of the adjacent Lot (the "Adjacent Lot Owner") may, at such Adjacent Lot Owner's sole option: (a) remedy such damage and submit to the Association a receipt, invoice or statement therefor for reimbursement from the offending Owner's Security Deposit; or (b) allow the offending Owner to repair such incidental damage to the Adjacent Lot Owner's Lot or Home, at the offending

Owner's sole cost and expense, and upon receipt by the Association of written notice from the Adjacent Lot Owner that such incidental damage has been repaired, the offending Owner shall be entitled to a return of the balance of the Security Deposit being held by the Association, if any.

Notwithstanding anything contained in this Section to the contrary, the Association's return of the Security Deposit being held by it for any such Improvements shall be based solely on considerations set forth above. The Association's return of the Security Deposit does not and shall not be construed to constitute a determination by members and representatives of the Committee, Declarant, and/or the Association of the structural safety, approval or integrity of any Improvement, conformance with building or other codes or standards, or sufficiency of the issuance of governmental permits and approvals for any Improvement. By submitting a request for review and approval of bids, proposals and/or plans and specifications, along with the Security Deposit required hereunder, an Owner shall be deemed to have automatically agreed to hold harmless and indemnify the members and representatives of the Committee, the Declarant, and the Association generally, from any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the Improvements or alterations, and/or the Security Deposit (including, without limitation, the disbursement thereof).

The Association shall not be liable or responsible to anyone for any damages, losses or expenses resulting from Association's holding of the Security Deposit or disbursement thereof unless same shall be caused by the fraud, gross negligence, willful malfeasance or criminal misconduct of the Association. In the event of any disagreement relating to the Security Deposit held by the Association or the disbursement thereof, Association shall be entitled (but not obligated) to refuse to disburse the Security Deposit (or any portion thereof) as long as such disagreement may continue, and Association shall not become liable in any way for such refusal. Association shall have the right, at any time, after a dispute has arisen, to pay the Security Deposit (or any portion thereof) held by it into any court of competent jurisdiction for payment to the appropriate party, whereupon Association's obligations hereunder shall terminate and Association shall be automatically released of any and all obligations.

Section 5. MEETINGS OF THE COMMITTEE. Following the Turnover Date, the Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Article VIII, Section 10 below. In the absence of such designation, the vote of any two (2) members of the Committee shall constitute an act of the Committee.

Section 6. NO WAIVER OF FUTURE APPROVALS. The approval of the Committee of any bids, proposals, plans and specifications and/or drawings for any work performed or proposed, or in connection with any other matter requiring the approval or consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent to any identical or similar bids, proposals, plans and specifications and/or drawings subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant. Similarly, the denial of approval by the Committee of any bids, proposals, plans and specifications and/or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to approve or consent to any identical or similar bids, proposals, plans and specifications and/or drawings subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant.

Section 7. COMPENSATION OF MEMBERS. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for actual out-of-pocket costs and expenses incurred by them in the performance of their duties hereunder.

Section 8. INSPECTION OF WORK. Inspection of work and correction of defects therein shall proceed as follows:

A. Upon the completion of any work for which approved plans are required under this Article, the submitting party shall give written notice of completion to the Committee.

B. Within thirty (30) days after written notice of completion, the Committee or its duly authorized representatives may inspect such Improvement. If the Committee finds such work was not done in substantial compliance with the approved plans, it shall notify the submitting party in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance, and shall require the submitting party to timely remedy such noncompliance.

C. If upon the expiration of fifteen (15) days from the date of such notification the submitting party shall have failed to remedy such noncompliance, notification shall be given by the Committee to the Board in writing describing the nature of such failure. Upon such notice, the Board shall determine whether there is a noncompliance and, if so, the nature thereof, the estimated time for completion, and cost of correcting or removing the same. If noncompliance exists, the submitting party shall remedy or remove the same within a period of not more than thirty (30) days from the date of announcement of the Board's ruling. If the submitting party does not comply with the Board's ruling within such period, the Board, at its option, may remove the Improvement, remedy the noncompliance, or proceed in court to compel compliance and the submitting party shall reimburse the Association, upon demand, for all expenses incurred in connection therewith, including Interest and Legal Fees. If such expenses are not promptly repaid by the submitting party to the Association, the Board shall levy an Assessment against such submitting party for reimbursement, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.

D. If, for any reason, notification is not given to the submitting party of acceptance within thirty (30) days after receipt of said written notice of completion from the submitting party, the Improvement and/or alteration shall be deemed to be in compliance with said approved plans.

Section 9. NON-LIABILITY OF COMMITTEE MEMBERS. Neither the Committee nor any member thereof, nor its duly authorized Committee representative, nor the Board or Declarant, shall be liable to the Association or to any Owner or any other person or entity for any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of a member and only that member shall have any liability. The Committee's review and approval or disapproval of plans submitted to it for any proposed Improvement shall be based solely on considerations of the overall benefit or detriment to the community as a whole. The Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes or standards, and no member or representative of the Committee or the Association, nor Declarant, shall be liable for the safety, soundness, workmanship, materials or usefulness for any purpose of any such Improvement or alteration proposed by the plans. By submitting a request for review and approval by the Committee, an Owner shall be deemed to have and does automatically agree to indemnify, defend and hold harmless the Committee, the Association and Declarant (and each of their respective members, managers, partners, officers, directors, partners, shareholders, affiliates, representatives, successors and assigns) from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the Improvement or alterations for which such request was submitted and/or the Security Deposit (including, without limitation, the disbursement thereof). Furthermore, approval by the Committee of any request does not excuse an Owner from also being required to obtain approvals from all Governmental Authorities.

Section 10. VARIANCES. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require; provided, however, the Committee shall not give or authorize (and the Committee is hereby prohibited from giving or authorizing) any variance with respect to: (i) the diversity of architectural elevation and exterior color scheme requirements of Section 2.B above; (ii) the types of fencing permitted by Section 2.D above; and/or (iii) the displaying of any signs for the sale or renting of the Home as prohibited in Article X, Section 11 below. If such

variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the Improvements for which the variance was granted.

Section 11. QUORUM. A majority of the Committee Members shall constitute a quorum to transact business at any meeting of the Committee. The action of a majority present at a meeting at which a quorum is present shall constitute the action of the Committee. In lieu of a meeting, the Committee may act in writing.

Section 12. PERMITS AND GOVERNMENTAL APPROVALS; COMPLIANCE WITH LAWS. The Owner is solely responsible to obtain all required building and other permits from all Governmental Authorities. Approval by the County and/or other applicable Governmental Authority does not waive the requirement for Committee approval. Likewise, Committee approval does not relieve Owner of the responsibility of obtaining any and all necessary governmental permits and approvals. Notwithstanding anything to the contrary contained in this Article VIII, approval from the Committee shall not be deemed to be an exemption from compliance with all applicable Laws.

Section 13. DECLARANT EXEMPTION. Declarant and its designees are hereby expressly exempt from having to comply with the requirements of this Article VIII in their entirety. Declarant shall not be obligated to obtain Committee approval for any Improvement or other construction, alteration, maintenance, repair and/or replacement undertaken by Declarant.

ARTICLE IX

MAINTENANCE AND REPAIR OBLIGATIONS

Section 1. BY THE ASSOCIATION.

A. The Association, at its expense, shall be responsible for the operation, maintenance, repair and replacement of all of the Improvements and facilities located over, through and upon the Association Property, including, without limitation, the Recreation Tract and Passive Rec Areas (except public utilities and Community Systems, to the extent same have not been made Association Property). Should any incidental damage be caused to any Home by virtue of the Association's failure to maintain the Association Property as herein required or by virtue of any work which may be performed or caused to be performed by the Association in the maintenance, repair or replacement of any Association Property, the Association shall, at its expense, repair such incidental damage. The Association shall not, however, be responsible for any loss of use, any hardship, an Owner's time or any other secondary, incidental, consequential, special and/or punitive damages.

B. The Association shall operate, maintain, repair and replace the Irrigation System(s), if any, constructed over, through and upon the Property as it shall deem appropriate. There is hereby reserved in favor of the Association the right to enter upon the Association Property and the Lots for the purpose of operating, maintaining, repairing, and replacing the Irrigation System(s) over, through and upon the Property. The Association shall be

responsible for the costs associated with the Association's obligations relating to the operation, maintenance, repair and replacement of such Irrigation System(s), including any monthly fees and other costs of water and/or electric usage, if any. Subject to the approval of the Drainage District (which may be granted, limited or revoked at any time), the Association shall also be responsible for the operation, maintenance, repair and replacement of the portions of the Association's Irrigation System installed in the canal banks, if any. There is hereby reserved in favor of the Association, the right to enter upon the Association Property and any and all Lots for the purpose of operating, maintaining, repairing and replacing the Irrigation System(s) over, through and upon the Association Property and all of the Lots within the Property. Each Owner shall be responsible for any damage caused to the Irrigation System(s) by Owner and/or Owner's Occupants, and Owner shall indemnify, defend and hold Association harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from any such damage.

C. The Association shall operate, maintain, repair and replace the Drainage System constructed over, through and upon the Property as it shall deem appropriate, but at all times in accordance with the applicable governmental permits (including, without limitation, the Water Management District Permit), approvals, rules and regulations governing the operation, maintenance, repair and replacement of the Drainage System. Such maintenance of the Drainage System shall mean the exercise of practices which allow the Drainage System to provide drainage, water storage, conveyance, or other surface water or stormwater management capabilities as permitted by the Water Management District Permit and any permits issued by the Drainage District. Any repair or construction of the Drainage System shall be as permitted or, if modified, as approved by the Water Management District. There is hereby reserved in favor of the Association the right to enter upon the Association Property and the Lots for the purpose of owning, operating, maintaining, repairing, and replacing the Drainage System over, through and upon the Property. The Association shall be responsible for all fees, costs, expenses and other sums associated with its obligations relating to operating, cleaning, maintaining, repairing, and replacing of any portion of the Drainage System as may be necessary to maintain the system in its original condition and use. In the event the Association fails to maintain the Drainage System in accordance with this Declaration, the Water Management District Permit and/or the permits issued by the Drainage District, as the same may be amended from time to time, then the Water Management District shall have the right to (i) enter upon the Property and perform any required maintenance at the expense of the Association, or (ii) commence an enforcement action against the Association, including, without limitation, monetary penalties and injunctive relief, to compel the Association to maintain the Drainage System in accordance with this Declaration, the Water Management District Permit and the permits issued by the Drainage District. A copy of the Water Management District Permit, together with any action(s) taken by the Water Management District with respect to the Water Management District Permit shall be maintained by the registered agent for the Association, for the Association's benefit. Each Owner shall be responsible for any damage

caused to the Drainage System by Owner and/or Owner's Occupants, and Owner shall indemnify, defend and hold Association harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from any such damage.

D. The Association shall be responsible for the maintenance, repair and replacement of all private Streets, Drives, Roads and Roadways located upon the Association Property and there is hereby reserved in favor of the Association the right to enter upon any and all parts of the Association Property and Lots for such purpose. The Association shall also be responsible for the sod, landscaping and irrigation system located within any Street, Drive, Road and/or Roadway cul-de-sac, as applicable.

E. To the extent not the responsibility of a public utility, the Association shall be responsible for the maintenance, repair and replacement of any Street Lights, Decorative Street Lights and any associated facilities located in Lotus, or placed in public rights-of-way by agreement between the Association and the public utility or Governmental Authority responsible therefor. When a public utility is responsible for maintenance, repair and replacement, the Association shall be responsible to pay all fees associated with maintenance, repair and replacement of any Street Lights, Decorative Street Lights and any associated facilities placed within the Property and any Street Lights, Decorative Street Lights and associated facilities placed in public rights of way by agreement between the Association and the public utility responsible therefor.

F. The Association shall initially be responsible for the following landscaping services on each Lot (collectively, the "Home Landscaping Services") with such levels of service and schedule of services as may be determined by the Board from time to time: mowing sod, landscape trimming, tree trimming, weeding, fertilization, exterior pest control spraying, and mulching. Each year, the Board shall review the Home Landscaping Services in connection with the preparation of each annual Budget of the Association and the Board shall have the right to add to, remove and/or discontinue the Home Landscaping Services or any portions thereof, all in the Board's sole and absolute discretion. Notwithstanding the obligation of the Association to perform the Home Landscaping Services, any replacement of dead, dying or decaying sod, trees, shrubs, landscaping and other plant materials within the Lots, for any reason whatsoever, shall be the obligation of the Owners of the Lots upon which such replacement is required. The Association may, at its option, discontinue replacing sod on the Lots, in which event the replacement of any sod on the Lots would become the responsibility of the Owners.

Notwithstanding the foregoing, such Home Landscaping Services do not and shall not include the uprighting and/or removing of any fallen or dislodged trees from any Lot following a tropical storm, hurricane, or other Act of God. However, the Association shall have the right, but not the obligation, following a tropical storm, hurricane or other Act of God, to upright and/or remove any fallen or dislodged trees, at the respective Owner's cost and

expense on (i) any Lot, and/or (ii) any grassed areas located between the front and/or side(s) of such Owner's Lot and the street; on behalf of the Owner of such Lot. The Owner of said Lot shall be required to reimburse the Association for the fees, costs and expenses incurred by the Association in connection with the uprighting and/or removal of any fallen or dislodged trees. In that regard, the Association may levy a Special Assessment against such Lot in connection with such fees, costs and expenses, to the exclusion of all other Owners, without the need for obtaining the affirmative consent of at least two-thirds (2/3) of all Members as set forth in Article VII, Section 3 above.

G. To the extent permitted by the appropriate Governmental Authority, the Association may, but shall not be obligated to, also provide maintenance of all County, district or municipal properties which are located within or in a reasonable proximity of the Property to the extent that their deterioration or unkempt appearance would adversely affect the appearance of the Property, including the right to enhance the landscaping in any public right of way.

H. Without limiting the generality of Paragraph G above and in furtherance thereof, so long as permitted by the Drainage District, the Association shall be responsible for the perpetual maintenance and care of the sod, landscaping and irrigation system, if any, installed by Declarant in and on the canal bank(s) of the Drainage District's L-38 Canal along and adjacent to the northern boundary of Lotus (the "L-38 Landscaping Facilities"). Each Owner acknowledges and agrees that the L-38 Landscaping Facilities are and shall be at the sole and absolute discretion of the Drainage District including, without limitation, any requirement to remove the L-38 Landscaping Facilities from the L-38 Canal. In addition, the Drainage District has absolutely no responsibility whatsoever for any damages to the L-38 Landscaping Facilities in connection with the Drainage District's operation, maintenance and repair of the Drainage District's L-38 Canal. In the event of any such damage to the L-38 Landscaping Facilities, the Association shall be solely responsible, at the Association's sole cost and expense, to repair and/or replace, as applicable any damaged or destroyed L-38 Landscaping Facilities. All fees, costs and expenses incurred by the Association in connection with the maintenance, repair and replacement of the L-38 Landscaping Facilities shall be Operating Expenses of the Association.

I. The Association shall be responsible for the maintenance, repair and replacement of any Privacy Fences and Hedges encompassed within the Lots, except as otherwise provided in Article X, Section 17 below.

J. Neither the Association nor any Owner shall alter the slopes, contours, or cross-sections of the Lakes, Lake Banks, Canals, Canal banks and littoral zones or chemically, mechanically, or manually remove, damage or destroy any plants in any of the littoral zones, Lake Maintenance Easements or Lake Maintenance Access Easements except upon the written approval from the applicable Governmental Authority. Littoral plantings will be installed in accordance with the permitting requirements of the Governmental Authorities and may not be altered, relocated or removed by any Owner. The Association shall be responsible for maintaining the required survivorship and coverage of the planted littoral areas, to ensure the ongoing removal of prohibited and invasive non-native plant species from these areas, and to

comply with all governmental regulations, including, without limitation, all permits issued by Governmental Authorities, applicable to the Lakes, Lake Banks, Canals, Canal banks and littoral zones.

K. The Association, by action of its Board, may make minor and insubstantial alterations and Improvements to the Association Property having a cost (individually or in the aggregate with others) not in excess of Fifteen Thousand Dollars (\$15,000). All other alterations and Improvements must first be approved by at least two-thirds (2/3) of all Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws. No alteration or Improvement may be made to the Association Property which materially and adversely affects the rights of the Owner of any Lot to the enjoyment of such Owner's Lot or the Association Property unless the Owner and all mortgagees holding recorded mortgages on such Lot consent thereto in writing.

L. All fees, costs and expenses incurred by the Association in connection with the services, operation, maintenance, repair, replacement and other obligations of the Association described in Paragraphs A through K, inclusive, are Operating Expenses, payable by each Owner under the provisions of this Declaration concerning Assessments. Should the maintenance, repair or replacement provided for in Paragraphs A through K of this Section 1 be caused by the negligence of or misuse by an Owner or such Owner's Occupants, such Owner shall be responsible therefor, and the Association shall have the right to levy an Assessment against such Owner's Lot and said Assessment shall constitute a lien upon the appropriate Lot and Home with the same force and effect as liens for Operating Expenses.

M. The Association has a reasonable right of entry upon any Lot, other than into the Home thereon, to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of Lotus.

N. The Association, being the entity responsible for the ownership, operation, maintenance, repair and replacement of the Association Property as provided in the Governing Documents, hereby agrees to indemnify, defend and hold Declarant and its partners, and each of their respective affiliates, shareholders, partners, managers, members, directors, officers, employees, successors and assigns, harmless from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from: (i) the Association Property, (ii) any acts or omissions of the Association, its members, directors, officers, managers, employees and/or agents and their respective heirs, successors and assigns, (iii) personal injury, loss of life, or damage to property sustained on or about the Association Property or other property serving the Association, and Improvements thereon, and/or (iv) activities or operations of Association or Owners. Association's obligation to defend the parties described in this paragraph N shall be triggered upon any allegation or claim being asserted that, in whole or in part, is to be indemnified or defended pursuant to this paragraph N. If any

indemnified party is compelled to enforce Association's obligations in this paragraph, such indemnified party shall recover any and all attorneys' fees and costs incurred in prosecuting such enforcement action in addition to attorneys' fees and costs incurred in defending the underlying allegations or claims. The costs of fulfilling the Association's indemnification, defense and hold harmless obligations in this paragraph N shall be Operating Expenses to the extent such matters are not covered by insurance maintained by the Association. Notwithstanding the foregoing, the indemnification and defense obligations in this paragraph N shall not apply to: (1) any damage claim directly asserted by the Association against the Declarant for defects in construction of improvements constructed by the Declarant on the Association Property provided such claim does not arise out of or result from any third party claim, and/or (2) any gross negligence, willful or criminal misconduct by the indemnified parties.

Section 2. BY THE OWNERS.

A. Except only for the Home Landscaping Services to be performed by the Association as provided in Article IX, Section 1.G above, the Owner of each Lot must keep and maintain the Lot and the Improvements thereon, including equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair work within, upon and outside of such Owner's Home which, if omitted, could adversely affect Lotus, the other Owners or the Association and its Members. The Owner of each Lot shall be responsible for any damages caused by a failure to so maintain such Lot, Improvements and Home. The Owners' responsibility for maintenance, repair and replacement shall include, but not be limited to, all of the physical structures constructed in, upon, above or below the Lot, and all physical items attached or connected to such structures that run beyond the boundary line of the Lot which exclusively service or benefit the Lot and Home. Without limiting the generality of the foregoing, the Owner of each Lot shall keep all drainage structures (such as catch basins), if any, located on the Owner's Lot clear of dirt, grass, leaves and other debris. Additionally, the painting, caulking and maintenance of the exterior surface of all walls (including, without limitation, any masonry walls extended from the rear of the Home), doors, windows and roof of the physical structure of the Home shall be performed by the Owner, and the exterior surface of such walls, doors, windows and roof shall at all times be maintained in a good and serviceable condition with no damage or other defect therein by the Owner. The Owner of a Lot shall also maintain the stain tank located on the Lot, if any, in good order, condition and repair, and keep the stain tank adequately filled with the appropriate type, amount and mixture of chemicals and properly operate the stain tank so as to minimize any rusting or oxidation to walls, fences, sidewalks or other structures caused by irrigation water. The Owner of a Lot further agrees to timely pay for all utilities (including, without limitation, those provided by the Community Systems), such as telephone, cable or satellite television, water (including water associated with irrigation), sewer, sanitation, electric, etc., that may be separately billed or charged to each Home. The Owner of each Lot shall be responsible for insect and pest control within the Home and the Lot. Whenever the maintenance, repair and replacement of any items which an Owner is obligated to maintain, repair or replace at such Owner's own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the

Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, reduce the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

B. In addition to the foregoing, the Owner of each Home shall be required to maintain appropriate climate control, keep his or her Home clean, promptly repair any leaks and take necessary measures to retard and prevent mold, fungi, mildew and mycotoxins from accumulating in the Home. Each Owner shall be required to clean and dust such Owner's Home on a regular basis and to remove visible moisture accumulation on windows, window sills, walls, floors, ceilings and other surfaces as soon as reasonably possible and must not block or cover any heating, ventilation or air-conditioning ducts, and to properly maintain and have serviced on a regular basis, the Home's HVAC system. Each Owner of a Home shall be responsible for damage to such Owner's Home and personal property as well as any injury to the Owner of a Home and/or occupants of the Home resulting from the Owner's failure to comply with these terms. Each Owner of a Home shall be responsible for the repair and remediation of all damages to the Home caused by mold, fungi, mildew and mycotoxins. While the foregoing are intended to minimize the potential developments of molds, fungi, mildew and other mycotoxins, each Owner understands and agrees that there is no method for completely eliminating the development of same. Declarant does not make any representations or warranties regarding the existence or development of molds, fungi, mildew or mycotoxins, and each Owner on behalf of themselves and their Occupants, and each of their respective successors and assigns shall be deemed to and by acceptance of a deed or title to the Home or by use of the Home, waives and expressly releases any such warranty and any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the existence and/or development of molds, fungi, mildew or mycotoxins of any kind.

C. Owners of all Homes shall also be responsible to: fix leaks in and otherwise maintain and repair the roofs of their Homes; repair or replace, as necessary, any broken or damaged window(s) in the Home; replace any dead or obviously dying trees on their Lots; and maintain, repair and replace any fences on their Lots (except as otherwise provided in Article X, Section 17 below). Owners of Homes shall also clean, maintain, repair and replace the driveways located on their Lots (including, without limitation, repairing damage resulting from root intrusion whether from trees and/or other landscaping on the Lot or the Association Property) and keep the sidewalks, if any, located on or contiguous to their Lots clean and free from any stains, trash, debris and/or impediments to pedestrian traffic.

D. The Owner of each Lot shall maintain, repair and replace as needed any fencing on their Lot; clean, maintain, repair and replace the driveway on their Lot, and keep the

sidewalks, if any, located on and/or contiguous to their Lot clean and free from any stains, trash, debris and/or impediments to pedestrian traffic.

E. Each Owner shall keep such Owner's Home insured in an amount not less than its full insurable value against loss or damage by fire, windstorm and other hazards. Evidence of such coverage shall be furnished to the Association promptly upon the Board's request.

F. If an Owner fails to comply with the foregoing provisions of this Section 2, the Association may proceed in court to compel compliance. Further, if the failure to comply relates to the Owner's obligations to maintain insurance, the Association shall be entitled, although not obligated, to obtain the required coverage itself and to levy on the offending Owner an Assessment equal to the cost of premiums, and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

G. If a failure to comply with the provisions of this Section 2 relates to the Owner's obligation to maintain and care for the Home, landscaping or any other area required to be maintained and cared for by the Owner, then, in addition to the exercise of all other remedies, the Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the Lot of the Owner for the purpose of performing the maintenance and care referred to, set forth and described in the notice, and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and care. Any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses. The determination of whether an Owner is failing to properly maintain and care for the property for which he has the maintenance responsibility under this Declaration or any of the other Governing Documents shall be determined in the sole and absolute discretion of the Association or Declarant.

Section 3. DAMAGE TO BUILDINGS. If a Home is damaged or destroyed by fire or other casualty, its Owner shall properly and promptly restore or reconstruct it to at least as good a condition as it was before the casualty occurred, and in accordance with any permits required to be issued and closed by the County or other Governmental Authority. Any such work shall be in accordance with the original plans and specifications of the Home unless otherwise authorized by the Board and shall be otherwise subject to all provisions of Article VIII above. The Owner of any Home which has suffered damage shall apply to the Architectural Control Committee for approval for reconstruction, rebuilding, or repair of the Improvements therein. The Committee shall grant such approval only if, upon completion of the work, the exterior appearance of the Improvement(s) will be substantially similar to that which existed prior to the date of the casualty, except as otherwise may be permitted in writing by the Board. If the obligation for repair falls upon the Association, the Committee approval will not be required prior to the commencement of such work, so long as the exterior appearance of the Improvement(s) will be substantially similar to that which existed prior to the date of the casualty.

The owner or owners of any damaged building (including, without limitation, the Owner of a Lot and/or Home), the Association, and the Committee shall be obligated to proceed with all due diligence hereunder and the responsible parties shall commence reconstruction within three (3) months after the damage occurs and complete reconstruction within one (1) year after the damage occurs, unless prevented by causes beyond such parties' reasonable control.

Declarant shall be exempt from the provisions of this Section 3, provided that any such reconstruction, rebuilding or repairs made by Declarant shall be consistent, as to the exterior appearance, with the Improvements as they existed prior to the damage or other casualty.

ARTICLE X

USE RESTRICTIONS

All of the Property shall be held, used, and enjoyed subject to the following limitations and restrictions, the Rules and Regulations and any and all additional rules and regulations which may, from time to time, be adopted by the Association, except as provided in Section 21 below (collectively, the "Use Restrictions"):

Section 1. ENFORCEMENT. Failure of an Owner or Occupant to comply with any limitations or restrictions in this Declaration or any of the Governing Documents or with any other rules and regulations promulgated by the Association shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. Without limiting the generality of the foregoing, an Owner shall also be responsible for the payment of any and all Legal Fees incurred by the Association in connection with the enforcement of this Declaration or any of the Governing Documents, whether or not an action is actually begun. Any such Legal Fees shall be paid not later than thirty (30) days after written notice thereof and if not paid within such thirty (30) day period, shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses. Notwithstanding anything to the contrary, an Owner shall be jointly and severally liable for the acts and omissions of such Owner's Occupants. Accordingly, any breach or failure by an Owner's Occupant shall be deemed a breach or failure by such Owner and the Association's rights and remedies hereunder may be enforced against Owner without the necessity of exercising same against Occupant.

Notwithstanding the rights of the Association hereunder to enforce to the terms and provisions of the Governing Documents, the Water Management District and/or Drainage District, as applicable, shall also have the right to take enforcement action, including a civil action for an injunction and penalties, against the Association to compel the Association to correct any failure by the Association to operate, maintain and repair the Drainage System in accordance with the Water Management District Permit and/or the permits issued by the Drainage District.

In the event of a violation of the Governing Documents by an Owner and/or such Owner's Occupants, in addition to all other remedies that may be available, the Association

may: (i) suspend, for a reasonable period of time, the voting rights of such Owner, (ii) suspend, for a reasonable period of time, the rights of Owner and Owner's Occupants to use the Association Property and facilities (including, without limitation, cable television and other services provided by Community Systems other than telephone and any alarm lines), and/or (iii) levy reasonable fines against Owner; provided, that in the event of any of (i), (ii) or (iii) above, the following procedures are adhered to:

A. Notice and Hearing. The Association shall notify the Owner in writing of the noncompliance and set forth the corrective action to be taken. The rights of an Owner and the Owner's Occupants to use the Association Property and facilities (including, without limitation, cable television and other services provided by Community Systems other than telephone and any alarm lines) may be suspended and/or a fine may be levied against such Owner or Occupant by the Board at a properly noticed meeting of the Board. However, a fine or suspension of use rights for a violation of the Governing Documents may not be imposed without notice of at least fourteen (14) days to the Owner sought to be fined or suspended, and an opportunity for a hearing before the Board.

If the Board imposes a fine or suspension, the Owner or Owner's Occupant subject to the sanction may request a hearing before a committee (the "Sanction Review Committee") consisting of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director, or employee of the Association. If the Sanction Review Committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. However, the Sanction Review Committee may not modify the fine or suspension, but rather, may only affirm or reject it. A fine may be levied by the Board on a daily basis in the event of a continuing violation without the necessity of a new notice or hearing. A fine may exceed One Hundred Dollars (\$100.00) per violation and may exceed One Thousand Dollars (\$1,000.00) in the aggregate.

If the Association desires to impose a fine or suspend the use rights of an Owner or Owner's Occupants, the Association shall comply with the procedural requirements of Section 720.305 of the HOA Act, to the extent the procedural requirements in such statute are inconsistent with this Section 1.A. In such event, the procedural requirements set forth in said Section 720.305 shall take priority over the fining and use right suspension procedures set forth herein to the extent of any inconsistency therewith.

B. Payment of Fine and Imposition of Suspension. A fine shall be paid not later than fifteen (15) days after notice by mail or hand delivery of the imposition of the fine from the Board or, if applicable, five (5) days from the affirmation of the fine by the Sanction Review Committee. A fine shall be treated as an Assessment subject to the provisions of the collection of Assessments as otherwise set forth herein; provided that no fine less than One Thousand Dollars (\$1,000) shall be a lien on a Lot. All monies received from fines shall be allocated as directed by the Board, subject always to the provisions of this Declaration. A suspension shall be effective upon the Board giving written notice thereof by mail or hand

delivery or, if applicable, the Sanction Review Committee giving written notice of its affirmation of the suspension.

C. Failure to Pay Assessments. Notwithstanding anything to the contrary contained in the Governing Documents, unless contrary to applicable Law, the Notice and Hearing as provided in Section 1.A above or elsewhere in the Governing Documents, shall not be required and shall not apply with respect to the imposition of suspension of use or voting rights upon any Owner because of such Owner's failure to pay Assessments or other charges, or any other monetary obligation due to the Association when due, if such non-payment exceeds more than ninety (90) days.

D. Access. Suspension of use rights to Association Property shall not prohibit the right of an Owner or an Owner's Occupant to have vehicular and pedestrian ingress to and egress from such Lot and/or Home, including, but not limited to, the right to park. Restricting access to use of visitor or guest lanes of Lotus shall not be deemed an impairment of legal access hereunder.

E. No Waiver; Rights Cumulative. No failure to insist upon strict performance by, or to object to, any Owner or Occupant's failure to comply with the Governing Documents, shall in any way constitute or be deemed a waiver by the Declarant or Association of: (a) such Owner's or Occupant's requirement and obligation to abide by the Governing Documents, or (b) the right to exercise its rights and remedies to enforce any such failure or subsequent failure to comply with the Governing Documents. All rights and remedies granted to Declarant and/or the Association pursuant to the Governing Documents and/or under the HOA Act shall be deemed to be cumulative and the exercise of one right or remedy shall not be deemed to constitute an election of rights or remedies, nor shall it preclude Declarant or the Association from exercising the same or any other rights or remedies as may be granted to them or as may be available to them at law or in equity.

Section 2. NUISANCES. No obnoxious or offensive activity as determined by the Board shall be carried on or about the Lots or in or about any Improvements, Homes, or on any portion of Lotus nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No use or practice shall be allowed in or around the Homes which, as determined by the Board, is a source of annoyance to Owners or Occupants of Homes or which interferes with the rights, peaceful possession or proper use of the Homes or the surrounding areas. No loud noises, noxious or unpleasant odors, or ultra-hazardous activity, each as determined by the Board, shall be permitted or undertaken by any Owner and/or Occupant in any portion of Lotus (including all Improvements, Homes or Lots). Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any Lot, or exposed to the view of other Owners without the prior written approval of the Board.

Section 3. PARKING AND VEHICULAR RESTRICTIONS. Parking upon the Property shall be restricted to the driveway and garage located upon each Lot and the designated parking areas within the Association Property. No Owner shall store any items, materials or other personal property in the garage of such owner's Home to the extent such storage would limit or prohibit the use of the garage for the parking of vehicles. No parking on the streets or encroachment onto sidewalks or swale areas is permitted. No Owner shall conduct repairs taking more than twenty-four (24) hours (except in an emergency or except within the garage of the Home with the garage door closed) or restorations of any motor vehicle, boat, trailer, golf cart or other vehicle upon any Lot. Each Owner and Occupant shall comply with the parking and vehicular restrictions contained in the Rules and Regulations including, without limitation, all restrictions, limitations and prohibitions regarding the types of vehicles that may be parked or stored on the Lot.

Section 4. NO IMPROPER USE. No improper, offensive, hazardous or unlawful use shall be made of any Home nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any portion of the Property. All Laws and other requirements of all Governmental Authorities having jurisdiction thereover shall be observed. Violations of Laws or other requirements of any Governmental Authority having jurisdiction thereover relating to any Home or Lot shall be corrected by, and at the sole expense of, the Owner of said Home and/or Lot.

Section 5. LEASES. No portion of a Home (other than an entire Home) may be rented. All leases shall provide, and if they do not so provide then the leases shall be deemed to provide, that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration or other Governing Documents, or of any other agreement, document or instrument governing the Lots or Homes. The Owner of a leased Home shall be jointly and severally liable with such Owner's tenant for compliance with the Governing Documents and to the Association to pay any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the negligence, or willful or criminal misconduct, of the tenant. Every lease shall be subordinate to any lien filed by the Association whether before or after such lease was entered into. Each Owner shall be required to use a lease addendum which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association of more than sixty (60) days. The Association has the right to require Owners to use a lease addendum the form of which may be prepared by the Association providing for, among other things, the foregoing. Even if such lease addendum is not included, each lease entered into by Owner for a Home shall be deemed to include the foregoing by this reference.

Within five (5) days following execution of a lease for a Home, but in no event later than occupancy of the Home by a tenant, Owner shall: (a) notify the Association in writing

with the name of the tenant and all of tenant's Occupants that will be occupying the Home, and (b) provide the Association with a true, correct and complete copy of the lease agreement. In the event Owner fails to timely comply with the foregoing, such lease shall be null and void and of no further force or effect, and Owner shall be in violation of this Declaration. The provisions of this Section 5 shall also apply to renewals of leases. In no event shall subleases or assignment of leases be permitted without the prior written approval of the Association.

In the event that an Owner is delinquent in the payment of his or her Assessments or other sums due and owing to the Association, the Lot shall not be leased until such amounts are paid in full or unless the Association consents, in writing, to any such lease. If the Lot is leased in violation of this provision, the Association may terminate the lease and evict the tenants in addition to imposing all other available remedies. In the event an Owner is in default in the payment of Assessments or other sums due and owing to the Association and the Owner's Lot is leased, the Association shall have the right and authority to collect the rent to be paid by the tenant to the Owner directly from the tenant. In the event such tenant fails to remit said rent directly to the Association within ten (10) days (but no later than the day the next rental payment is due) from the day the Association notified such tenant in writing that the rents must be remitted directly to the Association, the Association shall have the right to terminate the lease and evict the tenant. All sums received from the tenant shall be applied to the Owner's account for the leased Lot according to the priority established in Section 720.3085 of the HOA Act until the Owner's account is current. All leases entered into by an Owner shall be deemed to automatically incorporate this provision and all the Owners hereby appoint the Association its agent for such purpose. The Association may, without further approval of the Owner of the leased Lot, terminate the lease for violations of the Declaration by the tenants and/or other Occupants and thereafter evict the tenants and Occupants from the Lot.

In addition to any notice to a tenant of a Lot permitted to be given by Law, an Owner by acceptance of a deed or title to a Lot, does hereby irrevocably grant to the Association (and its officers, directors, designees, agents, and employees) and to any professional management or accounting firm providing management or accounting services to the Association, the right to notify, in writing, the tenant(s) of the Lot of any delinquency by the Owner of the Lot in payment of any monetary obligations due to the Association, including but not limited to the amount thereof. Further each Owner hereby agrees and acknowledges that the disclosure of any of Owner's delinquent monetary obligations due to the Association, as provided in the preceding sentence, shall not be construed or be deemed to be a violation of the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. Section 1692, et seq.

Section 6. ANIMALS AND PETS. Only common domesticated household pets may be kept on any Lot or in a Home, but in no event for the purpose of breeding or for any commercial purposes whatsoever. No other animals, livestock, horses, reptiles or poultry of any kind shall be kept, raised, bred or maintained on any portion of the Property. Permitted pets shall only be kept subject to and in accordance with the Rules and Regulations. No pets shall be allowed which constitute a nuisance as determined by the Board. Any pet must be carried or kept on a leash when outside of a Home or fenced-in area. No pet shall be kept tied up outside of a Home or in any screened porch or patio, unless an Owner or Occupant is present in the Home. An

Owner or Occupant, as applicable, shall immediately pick up and remove any solid animal waste deposited by such Owner's or Occupant's pet on the Property. An Owner is responsible for the cost of repair or replacement of any Association Property damaged by such Owner's or Occupant's pet.

Notwithstanding the foregoing, under no circumstances shall a "Pit Bull" (as hereinafter defined), Rottweiler, Presa Canario (canary dog) or "Dangerous Dog" (as hereinafter defined) be permitted on the Property. As used in this Declaration: (i) a "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds; and (ii) a "Dangerous Dog" is defined as a dog which meets any one of the following criteria: (a) has aggressively bitten, attacked, endangered or inflicted severe injury on a human being at any time whether on or off the Property, (b) has severely injured or killed a domestic animal at any time whether on or off the Property, or (c) has, when unprovoked, chased or approached any person upon the Streets, Drives, Roads, Avenues, Roadways and/or Sidewalks, or any other portion of the Property in a menacing fashion or exhibiting an apparent attitude of attack; provided, however, a dog shall not be a "Dangerous Dog" if the threat, injury, death or damage was sustained by a person who, at the time, was unlawfully on the Property (or any portion thereof) or, while lawfully on the Property (or any portion thereof), was tormenting, abusing, assaulting or provoking the dog or its owner or a family member; provided further, that no dog may be a "Dangerous Dog" if the dog was protecting or defending a human being within the immediate vicinity of the dog from an unjustified attack or assault.

Each Owner, on behalf of such Owner or Occupant who houses or permits a pet, hereby agrees to indemnify the Association and Declarant and hold each of the Association and Declarant harmless from and against any loss or liability of any kind or character whatsoever arising from or growing out of such Owner or Occupant having any animal on the Property.

Section 7. ADDITIONS AND ALTERATIONS. No Home shall be enlarged or modified by any addition thereto or to any part thereof, and no Owner shall make any Improvement, addition, or alteration to the exterior of such Owner's Home, including, without limitation, the painting, staining, or varnishing of the exterior of the Home, including doors, garage doors, driveways and walkways, without the prior written approval of: (i) the Architectural Control Committee as set forth in Article VIII above, which approval may be withheld for purely aesthetic reasons, and (ii) all applicable Governmental Authorities.

Section 8. INCREASE IN INSURANCE RATES; CANCELLATION OF POLICY. No Owner or Occupant may engage in any action or conduct which may reasonably be expected to result in an increase in the rate or cancellation or non-renewal of any insurance policy or policies covering or with respect to any portion of the Property not owned by such Owner.

Section 9. EMERGENCIES In case of any emergency originating in or threatening any Lot, the Board or any individual authorized by its shall have the immediate right, but not the

obligation, to enter any Lot for purpose of remedying or abating the cause of emergency, at the Board's discretion, notwithstanding that the Owner of such Lot is present at the time of such emergency.

Section 10. SLOPES AND TREES. No Owner or Occupant may engage in any activity which will change the slope or drainage of a Lot, including, without limitation, Lake Bank slopes. In that regard and without limiting the generality of the foregoing, no Owner or Occupant may alter the slopes, contours or cross-sections of the Lakes, Lake Banks, littoral zones, canals, or canal banks; or chemically, mechanically or manually remove, damage or destroy any plants in any littoral zones. All trees and other landscaping within Lotus have been installed in accordance with a landscape plan that meets the requirements of the County Land Development Code. As a result, no additional trees are permitted to be planted on the Property by any Owner or Occupant and no trees are permitted to be removed from the Property (other than dead or dying trees which are being replaced with trees of the same species) without the prior written consent of Declarant for as long as Declarant owns a Lot, and thereafter, without the prior written consent of the Board. Any Owner or Occupant who removes or installs any tree upon their Lot which is not in conformance with the approved landscape plan shall be responsible for any costs, fines and fees imposed by the County as a result of such action. Declarant and the Association shall each (acting alone) have the right, but not the obligation, after ten (10) days prior notice and demand to do so, to remove (at such Owner's cost and expense) any trees or other landscaping installed by or on behalf of an Owner which is not in accordance with this Declaration.

Section 11. SIGNS. No sign, display, poster, advertisement, notice, lettering or other advertising device of any kind whatsoever (including, without limitation, "For Sale", "For Rent" or "By Owner" or any other signs for the sale or renting of homes) may be exhibited, displayed, inscribed, painted or affixed in public view or on the exterior of any portion of any vehicle, building or other Improvement in the Property (including, without limitation, a Home) without the prior written consent of the Board, which consent may be given, withheld or conditioned in the sole and absolute discretion of the Board. Neither the Board nor the Architectural Control Committee shall consent to any type of "For Sale", "For Rent", "By Owner" or similar sign for the renting or sale of a Home so long as Declarant owns a Lot in Lotus or so long as Declarant or any of Declarant's affiliates (or any of their respective successors or assigns) are conducting sales and marketing of Homes in Lotus or other communities developed or marketed by Declarant or its affiliates, whichever is later. Signs, regardless of size, used by Declarant or any of Declarant's affiliates, or any of their successors or assigns, for advertising, marketing or directional purposes during the construction and sale period of Lotus or other communities developed and/or marketed by Declarant or its affiliates and other signs authorized by Declarant shall be exempt from this Section 11. Such sign or signs as Declarant may be required to erect under the terms of an Institutional Mortgage shall also be exempt from this Section 11. This Section 11 may not be amended without the prior written consent of Declarant.

Section 12. TRASH AND OTHER MATERIALS. No rubbish, trash, garbage, refuse, or other waste material shall be kept or permitted on the Lots and/or Association Property, or other portions of the Property, except in sanitary containers located in appropriate areas (i.e., areas

not visible from the street or any other Lot other than at times of scheduled trash pick-up), and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, offensive, detrimental or a nuisance to Owners or to any other property in the vicinity thereof or to its Occupants. No clothing or other household items shall be hung, dried, or aired in such a way as to be visible from the Association Property or another Lot. No stripped vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Property except when accumulated during construction by Declarant, during construction approved by the Architectural Control Committee, or when accumulated by the Association for imminent pick-up and discard.

Section 13. TEMPORARY STRUCTURES. No tent, shack, shed or other temporary building or Improvement, other than separate construction, service and sales trailers to be used by Declarant, Declarant's affiliates, and/or their respective agents and contractors, for the construction, service and sale of Lotus or other communities, shall be placed upon any portion of the Property, either temporarily or permanently. No trailer, motor home or recreational vehicle shall be: (a) used as a residence, either temporarily or permanently, or (b) parked overnight upon the Property.

Section 14. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, boring or mining operations of any kind shall be permitted upon or on any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 15. SEWAGE DISPOSAL. No individual sewage disposal system shall be permitted on any of the Property, provided that a central sewage disposal system is being operated in accordance with the requirements of the Governmental Authority having jurisdiction over said central system.

Section 16. WATER SUPPLY. No individual water supply system shall be permitted on any of the Property, provided that one or more central water supply systems are being operated in accordance with requirements of the Governmental Authority having jurisdiction over said central system.

Section 17. FENCES. Any fence placed upon any Lot must be approved by the Architectural Control Committee, as provided in Article VIII above, prior to installation. Except as otherwise permitted in this Declaration and/or the Rules and Regulations, in no event may the Committee approve any request for a fence to be placed in any of the following areas: (a) the area between the front of a Home and the Street, Drive, Road and/or Roadway at the front of the Lot on which the Home is situated, unless specifically required by the Palm Beach County Unified Land Development Code; (b) except as expressly provided below, any Drainage Easement within the Property as set forth on the Plats or in a separate instrument recorded in the Public Records; (c) any Lake Maintenance Easement; or (d) in the area between a Home and the Home located next to it so as to preclude the Association's access to the recessed area of a Home located on

the zero lot line side of the Home. Any Privacy Fence proposed for the adjacent Lot must be located behind (to the rear of) the recess opening so that the recessed area remains accessible to the Association for maintenance purposes, but remains subject to approval by the Committee as provided in Article VIII above, prior to installation. Landscaping that creates a hedge or vegetative fence must comply with all guidelines and requirements imposed by the Committee, including, without limitation, those relating to species planted, height restrictions and permissible locations. The Owner assumes complete responsibility to maintain the fence, including, but not limited to, trimming and removal of any plants and other landscaping from the fence. In the event the Committee approves the installation of a fence, it shall also have the right to require installation of certain landscaping, also subject to the Committee's approval, at the time the fence is installed.

Except as expressly provided in the Declaration, no Owner shall be permitted to: (a) attach their fence to any perimeter fence or wall located on or within any of the Buffers or Open Space Areas, or to otherwise fence-in or enclose any portion of a Buffer or other Association Property, and/or (b) install a fence or any portion thereof within any Lake or Lake Maintenance Easement on the Property. Notwithstanding such prohibition against installing fences that enclose any portion of Association Property, the Owners of Lots that are adjacent to the Open Space Areas running parallel and along the Drainage District's L-38 Canal (i.e., the canal along the northern boundary of Lotus) shall have the right to install fencing to close in the portion of such Open Space Area immediately abutting such Owner's rear or side yard, as applicable provided, however, any such fencing: (i) must first be approved by the Architectural Control Committee, (ii) shall include operable gates to permit access to and from other parts of the Open Space Areas including, without limitation, access by the Association to maintain the sod located in the Open Space Areas, (iii) shall not encroach into, or be installed over and/or across, any utility easements located within the Open Space Areas, and (iv) shall not be installed by any Owner whose Lot borders an Open Space Area with a boundary wall located therein. Although such fencing is permitted over and across the Open Space Areas as aforesaid, nothing herein allows any Owner to install, construct or place any other Improvements in or on the Open Space Area including, without limitation, landscaping, pools or pool decking, patios, screen enclosures, play equipment, etc. Each Owner who installs any fencing as provided in this paragraph shall be solely responsible for all required maintenance, repair, replacement and removal of the fencing at Owner's sole cost and expense.

Notwithstanding that an Owner has obtained the approval of the Committee to install a fence or landscape materials as provided in this Section 17, such installation shall be at the Owner's sole risk so long as Declarant has not yet begun or is engaged in the construction of a Home on an adjacent Lot. Declarant shall have the right (but not the obligation), in its sole and absolute discretion, to temporarily remove the fence if necessary in order for Declarant to complete construction of the Home on the adjacent Lot. In the event such construction activity on an adjacent Lot or Declarant's temporary removal of the fence causes damage to or destruction of such Owner's fence or landscape materials or any part thereof, the Owner on whose Lot the fence and/or landscaping has been damaged shall be required, at the Owner's expense, to repair or replace such fence and/or landscape materials in conformance with the requirements of the Committee's approval of the initial installation of the fence and/or

landscape materials and Declarant shall have no liability for any such damage or destruction. Such repair or replacement shall commence as soon as construction on the adjacent Lot has been completed and shall be pursued to completion with due diligence. For purposes of this paragraph, the term "landscape materials" shall include landscape materials located on or adjacent to any property line of a Lot, including, by way of example and not of limitation, hedges, shrubs and trees, whether associated with a fence or not.

In addition, the installation of any fence placed upon any Lot is subject to easements which run with the land. In the event that any fence is approved by the Committee and is permitted to cross any such easements, such Committee's approval is still subject to Owner first receiving written approval from the grantee of such easements and all other Governmental Authorities. In the event the grantee of any such easement which runs with the land (i.e., FPL, other utility provider or the County), its successors and/or assigns, requires the removal of any fence upon the Lot, then the Owner of said Lot shall, at the Owner's sole cost and expense, immediately remove the fence. Notwithstanding the foregoing or any permit or approval issued by a Governmental Authority to the contrary, no fence may be installed within any Lake Maintenance Easement on the Property. The Owner of a Lot, when installing any fence upon the Lot, shall comply with applicable Laws in addition to the Committee approval required by Article VIII above.

Each Owner acknowledges and agrees that in order for the Association to provide the Home Landscaping Services on the Lot as provided in this Declaration, it is necessary for the Association to have access to the lawns and landscaping on the Lot. Accordingly, in the event that an Owner of a Lot desires to install a fence on such Owner's Lot, the Committee's approval of such fence may be conditioned upon, among other things, the installation of operable gates in locations and of sufficient width approved by the Committee, including, without limitation, the front, sides and/or rear of the Lot. In the event Owner fails to install such operable gates, Owner shall be responsible for the maintenance and care of the lawn and landscaping on the Lot, if any, in the portion of the Lot which becomes enclosed by the fence construction. In such event, the Association shall no longer provide any of the Home Landscaping Services to such enclosed portion(s) of the Lot and Owner shall not be excused from the payment of the Assessments for the Home Landscaping Services or entitled to any reduction in Assessments for being responsible for such maintenance and care. "Maintenance and care" within the meaning of this subsection shall include, by way of example and not of limitation, mowing, edging, fertilizing and spraying of lawns, maintenance of the Irrigation System(s) or portion thereof, replacement of sod, and the trimming, fertilizing and spraying of any Hedge within the enclosed portion(s) of the Lot. The Association shall remain responsible, however, to maintain the Privacy Fence, if any, located within any such Lot. In the event the Owner fails to properly maintain such Owner's Lot and/or Home pursuant to this subparagraph, then the Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the property of the Owner for the purpose of performing the maintenance referred to, set forth and described in the notice. The determination of whether an Owner is failing to properly maintain and care for the property for which such Owner has the maintenance responsibility shall be determined in the sole and absolute discretion of the Association or Declarant. Further, if failure to comply relates to the Owner's obligations to

maintain and care for such Owner's Lot, Home or other Improvement, the Association shall be entitled, but not obligated, to perform such maintenance and care itself and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

No Owner shall be permitted to install a fence within any Drainage Easement without the prior written consent of the Committee, which consent shall be conditioned and subject to Owner's compliance with all of the following:

- (i) Owner shall, at Owner's sole cost and expense, obtain all permits and written approvals from the Governmental Authorities having jurisdiction over the Drainage Easement (including, without limitation, the Water Management District).
- (ii) Owner may be required to install one or more operable gates within the Drainage Easement in location(s) determined by the Committee in its sole and absolute discretion, and sufficient to provide adequate access to the Association to perform its maintenance obligations required under this Declaration and adequate access to the Water Management District to access the Drainage Easement and exercise its rights in the Drainage Easement.
- (iii) Owner shall not change or alter the slope or drainage of any portion of the affected Drainage Easement. Moreover, no alteration of a drainage swale, drainage lines, and other equipment shall be authorized and any damage to any drainage swale, drainage lines, and other equipment, shall be repaired by Owner, at Owner's sole cost and expense. The Drainage Easement, as applicable, shall be immediately returned to the condition in which it existed at the time of the initial conveyance of the Lot by Declarant.
- (iv) In the event the Association and/or Governmental Authorities wish to obtain ingress and/or egress to the Drainage Easement for any purpose including, without limitation, installation, maintenance or repairs of the improvements located therein, Owner shall, at its sole cost and expense, remove those portions of the fence which may be required in order for the Association and/or Governmental Authorities to obtain access in and to the improvements. Except for emergency situations, in the event the Owner fails to comply within fifteen (15) days of receipt of written notice from the Association and/or the Governmental Authorities requesting the removal of the fence, the Association may remove any and all portion of the fence and Owner shall be responsible for all removal costs. The Association shall be entitled to levy an assessment equal to the costs of the fence removal against the Owner and its respective Lot, and such Assessment shall constitute a lien upon the applicable Lot with the same force and effect as

a lien for Operating Expenses. Owner shall, at its sole cost and expense, be responsible to replace and reinstall any portions of the fence removed pursuant to this clause (iv). Owner shall also execute and deliver such removal and indemnification agreements as may be required by the Association and/or the Governmental Authorities as a further condition of permitting a fence to be installed within any drainage easement.

Section 18. ANTENNAE. No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or devices of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any portion of the Property or upon any improvements thereon, unless expressly approved in writing by the Association, except that this prohibition shall not apply to those satellite dishes that are one (1) meter (39.37 inches) in diameter or less, and specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000, as amended, promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association is empowered to adopt, and amend from time to time, rules governing the types of satellite dishes or antennae which may be permitted and restrictions relating to safety, location and maintenance of satellite dishes or antennae. The Association may also adopt (and amend from time to time) and enforce reasonable rules limiting installation of permissible satellite dishes or antennae to certain specified locations, not visible from the street or neighboring properties, and integrated with the Property and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules and provided the cost of complying with such rules would not unreasonably increase the cost of installation of permissible satellite dishes or antennae. Any permissible satellite dishes or antennae shall be installed in compliance with all Laws, including zoning, land-use and building regulations. Further, any Owner desiring to install permissible satellite dishes or antennae may, but is not obligated to, submit plans and specifications for same to the Architectural Control Committee to ensure compliance with the Association's rules governing the types of permissible satellite dishes and antennae and restrictions relating to safety, location and maintenance of satellite dishes and antennae.

Section 19. IMPROPER USE OF ASSOCIATION RECORDS, DIRECTORIES AND COMMUNICATIONS. No Member, Owner or Occupant shall use the Association's Official Records, membership directories or other Association communications such as, by way of example and not limitation, e-mails containing one or more Member's e-mail addresses, for any purpose whatsoever other than as strictly related to Association business. Failure to comply with the requirements of this Section 19 shall, without limitation, constitute a nuisance for which the Association may, in addition to any and all other remedies available to the Association, seek an injunction against the offending Member(s), Owner(s) and/or Occupant(s).

Section 20. UNMANNED AERIAL VEHICLES. The use of UAVs by Owner and Owner's Occupants is prohibited except and to the extent permitted by the Rules and Regulations, if any, regarding use and operation of UAVs by Owner and Owner's Occupants.

Section 21. DECLARANT EXEMPTION. Declarant plans to undertake the work of constructing Homes and Improvements upon the Property and may undertake the work of constructing other buildings upon adjacent land or other property being developed or marketed by Declarant or its affiliates. The completion of the aforementioned work and the sale, rental and other transfer of Homes by Declarant and Declarant's affiliates are essential to the establishment and welfare of the Property. In order that such work may be completed and a fully occupied community established as rapidly as possible, neither the Owners (or any of Owner's Occupants), the Association, nor the Architectural Control Committee shall do anything whatsoever to interfere with any of Declarant's or Declarant's affiliates' activities relating to the selling or constructing of Homes and Improvements upon the Property, the selling or constructing of other buildings upon adjacent land or any other property being developed or marketed by Declarant or any of Declarant's affiliates, or the sale, rental and/or other transfer of Homes by Declarant or any of Declarant's affiliates. In this respect, Declarant hereby reserves the right for itself and its employees, agents, licensees, and invitees to come upon any and all portions of the Property (including, without limitation, the Association Property as well as a Lot even after the same has been conveyed to an Owner) as may be necessary or convenient to enable Declarant to carry on its work and other activities including, without limitation, Declarant's development and construction of Lotus and the Homes therein.

In general, none of the Use Restrictions shall apply to Declarant or its designees, or to Lots owned by Declarant. Declarant shall specifically be exempt from any restrictions, conditions or limitations which interfere in any manner whatsoever with Declarant's plans for development, construction, sale, lease, or use of the Property and to the Improvements being placed or constructed thereon, or concerning the development, construction, sale, lease or use of any other real estate developments owned by or being developed by affiliates of Declarant. Declarant shall be entitled to injunctive relief for any actual or threatened interference with its rights under this Article X in addition to whatever remedies at law to which it might be entitled.

ARTICLE XI

DAMAGE OR DESTRUCTION TO ASSOCIATION PROPERTY; CONDEMNATION

Damage to or destruction of all or any portion of the Association Property, or any taking of Association Property (or any part thereof) as a result of condemnation or eminent domain, shall, notwithstanding any provision in this Declaration to the contrary, be handled as follows:

A. If insurance proceeds are sufficient to effect total restoration of damaged or destroyed Association Property, then the Association shall cause such Association Property to be repaired and reconstructed substantially as it previously existed.

B. If insurance proceeds are insufficient to effect total restoration, and the cost of restoration exceeds such proceeds by One Hundred Thousand Dollars (\$100,000.00) or less, then the Association shall cause the Association Property to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment proportionately against each of the Lots in accordance with the provisions of Articles VI and VII above.

C. If the insurance proceeds are insufficient to effect total restoration and the cost of restoration of the Association Property exceeds said proceeds by over One Hundred Thousand Dollars (\$100,000.00), then by the written consent or vote of a majority of the voting interests, they shall determine whether: (i) to rebuild and restore either: (a) in substantially the same manner as the Improvements existed prior to the damage or destruction; or (b) in a manner less expensive, and in the event of (a) or (b) to raise the necessary rebuilding and restoration funds by levying pro rata restoration and construction Special Assessments against all Lots; or (ii) to not rebuild and to retain the available insurance proceeds. In the event it is decided that the damaged or destroyed Association Property shall not be rebuilt, the remains of any structure or structures shall be torn down and hauled away, so as not to be a safety hazard or visual nuisance, and the land shall be fully sodded and landscaped or otherwise treated in an attractive manner. Notwithstanding anything contained herein to the contrary, any decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall not be effective without the prior written approval of Declarant (which approval may be given, conditioned or withheld in Declarant's sole and absolute discretion) as long as Declarant owns any portion of the Property.

D. Each Owner shall be liable to the Association for any damage to the Association Property not fully covered or collected by insurance which may be sustained by reason of the negligence, or willful or criminal misconduct, of said Owner or of such Owner's Occupants, both minors and adults.

E. In the event that the repairs and replacements were paid for by any Special Assessments as well as insurance proceeds and regular Assessments, then, if after the completion of and payment for the repair, replacement, construction or reconstruction there shall remain any excess in the hands of the Association, it shall be presumed that the monies disbursed in payment of any repair, replacement, construction and reconstruction were first disbursed from insurance proceeds and regular Assessments and any remaining funds shall be deemed to be the remaining Special Assessments which shall be returned to the Owners by means of a *pro rata* distribution in accordance with the collection of such Special Assessments.

F. In the event the Association receives any award or payment arising from the taking of any Association Property or any part thereof 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 such taken areas and improvements thereon to the extent deemed advisable by the Board and approved by at least two-thirds (2/3) of the total voting interests, and the remaining balance thereof, if any, shall then be distributed pro rata to Owners and mortgagees of Lots as their respective interests may appear.

ARTICLE XII **INSURANCE**

The Association shall purchase and maintain the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Operating Expenses:

Section 1. CASUALTY INSURANCE. Property and casualty insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all Improvements and personal property which are owned by the Association and now or hereafter located upon the Association Property, which insurance shall afford protection against fire and such other risks, if any, as shall customarily be covered with respect to areas similar to the Association Property in developments similar to Lotus in construction, location and use.

Section 2. PUBLIC LIABILITY INSURANCE. A comprehensive policy of public liability insurance naming the Association and Declarant (until Declarant no longer owns any Lot with the Property) as named insureds thereof, insuring against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the operation, maintenance and use of the Association Property and any Improvements located thereon, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by any one person for any one occurrence; not less than Three Million Dollars (\$3,000,000.00) for damages incurred or claimed by more than one person for any one occurrence; and for not less than Fifty Thousand Dollars (\$50,000.00) property damage per occurrence with no separate limits stated for the number of claims. The Association may also obtain worker's compensation insurance and other liability insurance including, but not limited to, insurance for lawsuits related to employment contracts in which the Association is a party, as it may deem desirable.

Section 3. FIDELITY COVERAGE. Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Board and all others who handle and are responsible for handling funds of the Association shall be maintained in the form of fidelity bonds, which requirements shall be reasonably determined by the Board.

Section 4. DIRECTORS' COVERAGE. Adequate directors' and officers' liability coverage, which coverage shall be effective from and after the date the Association is created.

Section 5. OTHER INSURANCE. The Board may obtain such other forms of insurance as the Board may determine and in such coverage amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Association Property and any Improvements now or hereafter located thereon or in the best interests of the Association and/or its Officers and Directors.

Section 6. CANCELLATION OR MODIFICATION. All insurance policies purchased by the Association shall provide that they may not be cancelled (including for nonpayment of premiums) or substantially modified without at least thirty (30) days prior written notice to the Association and to each first mortgage holder, if any, named in the mortgage clause.

Section 7. FLOOD INSURANCE. If determined appropriate by the Board, or if required by an Institutional Mortgagee holding a mortgage on any portion of the Association Property, a master or blanket policy of flood insurance covering the Association Property, if available under the National Flood Insurance Program, shall be purchased, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area.

Section 8. WAIVER OF SUBROGATION. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement of said persons, but only to the extent that such insurance proceeds are received in compensation for such loss.

Section 9. INDIVIDUAL INSURANCE. Each Owner shall purchase and maintain blanket all-risk property and casualty and windstorm insurance on the Lot(s) and structures constructed thereon, as well as flood insurance coverage, if located in a flood zone. Each Owner of a Lot further covenants and agrees in the event of a loss or damage resulting in less than total destruction of structures comprising such Lot, then the Owner shall remove all debris within thirty (30) days and complete repair or reconstruction of the damaged structure as soon as reasonably practicable, but in any event within one (1) year (subject to force majeure) in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration, and pursuant to all Laws then in effect. The Owner shall pay any costs of repair and reconstruction which are not covered by insurance proceeds. Any such repair or reconstruction shall be substantially in accordance with the original plans and specifications (allowing for building or fire code changes and technical or functional improvements) or as otherwise approved by the Architectural Control Committee and the Board.

ARTICLE XIII **GENERAL PROVISIONS**

Section 1. CONFLICT WITH OTHER GOVERNING DOCUMENTS. In the event of any conflict between the provisions of this Declaration and the provisions of the Articles, Bylaws and/or the Rules and Regulations, the provisions of this Declaration, the Articles, the Bylaws and the Rules and Regulations shall control, in that order.

Section 2. NOTICES. Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) each 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 Home owned by such Owner; (ii)

the Association, certified mail, return receipt requested, at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing; and (iii) Declarant, certified mail, return receipt requested, at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or such other address or addresses as Declarant shall hereafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners.

Section 3. ENFORCEMENT. The Governing Documents may be enforced by Declarant (so long as Declarant holds an equitable or legal interest in any Lot and/or Home), the Association, any Owner and 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, firm or entity violating or attempting to violate any of the Governing Documents. The failure by any party to enforce the Governing Documents (in whole or in part) shall in no event be deemed a waiver thereof or of the right of such party to thereafter enforce the Governing Documents. The prevailing party in any such litigation shall be entitled to reimbursement of all costs thereof including, but not limited to, Legal Fees, from the non-prevailing party. The Water Management District and Drainage District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Drainage System. In addition, the Association shall be entitled to recover pre-litigation Legal Fees incurred in enforcing the Governing Documents which shall be collectible in the same manner as Assessments as set forth in the Declaration.

Section 4. INTERPRETATION. The provisions of the Governing Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the development of a residential community and for the maintenance of recreational facilities and Association Property. The Governing Documents shall be interpreted, in good faith and with due reasonableness, by the Board. In the event of a doubt or dispute as to any such interpretation, a written opinion of a legal counsel to the Association that such interpretation is not unreasonable shall cause the interpretation to be binding and conclusive.

Article, Section 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. Whenever the context so requires or permits, 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.

Section 5. SEVERABILITY. In the event 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. In the event that any court should hereafter determine that any provision of this Declaration is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measuring life shall be that of the incorporator of the Association.

Section 6. CERTAIN RIGHTS OF DECLARANT; COMMUNITY APPROVALS. Notwithstanding anything to the contrary herein contained, no Improvements constructed or installed by Declarant shall be subject to the approval of the Association, the Architectural Control Committee, or the Owners or the provisions and requirements of this Declaration, although it is the intent of the Declarant to create a community with a common scheme of development, as same may change from time to time as provided in this Declaration. Notwithstanding the other provisions of this Declaration, the Declarant reserves for itself, its affiliates, and their respective nominees, the right to enter into and transact on the Property any business Declarant determines to be appropriate to consummate the sale, lease or encumbrance of Homes or other real property located within or outside Lotus, including, but not limited to, the right to: (a) maintain models and a sales and/or leasing office, a construction office and/or a service office, (b) place signs, (c) employ sales, leasing, construction and service personnel, (d) use the Association Property, (e) hold promotional and other events on the Property and to use the Association Property for or in connection with such events, and (f) show Homes. Declarant further reserves the right to make repairs to the Association Property and to carry on construction activity for the benefit of the Property, all of which activities may continue even after the Turnover Date. The Declarant, its affiliates and their respective nominees, may exercise the foregoing rights without notifying the Association and/or the Owners. Any such models, sales and/or leasing office, construction office, service office, signs and any other items pertaining to such sales, leasing, construction or service efforts shall not be considered a part of the Association Property and shall remain the property of the Declarant.

In addition, the Declarant hereby has, shall have and hereby reserves the right to enter upon the Lots and Association Property (including, without limitation, all drainage, lake maintenance, canal maintenance, and utility easements, whether located on a Lot or Association Property) in order for Declarant to final-out and/or close-out any and all approvals, permits, orders, conditions and/or requirements that have been issued or imposed by any Governmental Authority in connection with the development and construction of Lotus and all Improvements therein (collectively, the "Community Approvals"), and for Declarant to comply and adhere to the same, and such rights shall survive the Turnover Date and continue for such period of time as is necessary for Declarant to fully comply with all such Community Approvals. Without limiting the generality of the foregoing, in exercising any such rights, Declarant shall have the right to remove and/or relocate any and all items (including, without limitation, landscape materials, fences and/or other Improvements) that may be required to be removed and/or relocated to final-out and/or close-out any and all Community Approvals without compensation to the Association or the Owners. The foregoing shall also include the right of the Declarant to enter onto the Lot(s) to remove such items installed by the Owner of such Lot(s)

which are not in accordance with the Community Approvals, and without compensation to such Owners. Association is and shall be responsible for complying and causing all Association Property to comply with the Community Approvals, including, without limitation, those Community Approvals that may be in the Declarant's name and not yet transferred to the Association. All fees, costs and expenses of complying with the Community Approvals shall be deemed Operating Expenses of the Association. In the event Declarant is unable to: (i) final-out and/or close-out any and all such Community Approvals as a result of Association's failure to timely and/or properly perform any of its operation, maintenance and/or repair obligations pursuant to the Governing Documents, the Community Approvals and/or any other applicable Laws; or (ii) obtain a return of any bond or surety posted by Declarant in connection with the development and construction of Lotus, then Declarant shall have the immediate right, but not the obligation, in its sole and absolute discretion, to (a) commence an enforcement action against the Association, including, without limitation, monetary penalties and injunctive relief, to compel the Association to perform such operation, maintenance and/or repair obligations as required by this Declaration and/or the Community Approvals, as applicable; and/or (b) take any and all actions necessary, at the Association's sole cost and expense, to comply with and adhere to any such Community Approvals. The Association hereby agrees to indemnify and reimburse the Declarant (within ten (10) days of receipt of a written invoice from Declarant) for all fees, costs and expenses incurred by Declarant (including, without limitation, Legal Fees) in the event that Declarant takes actions in accordance with this Section 6. The rights granted to Declarant hereunder shall survive the Turnover Date and continue for such period of time as is necessary for Declarant to fully comply with all Community Approvals.

The Declarant shall also have the right, but not the obligation, to conduct inspections and tests from time to time of all or any portion of the Association Property in order to ascertain the physical condition of the Improvements and to determine if maintenance, repair or replacement of any such Improvement is necessary. If the Declarant conducts any such tests or inspections, it shall pay all costs thereof and restore the affected portion of the Property to its condition immediately prior to the inspections and tests. The Declarant shall have such rights of entry on, over, under, across and through the Property as may be reasonably necessary to exercise the rights described in this Section 6. The Declarant's right of inspection shall exist whether or not the Turnover Date has occurred. In the event the Declarant exercises its inspection right(s), it is acknowledged by the Association and all Owners that the Declarant is performing any such inspection(s) for its own benefit and not for the benefit of the Association and/or the Owners and further, the Declarant shall have no obligation to inform the Association and/or the Owners of the result of any such inspection.

ALL OWNERS AND OCCUPANTS OF LOTUS ARE HEREBY PLACED ON NOTICE THAT DECLARANT AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES MAY BE, FROM TIME TO TIME, CONDUCTING EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO LOTUS. BY THE ACCEPTANCE OF THEIR DEED, TITLE OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF LOTUS, EACH SUCH OWNER, OCCUPANT AND USER, FOR THEMSELVES AND EACH OF THEIR RESPECTIVE HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES AS FOLLOWS: (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 THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO LOTUS WHERE THE AFORESAID ACTIVITIES ARE BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS); (iii) THAT THE OWNER OR OCCUPANT IS AT RISK OF SUFFERING INJURY TO BOTH THEIR PERSON AND/OR PROPERTY AS A RESULT OF ENTRY UPON ANY PROPERTY WITHIN OR IN PROXIMITY TO LOTUS WHERE THE AFORESAID ACTIVITIES ARE BEING CONDUCTED. EACH OWNER AND OCCUPANT EXPRESSLY ASSUMES FULL RESPONSIBILITY FOR THE RISK OF BODILY INJURY, DEATH OR PROPERTY DAMAGE SUFFERED AS A RESULT OF THE AFORESAID CONSTRUCTION AND OTHER ACTIVITIES; (iv) THAT EACH OWNER AND OCCUPANT HEREBY RELEASES, WAIVES, DISCHARGES AND HOLDS HARMLESS DECLARANT AND ITS PARTNERS, AND EACH OF THEIR RESPECTIVE PARTNERS, AFFILIATES, SHAREHOLDERS, DIRECTORS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS, AND ANY SUBSEQUENT DECLARANT IN WHOLE OR IN PART (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES), RELATED TO, ARISING OUT OF AND/OR RESULTING FROM THE AFORESAID CONSTRUCTION AND OTHER ACTIVITIES; (v) ANY PURCHASE OR USE OF ANY PORTION OF LOTUS HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING; AND (vi) THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY, LEASE AND/OR ALLOW THE USE OF LOTUS BY OWNERS AND OCCUPANTS.

Declarant further has, shall have and hereby reserves the right to permit purchasers under contract with Declarant to purchase a Lot in Lotus the right to use and enjoy the Association Property and/or participate in Association events or functions, as determined by Declarant in Declarant's sole and absolute discretion and without the consent of the Association and/or the Owners.

This Section 6 may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by the Declarant. This right of use and transaction of business as set forth herein and the other rights reserved by the Declarant in the Governing Documents may be assigned in writing by the Declarant in whole or in part. For the purposes of this Section 6, the term "Declarant" shall include any "Lender" which has loaned money to the 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 the Declarant, or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of the Declarant as set forth in this

Section 6 are in addition to, and are no way a limit on, any other rights or privileges of the Declarant under any of the Governing Documents.

Section 7. DISPUTES AS TO USE. In the event 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 a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith, subject to Section 4 above. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Board.

Section 8. AMENDMENT AND MODIFICATION. The process of amending or modifying this Declaration shall be as follows:

A. Until the Turnover Date, all amendments or modifications shall be only made by Declarant without the requirement of the Association's consent or the consent of the Owners, except for amendments prohibited by the HOA Act; provided, however, that the Association shall, forthwith upon 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.

B. After the Turnover Date, this Declaration may be amended at any time and from time to time by: (i) the consent of the Owners owning two-thirds (2/3) of all Lots; together with (ii) the approval or ratification of a majority of the Board. The aforementioned consent of the Owners owning two-thirds (2/3) of the Lots may be evidenced by a writing signed by the required number of Owners or by the affirmative vote of the required number of Owners at any regular or special meeting of the Association called and held in accordance with the Bylaws and evidenced by a certificate of the Secretary or an Assistant Secretary of the Association.

C. Amendments for correction of scrivener's errors or other nonmaterial changes may be made by Declarant alone until the Turnover Date and by the Board thereafter, and without the need of consent of the Association and any Owners.

D. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant or any Institutional Mortgagee under the Governing Documents without the specific written approval of such party affected thereby. In addition, and notwithstanding anything to the contrary contained herein: (1) no amendment to this Declaration shall be effective which shall eliminate or modify the provisions of Article XIII, Section 6, and any such amendment shall be deemed to impair and prejudice the rights of Declarant, and (2) no amendment inconsistent with the requirements under Article 5, Chapter F, of the County's Unified Land Development Code shall be recorded unless approved in writing by the County Attorney's office.

E. A true copy of any recorded Amendment or Supplemental Declaration to this Declaration shall be sent certified mail by the Association to Declarant and to all Institutional Mortgagees holding a mortgage on any portion of the Property having requested notice. The Amendment or Supplemental Declaration, as applicable, shall become effective upon its recording in the Public Records.

F. Notwithstanding anything contained herein to the contrary, Declarant may, without the consent of any Owners, file any Amendment to this Declaration which may be required by an Institutional Mortgagee for the purpose of satisfying such Institutional Mortgagee's development criteria or such other criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, any such Amendments described in this subparagraph must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

G. Any proposed amendment to the Declaration which would affect the Drainage System (including the water management portions of the Association Property), shall be submitted to the Water Management District and any other Governmental Authority having jurisdiction over the Drainage System for a determination of whether the proposed amendment necessitates a modification of the Water Management Permit for the Property.

Section 9. DELEGATION. 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 from time to time and whether or not related to Declarant.

Section 10. TERM. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the Property, and inure to the benefit of Declarant, the Association and the Owners and their respective legal representatives, heirs, successors and assigns for a term of fifty (50) years from the date of recording this Declaration amongst the Public Records, after which time this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such fifty (50)-year term or any such ten (10)-year extension there is recorded amongst the Public Records an instrument agreeing to terminate this Declaration signed by Owners owning two-thirds (2/3) of the Lots and Institutional Mortgagees holding first mortgages encumbering two-thirds (2/3) of all Lots encumbered by first mortgages held by Institutional Mortgagees, upon which event this Declaration shall be terminated upon the expiration of the fifty (50)-year term or the ten (10)-year extension during which such instrument was recorded.

In the event this Declaration is terminated or the Association ceases to exist for any reason, the Owners shall be jointly and severally responsible for the costs to maintain and shall maintain the Association Property in the manner described herein. This provision may not

be amended or deleted without the prior written consent of the County and this provision shall survive the termination of this Declaration and shall run with the Property in perpetuity. Any Owner may, however, petition the Circuit Court for the appointment of a Receiver to manage the affairs of the Association in the event of dissolution of the Association.

Section 11. RIGHTS OF MORTGAGEES.

A. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Governing Documents and the books, records and financial statements of the Association to Owners and the holders, insurers or guarantors of any first mortgages encumbering any portion of the Property. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Home upon written request to the Association.

B. Rights of Listed Mortgagee. Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Lot and the legal description of such Lot, the Association shall provide such Listed Mortgagee with timely written notice of the following:

(1) Any condemnation, loss or casualty loss which affects any material portion of the Association Property;

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

(3) Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Lot; and

(4) Any failure by an Owner owning a Lot encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform such Owner's obligations under the Governing Documents, including, but not limited to, any delinquency in the payment of Assessments, or any other charge owed to the Association by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

C. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the Association, be entitled to financial statements of the Association for the prior fiscal year free of charge and the same shall be furnished within a reasonable time following such request.

Section 12. APPROVAL OF ASSOCIATION LAWSUITS BY OWNERS. Notwithstanding anything contained herein to the contrary, in order to prevent the Board from incurring expenses not contemplated by the Governing Documents, the Association shall be required to obtain the approval of three-fourths (3/4) of the total voting interests (at a duly called meeting of the Owners at which a quorum is present) prior to engaging persons or entities for the purpose of

suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

- (a) the collection of Assessments;
- (b) the collection of other charges which Owners are obligated to pay pursuant to the Governing Documents;
- (c) the enforcement of the use and occupancy restrictions contained in the Governing Documents;
- (d) defending or otherwise responding to a complaint, charge or other legal filing, the failure of which will result in a default or material harm to be incurred by the Association or the Association Property;
- (e) dealing with an emergency when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Association Property or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths [3/4] of the Owners);
- (f) enforcing the Association's rights and remedies under any service or supply contract between the Association and any vendor, service supplier, insurer or other party; or
- (g) filing a compulsory counterclaim.

The provisions of this Section 12 may not be amended or revoked (in whole or in part) without the prior written consent of Declarant, which consent may be withheld or delayed in Declarant's sole and absolute discretion. Notwithstanding the foregoing, the requirement to obtain Declarant's prior written consent shall terminate and be of no further force or effect on the date that is eleven (11) years following the Turnover Date.

Section 13. COMPLIANCE WITH PROVISIONS. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot except as elsewhere herein provided does consent and agree to, and shall be conclusively deemed to have consented and agreed to, every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property. 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.

Section 14. SECURITY. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. Notwithstanding the foregoing, NEITHER DECLARANT NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS, WARRANTIES OR GUARANTEES WHATSOEVER AS TO THE SECURITY OR SAFETY OF THE PROPERTY (OR ANY PORTION THEREOF) OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE. ALL OWNERS, BY ACCEPTANCE OF A DEED OR TITLE TO A LOT, AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION,

PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL SECONDARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL AND/OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES), RELATED TO, ARISING OUT OF AND/OR RESULTING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY OR SAFETY WITHIN THE PROPERTY, AND NEITHER THE ASSOCIATION, DECLARANT NOR ANY SUCCESSOR DECLARANT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH MONITORING SYSTEM OR SECURITY SERVICE, OR THAT ANY SYSTEM OR SERVICE WILL PREVENT INTRUSIONS, FIRES, DAMAGE, INJURY, DEATH OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY, EVEN IF CAUSED BY THE NEGLIGENCE OF THE ASSOCIATION, DECLARANT AND/OR ANY SUCCESSOR DECLARANT. ALL MEMBERS, OWNERS AND OCCUPANTS OF ANY LOT OR HOME, AND OCCUPANTS OF ANY OWNER ACKNOWLEDGE AND AGREE THAT THE ASSOCIATION AND ITS BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT: (a) ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE), IF ANY, RECOMMENDED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR (b) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE) WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED OR PREVENT LOSSES INCLUDING, WITHOUT LIMITATION, LOSSES FROM FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE.

EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME FURTHER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT: (a) THE ASSOCIATION, ITS BOARD, THE ARCHITECTURAL CONTROL COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS OR GUARANTORS AND THAT EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS AND PROPERTY, TO LOTS OR HOMES, AND (b) EACH MEMBER, OWNER, THE ASSOCIATION, ITS BOARD, THE COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS, WARRANTIES AND/OR GUARANTIES, NOR HAS ANY MEMBER, OWNER AND/OR OCCUPANT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE), IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Section 15. COVENANT RUNNING WITH THE LAND. All provisions of this Declaration shall, to the extent applicable and unless otherwise expressly provided herein to the contrary, be

construed to be covenants running with the Lots and Homes and the Property and with every part thereof and interest therein, and all of the provisions hereof shall be binding upon and inure to the benefit of Declarant and subsequent Owner(s) of the Homes, Lots and Property or any part thereof, or interest therein, and their respective heirs, successors, and assigns. However, the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, unless specifically provided herein to the contrary. All present and future Owners and Occupants of the Lots and Homes, as applicable, shall be subject to and shall comply with the provisions of this Declaration and the Articles, Bylaws and Rules and Regulations as they exist and may from time to time be amended. The acceptance of a deed of conveyance of a Lot, or the use of any portion of the Property shall constitute an adoption and ratification by such Owner or Occupant of the provisions of this Declaration, and the Articles, Bylaws, and Rules and Regulations of the Association. In the event that any easements granted herein shall fail for want of a grantee in being or for any other purpose, the same shall constitute and be covenants running with the land.

Section 16. NO PUBLIC RIGHT OR DEDICATION. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Association Property to the public, or for any public use.

Section 17. NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE ASSOCIATION PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, FITNESS FOR INTENDED USE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION.

Section 18. PUBLIC THOROUGHFARES/NOISE ABATEMENT. In conformance with County requirements, it is disclosed that the eastern boundary of Lotus is located adjacent to the Florida Turnpike, a public highway. As a result of the proximity of Lotus to the Florida Turnpike, the Homes within Lotus will be located within an area subject to noise generated by vehicles using the Florida Turnpike. Declarant has installed or will be installing noise abatement improvements determined by the County Engineer and the Florida Department of Transportation to be effective in keeping noise levels from the Florida Turnpike below the State of Florida's noise abatement criteria in effect as of the date of issuance of the development order for Lotus. In further conformance with County requirements, it is also disclosed that Lyons Road is a public thoroughfare roadway adjacent to the western boundary of the Property which contains two (2) lanes of traffic as of the Effective Date, but which could ultimately include up to four (4) lanes of traffic.

Each Owner, by acceptance of a deed or title to a Lot, acknowledges and agrees that any additional noise mitigation measures requested or desired in the future by the Owners or the Association will not be funded or constructed by the County or Declarant. Declarant does not represent, warrant or guarantee how and/or to what extent: (a) the expansion of Lyons Road, and/or (b) the traffic noise from the Florida Turnpike and/or Lyons Road will affect Lotus

and/or the use and enjoyment thereof, and Declarant shall have absolutely no liability whatsoever therefor.

Section 19. MANDATORY RECLAIMED WATER ZONE. Lotus is located within the County Water Utilities Department's "Mandatory Reclaimed Water Zone" service area. Accordingly, each Owner acknowledges and agrees that Declarant has entered or will enter into one or more reclaimed water development agreement(s) whereby reclaimed water provided by the Palm Beach County Water Utilities Department will be used to recharge the Lakes in Lotus. The water from the Lakes (including the reclaimed water) will be used for irrigation of the Association Property and each of the individual Lots within the Community. Each Owner further acknowledges and agrees that reclaimed water is not potable and should not be consumed in any manner. Notwithstanding the foregoing, as of the Effective Date, reclaimed water is not available to Lotus from the County and until such time as reclaimed water is available, the source of irrigation water for the Association Property and Lots will be from the Lakes in Lotus. Each Owner further understands and agrees that if and when reclaimed water becomes available from the County, the irrigation system for Lotus will be required to be converted to utilize such reclaimed water. All costs of installing and/or converting, as applicable, such system and all usage and consumption fees charged by the County, if any, will be paid by the Association and included as part of the Operating Expenses of the Association.

Section 20. BUS STOP. Each Owner, by acceptance of a deed or title to a Lot, acknowledges and agrees (i) that an easement has been or will be granted in favor of the County to permit the County to construct and operate a bus stop boarding and alighting area within or adjacent to the Lyons Road roadway, and (ii) because Lyons Road is a public roadway, utilities and other improvements (including, without limitation, overhead power lines and/or light poles) may or may not be constructed within such roadways or any adjacent utility easements.

Section 21. SURROUNDING AGRICULTURAL USES. Each Owner by acceptance of a deed or title to a Lot acknowledges and agrees that Lotus lies in an area where adjacent and/or surrounding properties are presently zoned for and/or may be used for agricultural uses, a permissive zoning designation allowing, among other things, groves/row crops, livestock raising, private kennels, stables, farm worker quarters, and others. Declarant cannot and does not represent, warrant or guaranty the manner in which such properties are now or in the future will be used, or how same will affect Lotus, and Declarant shall have absolutely no liability whatsoever therefor.

Section 22. NO PARTITION. Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Association Property or any part thereof, nor shall any person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Section 22 shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Section 23. VENUE. EACH OWNER ACKNOWLEDGES THIS DECLARATION LEGALLY AND FACTUALLY WAS EXECUTED IN THE COUNTY. DECLARANT HAS AN OFFICE IN THE COUNTY, AND EACH PARCEL IS LOCATED IN THE COUNTY. ACCORDINGLY, AN IRREBUTTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN THE COUNTY. IN ADDITION TO THE FOREGOING, EACH OWNER AND DECLARANT AGREES THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN THE COUNTY.

Section 24. CERTAIN RESERVED RIGHTS OF DECLARANT WITH RESPECT TO COMMUNITY SYSTEMS. Without limiting the generality of any other applicable provisions of this Declaration, and without such provisions limiting the generality hereof, Declarant hereby reserves and retains to itself:

A. the title to any Community Systems and a perpetual exclusive easement over, under and across the Property for the placement and location thereof;

B. the right to connect, from time to time, the Community Systems to such receiving or intermediary transmission source(s) as Declarant may in its sole and absolute discretion deem appropriate, in location(s) on the Property as Declarant may determine in its sole and absolute discretion, including, without limitation, companies licensed to provide CATV or satellite service(s) in the County, for which service(s) Declarant shall have the right to charge any users a fee (which shall not exceed any maximum allowable charge provided for in the ordinances of the applicable Governmental Authorities;

C. the continuing right to air conditioned space within and/or on the Association Property as Declarant may determine in its sole and absolute discretion to install, operate, maintain, repair and replace the equipment serving, providing or running the Community Systems, which location may include, without limitation, room(s) within any clubhouse or other Improvements constructed on the Association Property; and

D. the exclusive right to offer and provide from time to time to the Association, the Lots and the Lot Owners, any and all Bundled Services through the Community Systems.

Neither the Association nor any officer, director, employee, committee member or agent thereof (including any management company) shall be liable for any damage to property, personal injury or death arising from or connected with any act or omission of any of the foregoing during the course of performing any duty or exercising any right or privilege (including, without limitation, performing maintenance work which is the duty of the Association or exercising any remedial maintenance or alteration rights under this Declaration) required or authorized to be done by the Association, or any of the other aforesaid parties, under this Declaration or otherwise as required or permitted by Law.

Section 25. USE OF NAME AND SERVICE AND TRADEMARKS. No person other than Declarant and any licensee thereof shall use the name "Lotus" or any service mark, trademark or copyrighted material associated therewith in the name or promotion of any business venture,

organization in marketing materials (including, without limitation, social media and other on-line uses) or other activities, whether for profit or otherwise, and whether within or outside of Lotus, in all such cases without first obtaining from Declarant a written license to do so, which license may be granted or withheld in Declarant's sole and absolute discretion. Any violation hereof shall entitle Declarant not only to all remedies (including injunctive relief) available under all state and federal intellectual property Laws, to the extent applicable, but also those set forth in this Declaration. The provisions of this Section 25 may not be amended without Declarant's prior written consent, which consent may be withheld or delayed in Declarant's sole and absolute discretion.

Section 26. CONSENT AND RELEASE FOR USE OF LIKENESS. Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of law or otherwise, and each Occupant of a Home, by reason of his or her occupancy, use and/or participation in or attendance at any event of the Association hereby, without any prior or subsequent consent: (a) agrees to photographs and/or video (including audio) being taken of such persons: (i) during any use and/or enjoyment of Association Property, and/or (ii) participation in any and all activities sponsored, promoted or set up by or through the Declarant and/or the Association and whether or not such activities take place on the Association Property or elsewhere, and (b) hereby permits such photographs and/or video to be used by the Association, Declarant and/or Declarant's affiliates in advertising and marketing materials and/or media publications, and (c) waives any right to inspect, approve or receive any compensation for such person's photographs or videos and/or use of such person's likeness in any and all such advertising and marketing materials and/or media publications.

Section 27. ASSOCIATION AND DECLARANT AS ATTORNEY-IN-FACT. Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of law or otherwise, and each Occupant of a Home, by reason of his or her occupancy, is hereby declared to have acknowledged and agreed to his or her automatic consent to any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Lotus by Declarant (hereinafter, collectively, the "Modifications") and, in respect thereto, each Owner of a Lot and Occupant of a Home hereby designates the Association to act as agent and attorney in fact on behalf of such Owner or Occupant to consent to any such Modification. If requested by Declarant, each Owner shall evidence his or her consent to a Modification in writing (provided, however, that any refusal to give such written consent shall not obviate the automatic effect of this provision). Further, each Owner, by reason of having acquired ownership of a Lot, hereby agrees to execute, at the request of Declarant, any document and/or consent which may be required by any government agency to allow Declarant and/or its affiliates to complete the plan of development of Lotus, as such plan may be hereafter amended, and each such Owner hereby further appoints Declarant as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of each such Owner, any and all of such documents and/or consents. This power of attorney is irrevocable and is coupled with an interest. The provisions of this Section 26 may not be amended without Declarant's prior written consent.

The Association covenants and agrees, for itself or in a representative capacity on behalf of all Owners and Occupants, not to challenge or object (directly or indirectly) to any Neighborhood Modifications or other governmental permits and approvals whatsoever (including, without limitation, comprehensive plan changes, land use changes, rezoning requests, development orders and/or other development related requests) sought or to be sought in the future by Declarant or Declarant's affiliates (collectively, the "Approval Matters"). Accordingly, the Board shall not have any power or authority to spend any funds whatsoever of the Association or to assess the Owners for any fees, costs or expenses to challenge or object to any Approval Matters.

The provisions of this Section 27 may not be amended without Declarant's and Community Declarant's prior written consent, which consent may be withheld or delayed in their respective sole and absolute discretion.

Section 28. DECLARANT'S RESERVATION OF RIGHTS. Notwithstanding anything contained in the Governing Documents to the contrary, Declarant reserves the right to change the zoning and/or land use of any portion of the Property now existing or hereafter changed to be other than single-family residential (e.g., multi-family residential or commercial) and/or to make such uses of all or any part of the Property as shall be permitted by applicable zoning regulations as they may exist from time to time. Declarant, however, is not obligated by this Declaration to cause any portion of the Property to be rezoned or developed for any such uses. In the event Declarant changes the zoning of the Property, Declarant hereby reserves the right to amend this Declaration or to create one or more sub-declarations subjecting such property(ies) to additional or different specified or prohibited uses.

Additionally, in the event Declarant changes the zoning of the Property or any portion thereof to a use other than single-family residential and amends the Governing Documents or creates a sub-declaration, in order to insure representation on the Board for various groups having dissimilar interests, Declarant reserves the right to establish voting groups for election of Directors to the Board. In such event, each voting group shall be entitled to elect one (1) or more Director(s) to the Board. Each voting group may have different voting rights as determined by Declarant.

In the event Declarant establishes other uses of or for the Property as aforesaid, Declarant reserves the right to change the method pursuant to which Assessments are shared among the Lots and other portions of the Property. The expenses may be divided among each type of property use (e.g., single-family residential, multi-family residential and commercial) based upon, but not necessarily proportional to, the percentage of each type of property use, the level of services received by each type of property use and other relevant factors as determined by Declarant. Additionally, expenses which specifically relate to a specific property use will only be assessed against that type of property. The percentages for each type of property will be based upon the total acreage of the Property.

Section 29. PRIORITY OF DOCUMENTS. This Declaration shall be paramount in those instances of irreconcilable conflict among or between it and the Articles, Bylaws, or Rules and

Regulations, in the absence of any express language indicating which document controls the particular subject matter; the Articles are next paramount, the Bylaws next paramount, and the Rules and Regulations most subordinate.

[Executions and Acknowledgments Appear on the Following Pages]

IN WITNESS WHEREOF, this Declaration has been signed by Declarant and joined in by the Association on the respective dates set forth below.

DECLARANT:

BOCA RATON ASSOCIATES VIII, LLLP, a
Florida limited liability limited partnership

By: Boca Raton VIII Corporation, a Florida
corporation

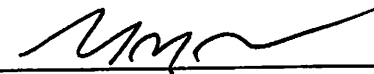
WITNESSES AS TO DECLARANT:



Signature
Print Name Steven Helfman

Sharolyn Webb

Signature
Print Name SHAROLYN WEBB

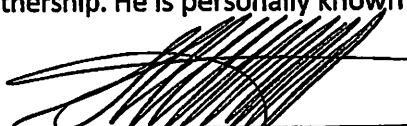
By: 

Richard M. Norwalk, Vice President

[CORPORATE SEAL]

STATE OF FLORIDA)
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this ____ day of October, 2019, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Richard M. Norwalk, as Vice President of Boca Raton VIII Corporation, a Florida corporation, the general partner of BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership, on behalf of said corporation and limited liability limited partnership. He is personally known to me.

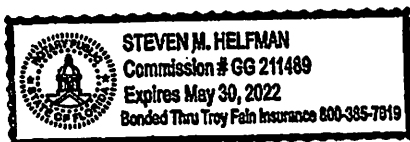


Notary Public, State of Florida at Large

My Commission Expires:

Steven Helfman

Typed, Printed or Stamped Name of Notary Public



ASSOCIATION:

LOTUS HOMEOWNERS ASSOCIATION, INC., a
Florida corporation not for profit

WITNESSES AS TO ASSOCIATION:

Amelia Santiago

Signature

Print Name Angelica Delmar-Santiago

Kara Babcock

By:

Name: Kara Babcock

Title: President

Deysi Verdon

Signature

Print Name Deysi VERDON

[CORPORATE SEAL]

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

I HEREBY CERTIFY that on this 10th day of October, 2019, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Kara Babcock, as President of LOTUS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, freely and voluntarily under authority duly vested in her by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation. She is personally known to me.



My Commission Expires:

Tracey A. Tyika
Notary Public, State of Florida at Large

Tracey A. Tyika
Typed, Printed or Stamped Name of Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

All of BRIDGES-MIZNER PUD – BRIDGES SOUTH PLAT ONE, according to the Plat thereof, as recorded in Plat Book 126, at Page 46, of the Public Records of Palm Beach County, Florida, LESS AND EXCEPT Tract "RW" thereof, and all other plats and replats thereof including, without limitation:

1. All of BRIDGES-MIZNER PUD – BRIDGES SOUTH PLAT TWO, according to the Plat thereof, as recorded in Plat Book 126, at Page 174, of the Public Records of Palm Beach County, Florida; and
2. All of BRIDGES-MIZNER PUD – BRIDGES SOUTH PLAT THREE, according to the Plat thereof, as recorded in Plat Book 129, at Page 35, of the Public Records of Palm Beach County, Florida; and

EXHIBIT "B"

**ARTICLES OF INCORPORATION
OF
LOTUS HOMEOWNERS ASSOCIATION, INC.**

[See Attached 13 Pages]

State of Florida



Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on January 8, 2019, for BRIDGES SOUTH HOMEOWNERS ASSOCIATION, INC. which changed its name to LOTUS HOMEOWNERS ASSOCIATION, INC., a Florida corporation, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H19000004858. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N17000009254.

Authentication Code: 619A00000624-010919-N17000009254-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Ninth day of January, 2019



M. Ertel
Michael Ertel
Secretary of State

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
BRIDGES SOUTH HOMEOWNERS ASSOCIATION, INC.,
(a Florida Corporation Not-For-Profit)**

THESE AMENDED AND RESTATED ARTICLES OF INCORPORATION ("Restated Articles") are adopted as of the 4th day of January, 2019 by BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership.

RECITALS:

WHEREAS, Articles of Incorporation of Appolonia East Homeowners Association, Inc. were filed with the Florida Department of State (the "Department") on September 7, 2017, under Document Number N17000009254, and amended by that certain Amendment to Articles of Incorporation of Appolonia East Homeowners Association, Inc. filed in the Department on October 2, 2017 which changed the name of the Association to Bridges South Homeowners Association, Inc. (collectively, the "Original Articles");

WHEREAS, pursuant to Article XIII, Section A of the Original Articles, prior to the First Conveyance, the Declarant may amend the Original Articles without the vote of the Members or the Board of Directors; and

WHEREAS, the First Conveyance has not occurred, and Declarant desires to amend and restate the Original Articles in their entirety, including changing the name of the Association, as more particularly set forth in these Restated Articles.

NOW, THEREFORE, pursuant to the authority and for the reasons aforementioned, the undersigned does hereby amend and restate the Original Articles in their entirety as follows:

The foregoing recitals are true and correct and are incorporated herein by reference.

**ARTICLE I
DEFINITIONS**

The following words and phrases when used in these Restated Articles (unless the context clearly reflects another meaning) shall have the following meanings:

1. "Articles" shall mean and refer to these Amended and Restated Articles of Incorporation and any amendments hereto.
2. "Association" shall mean and refer to Lotus Homeowners Association, Inc., a Florida corporation not for profit. The Association is NOT a condominium association and is not intended to be governed by Chapter 718, Florida Statutes (the Florida Condominium Act).
3. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.
4. "Bylaws" shall mean and refer to the Bylaws of the Association and any amendments thereto.

5. "County" shall mean and refer to Palm Beach County, Florida.
6. "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions and Easements for Lotus recorded (or to be recorded) in the Public Records of the County, as amended and/or supplemented from time to time.
7. "Director" shall mean and refer to a member of the Board.
8. "Governing Documents" shall mean and refer, in the aggregate, to the Declaration, these Restated Articles, the Bylaws, the Plat, the Rules and Regulation of the Association, the Plat, the Additional Plat, if any, and all of the instruments and documents referred to in such documents, all as may be amended and/or supplemented from time to time.
9. "HOA Act" shall mean and refer to the Florida Homeowners Association Act (Chapter 720, Florida Statutes) and, where the context requires or permits shall also include the Florida Not For Profit Corporation Act (Chapter 617, Florida Statutes).
10. "Member" shall mean and refer to a member of the Association.

All initial capitalized terms used in these Articles but not defined herein shall have the meanings given to such terms in the Declaration, which are incorporated herein by this reference.

ARTICLE II
NAME; PRINCIPAL ADDRESS

The name of the corporation shall be LOTUS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit, whose principal address and mailing address is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or at such other place as may be designated, from time to time, by the Board of Directors.

ARTICLE III
PURPOSES

The purposes for which the Association is organized are: (i) to take title to, administer, operate, maintain, finance, repair, replace, manage and lease the Association Property (including the Drainage System) in accordance with the terms of, and purposes set forth in, the Governing Documents, and (ii) to carry out and perform the Association's duties and obligations under the Governing Documents (including enforcing the provisions thereof). The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any Member, Owner or other individual person, firm or entity.

ARTICLE IV
POWERS

Without limiting the generality of the foregoing, the Association shall have the following powers and shall be governed by the following provisions:

- A. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the Governing Documents.

B. The Association shall have all of the powers granted to the Association in the Governing Documents. All of the provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles.

C. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

1. To perform any act required or contemplated by it under the Governing Documents.
2. To make, establish, amend, abolish (in whole or in part) and enforce reasonable rules and regulations governing the use of the Association Property.
3. To make, levy and collect Assessments for the purpose of obtaining funds from its Members to pay Operating Expenses and other costs defined in the Declaration and costs of collection, and to use and expend the proceeds of Assessments in the exercise of the powers and duties of the Association.
4. To own, administer, operate, maintain, finance, repair, replace, manage, lease and convey the Association Property in accordance with the Governing Documents.
5. To enforce by legal means the obligations of the Members and the provisions of the Governing Documents.
6. To employ personnel, retain independent contractors and professional personnel, and enter into service contracts to provide for the administration, operation, maintenance, financing, repairing, replacing, management and leasing of the Association Property and to enter into any other agreements consistent with the purposes of the Association, including, but not limited to, agreements with respect to professional management of the Association Property and to delegate to such professional manager certain powers and duties of the Association. Prior to the Turnover Date (as hereinafter defined), the President of the Board shall have the inherent authority to enter into contracts and agreements on behalf of the Association without a meeting of the Directors, so long as the monetary amounts to be paid by the Association pursuant to the contracts and agreements do not exceed the amounts therefor as set forth in the then-adopted operating Budget of the Association, as amended from time to time.
7. To operate, maintain, and manage the Drainage System in a manner consistent with the requirements of the Water Management District Permit and applicable rules and requirements of the Water Management District; to assist in the enforcement of the Declaration's provisions relating to the Drainage System; and to levy and collect adequate assessments against Owners for the costs of maintenance and operation of the Drainage System.
8. To enter into the Declaration and any amendments thereto and instruments referred to therein.
9. To assign and/or delegate any right, duty or obligation of the Association as it deems necessary including, without limitation, assignments and delegations to a management company and/or other entity(ies) or person(s).
10. To provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Association mandate to keep and maintain Lotus in a proper and aesthetically pleasing condition and to provide the Owners with services, amenities, controls, rules and regulations, and enforcement which will enhance the quality of life at Lotus.

11. To borrow money and to obtain such financing as is necessary to maintain, repair and replace the Association Property in accordance with the Declaration and, as security for any such loan, to collaterally assign the Association's right to collect and enforce Assessments levied for the purpose of repaying any such loan and to provide such other collateral as may be necessary to obtain such financing.

ARTICLE V
MEMBERS AND VOTING

The qualification of Members of the Association, the manner of their admission to membership, the manner of the termination of such membership and the manner of voting by Members shall be as follows:

A. Until such time as the first deed of conveyance of a Lot from Declarant to an Owner is recorded amongst the Public Records of the County (the "First Conveyance"), the membership of the Association shall be comprised solely of the Declarant. In that regard, until the First Conveyance, Declarant shall be entitled to cast the one (1) and only vote on all matters requiring a vote of the membership.

B. After the First Conveyance, Declarant shall be a Member as to each of the remaining Lots until each such Lot is conveyed to another Owner, and thereupon and thereafter each and every Owner, including Declarant as to Lots owned by Declarant, shall be a Member and exercise all of the rights and privileges of a Member in accordance with (but at all times subject to) the Governing Documents.

C. Membership in the Association for Owners other than Declarant shall be established by the acquisition of ownership of fee simple title to a Lot as evidenced by the recording of an instrument of conveyance amongst the Public Records of the County. Where title to a Lot is acquired by conveyance from a party other than Declarant by means of sale, gift, inheritance, devise, bequest, judicial decree or otherwise, the person, persons or entity thereby acquiring such Lot shall not be a Member unless or until such Owner shall deliver a true copy of a deed or other instrument of acquisition of title to the Association.

D. The Association shall have two (2) classes of voting membership:

1. "Class A Members" shall be all Members, with the exception of Declarant while Declarant is a Class B Member, each of whom shall be entitled to one (1) vote for each Lot owned.

2. "Class B Members" shall be Declarant, who shall be entitled to three times the total number of votes of the Class A Members plus one. Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following events ("Turnover Date"):

(a) Three (3) months after the conveyance of ninety percent (90%) of the "Total Developed Lots" (as defined in Article VIII.C hereof) by Declarant, as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County;

(b) At such earlier time as Declarant shall designate in writing to the Association; or

(c) On such other date as a majority of the Board is elected by the Class A Members as required by the HOA Act.

On the Turnover Date, Class A Members, including Declarant, shall assume control of the Association and elect not less than a majority of the Board; provided however that Declarant shall be a Class A Member entitled to one (1) Class A vote for each Lot owned by Declarant.

E. The designation of different classes of membership are for purposes of establishing the number of votes applicable to certain Lots, and nothing herein shall be deemed to require voting solely by an individual class on any matter which requires the vote of Members, unless otherwise specifically set forth in the Governing Documents.

F. No Member may assign, hypothecate or transfer in any manner such Member's membership in the Association except as an appurtenance to such Member's Lot.

G. Any Member who conveys or loses title to a Lot by sale, gift, inheritance, devise, bequest, judicial decree or otherwise shall, immediately upon such conveyance or loss of title, no longer be a Member with respect to such Lot and shall lose all rights and privileges of a Member resulting from ownership of such Lot, but such party shall remain jointly and severally liable, together with the new Member owning the Lot, for all outstanding obligations (including monies owed) to the Association.

H. There shall be only one (1) vote for each Lot, except for the Class B Members as set forth herein. If there is more than one Member with respect to a Lot as a result of the fee interest in such Lot being held by more than one person, such Members collectively shall be entitled to only one (1) vote. The vote of the Owners of a Lot owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named ("Voting Member") in a certificate signed by all of the Owners of the Lot, or, if appropriate, by properly designated officers, partners or principals of the respective legal entity, and filed with the Secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not filed with the Secretary of the Association, the vote of such Lot shall not be considered for establishing a quorum or for any other purpose.

Notwithstanding the foregoing provisions, whenever any Lot is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

1. When both are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Lot owned by them. In the event they are unable to concur in their decision upon any topic requiring a vote, they shall lose their right to vote on that topic at that meeting, but shall count as one (1) Member for purposes of establishing a quorum.

2. When only one (1) spouse is present at a meeting, the person present may cast the Lot vote without establishing the concurrence of the other spouse, absent any prior written notice to the contrary by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Lot shall not be considered, but shall count for purposes of establishing a quorum.

3. When neither spouse is present, the person designated in a "Proxy" (as defined in the Bylaws) signed by either spouse may cast the Lot vote, when voting by Proxy is allowed, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Proxy by the other spouse, the vote of said Lot shall not be considered, but shall count as one (1) Member for purposes of establishing a quorum.

I. Unless some greater number is provided for in the Governing Documents, a quorum for the transaction of business at any meeting of the Members shall exist if Members holding at least thirty percent (30%) of the total voting interests of the Members shall be present or represented by proxy at the meeting.

ARTICLE VI
TERM

The term for which this Association is to exist shall be perpetual. In the event of dissolution of the Association (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Association shall be conveyed to a similar homeowners association or a public agency having a similar purpose, or any Member may petition the appropriate circuit court of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and its properties in the place and stead of the dissolved Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties.

In the event of the Association's termination, dissolution, or final liquidation, the responsibility for the operation and maintenance of the Drainage System must be transferred to and accepted by an entity which complies with Section 62-330.310, F.A.C. and is approved by the Water Management District prior to such termination, dissolution, or liquidation.

ARTICLE VII
INCORPORATOR

The name and address of the Incorporator of these Articles are:

Boca Raton Associates VIII, LLP
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323

ARTICLE VIII
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors of the Association ("First Board") shall be three (3) and shall be increased to four (4), or such greater odd number of not more than seven (7) as determined in the sole discretion of the Declarant, upon the election of one (1) "Purchaser Member" (as hereinafter defined) to the Board in accordance with Section 720.307(2) of the HOA Act. The "Initial Elected Board" (as hereinafter defined) shall be three (3) and the number of Directors elected by the Members subsequent to the "Declarant's Resignation Event" (as hereinafter defined) shall be an odd number of no less than three (3) nor more than seven (7). The Board shall determine the number of Directors to comprise the Board prior to each meeting at which Directors are to be elected. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses of Members. Except that if a Lot is owned by an entity and not an individual, such entity may only appoint a partner, shareholder, member, manager, director or officer of such entity or any of its constituent entities on its behalf to be eligible to serve on the Board and/or as an Officer. Each Director shall have only one (1) vote.

B. The names and addresses of the persons who are to serve on the First Board are as follows:

NAMES

ADDRESSES

Kara Babcock

1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323

Marcie DePlaza

1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323

N. Maria Menendez

1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323

Declarant reserves the right to replace and/or designate and elect successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided.

C. In accordance with Section 720.307(2) of the HOA Act, the Members other than Declarant ("Purchaser Members") shall be entitled to elect one member of the Board after fifty percent (50%) of all the Lots in Lotus to be constructed with a Home thereon (the "Total Developed Lots") have been conveyed to Members. The election of such one (1) Purchaser Member to the Board shall occur at the annual meeting of the Members following such conveyance.

D. Upon the Turnover Date, the Purchaser Members shall be entitled to elect not less than a majority of the Board. The election of not less than a majority of the Board by the Purchaser Members shall occur at a special meeting of the membership to be called by the Board for such purpose ("Initial Election Meeting"). The First Board shall serve until the Initial Election Meeting.

E. The Initial Election Meeting shall be called by the Association, through the Board, within sixty (60) days after the Turnover Date. A notice of meeting shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least fourteen (14) days prior notice of such meeting. The notice shall also specify the number of Directors which shall be elected by the Purchaser Members and the remaining number of Directors designated by Declarant.

F. At the Initial Election Meeting, Purchaser Members, who shall include all Members other than Declarant, shall elect a majority of the Directors, and Declarant, until the Declarant's Resignation Event, shall be entitled to designate the remaining Directors on the Board (same constituting the "Initial Elected Board"). Declarant reserves and shall have the right, until the Declarant's Resignation Event, to name the successor, if any, to any Director it has so designated.

G. The Board shall continue to be so designated and elected, as described herein, at each subsequent "Annual Members' Meeting" (as defined in the Bylaws), until the Annual Members' Meeting following the Declarant's Resignation Event or until a Purchaser Member-elected Director is removed in the manner hereinafter provided.

H. A Director (other than a Declarant-appointed Director) may be removed from office upon the affirmative vote or agreement in writing of a majority of the voting interests of Purchaser Members for any reason deemed to be in the best interests of the Purchaser Members. A meeting of the Purchaser Members to so remove a Director (other than a Declarant-appointed Director) shall be held upon the written request of ten percent (10%) of the Purchaser Members. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in the HOA Act. Notwithstanding the foregoing, the Declarant shall not vote or consent with respect to removal of any Director elected by Members other than Declarant.

I. Upon the earlier to occur of the following events ("Declarant's Resignation Event"), Declarant shall cause all of its designated Directors to resign:

1. When Declarant no longer holds for sale in the ordinary course of business at least five percent (5%) of the Total Developed Lots and all Lots sold by Declarant have been conveyed as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County; or

2. When Declarant causes the voluntary resignation of all of the Directors designated by Declarant and does not designate replacement Directors.

Upon Declarant's Resignation Event, the Directors elected by Purchaser Members shall elect successor Directors to fill the vacancies caused by the resignation or removal of Declarant's designated Directors. These successor Directors shall serve until the next Annual Members' Meeting and until such Directors' successors are elected and qualified. In the event Declarant's Resignation Event occurs prior to the Initial Election Meeting, the Initial Election Meeting shall be called in the manner set forth in Paragraph E of this Article VIII, and all of the Directors shall be elected by the Purchaser Members at such meeting.

J. At each Annual Members' Meeting held subsequent to Declarant's Resignation Event, all of the Directors shall be elected by the Members. At the first Annual Members Meeting held after the Initial Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. a number equal to fifty percent (50%) of the total number of Directors rounded up to the nearest whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the highest number of votes at the meeting; and

2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

K. The resignation of a Director who has been designated by Declarant or the resignation of an officer of the Association who has been elected or appointed by the First Board shall be deemed to remise, release, acquit, satisfy and forever discharge such Director or officer of and from any and all manner of action(s), cause(s) of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which the Association or Purchaser Members had, now have or will have or which any personal representative, successor, heir or assign of the Association or Purchaser Members hereafter can, shall or may have against said Director or officer for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of such resignation, except for such Director's or officer's willful misconduct, gross negligence or criminal conduct.

ARTICLE IX OFFICERS

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President(s), Secretary and Treasurer, and such other officers as the Board may from time to time elect, subject to the directions of the Board. Except for officers elected prior to the Turnover Date, officers must be Members, or the parents, children or spouses of Members.

Except for the First Officers as set forth below, the officers of the Association, in accordance with any applicable provision of the Bylaws, shall be elected by the Board for a term of one (1) year and thereafter until qualified successors are duly elected and have taken office. The Bylaws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers. The President shall be elected from amongst the membership of the Board, but no other Officers need be a Director, but each Officer shall be an Owner (other than Officers elected or appointed by Declarant-appointed Directors). If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any other office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy. Except for the office of President, the same person may hold two or more offices, the duties of which are not incompatible.

ARTICLE X FIRST OFFICERS

The names of the Officers who are to serve until the first election of officers by the Board (or otherwise designated by Declarant) are as follows:

President	-	Kara Babcock
Vice President	-	Marcie DePlaza
Secretary/Treasurer	-	N. Maria Menendez

ARTICLE XI INDEMNIFICATION

Each and every Director and officer of the Association shall be indemnified by the Association from and against any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, consequential and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, reasonable fees for attorney and paralegal services and all costs and court costs through and including all trial, appellate and post-judgment levels and proceedings), related to, arising out of and/or resulting from his/her being or having been a Director or officer of the Association, and the foregoing provision for indemnification shall apply whether or not such person is a Director or officer at the time such cost, expense or liability is incurred. Notwithstanding the above, (i) in the event of a settlement in connection with any of the foregoing, the indemnification provisions provided in this Article XI shall not be automatic and shall apply only when the Board approves such settlement and reimbursement for the costs and expenses of such settlement as being in the best interest of the Association, and (ii) in the event a Director or officer admits that he/she is or is adjudged guilty of willful misconduct, gross negligence or criminal conduct in the performance of his/her duties, the indemnification provisions of this Article XI shall not apply. The foregoing right of indemnification provided in this Article XI shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer of the Association may be entitled under statute or common law.

The Association shall have the power and authority to purchase and maintain insurance on behalf of any person (a "Covered Person") who is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise. Such insurance shall cover any liability asserted against such Covered Person and incurred in

any such capacity, or arising out of such Covered Person's status as such, whether or not the Association would have the power to indemnify the Covered Person against such liability under the provisions of this Article XI.

The provisions of this Article XI shall not be amended in a manner which would limit or deny indemnification for any Director or officer entitled to indemnification hereunder prior to such amendment.

ARTICLE XII
BYLAWS

The Board shall adopt Bylaws consistent with these Articles. Such Bylaws may be altered, amended or repealed in the manner set forth in the Bylaws. In the event of any conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII
AMENDMENTS

A. Prior to the First Conveyance, these Articles may be amended only by an instrument in writing signed by the Declarant and filed in the Office of the Secretary of State of the State of Florida.

B. After the First Conveyance, and prior to the Turnover Date, these Articles may be amended solely by a majority vote of the Board, without the prior written consent of the Members, at a duly called meeting of the Board.

C. After the Turnover Date, these Articles may be amended in the following manner:

1. (a) The Board shall 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 at either the Annual Members' Meeting or a special meeting. Any number of proposed amendments may be submitted to the Members and voted upon by them at one 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 within the time and in the manner provided in the Bylaws for the giving of notice of meetings.

(c) At such meeting, a vote of the Members shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted only upon receiving the affirmative vote of a majority of the total number of Members in the Association.

2. An amendment may be adopted by a written statement (in lieu of a meeting) signed by all Members and all members of the Board setting forth their intention that an amendment to the Articles be adopted.

D. Notwithstanding any provisions of this Article XIII to the contrary, these Articles shall not be amended in any manner which shall prejudice the rights of any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

E. Notwithstanding the foregoing provisions of this Article XIII to the contrary, no amendment to these Articles shall be adopted which shall abridge, prejudice, amend or alter the rights of Declarant without the prior written consent of Declarant, including, but not limited to, Declarant's right to designate and select members of the First Board or otherwise designate and select Directors as provided in Article VIII

above, nor shall any other amendment be adopted or become effective without the prior written consent of Declarant for so long as Declarant holds either a leasehold interest in or title to at least one (1) Lot.

F. A proposal to amend these Articles must contain the full text of the provision to be amended with new language underlined and deleted language stricken. However, if the proposed change is so extensive that underlining and striking through language would hinder, rather than assist, the understanding of the proposed amendment, the following notation must be inserted immediately preceding the proposed amendment: "Substantial rewording. See governing documents for current text." An amendment is effective when recorded in the public records of the County. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

ARTICLE XIV
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, and the initial registered agent of the Association at that address shall be Steven M. Helfman, Esq.

ARTICLE XV
AMENDMENT AND RESTATEMENT

These Amended and Restated Articles of Incorporation of the Association amend, restate and replace the Original Articles in their entirety.

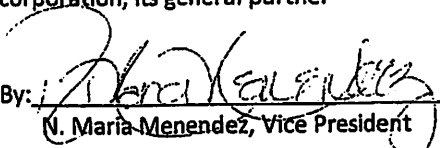
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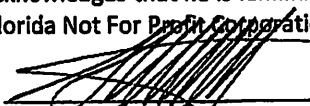
IN WITNESS WHEREOF, the Declarant has hereunto affixed its signature as of the date first stated above.

BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership

By: Boca Raton VIII Corporation, a Florida corporation, its general partner

By: 
N. Maria Menendez, Vice President

The undersigned hereby accepts the designation of Registered Agent as set forth in Article XIV of these Amended and Restated Articles of Incorporation, and acknowledges that he is familiar with and accepts the obligations imposed upon registered agents under the Florida Not For Profit Corporation Act.


STEVEN M. HELFMAN, Registered Agent

Dated: January 4, 2019

[CORPORATE SEAL]

EXHIBIT "C"

**BY-LAWS
OF
LOTUS HOMEOWNERS ASSOCIATION, INC.**

[See Attached 13 Pages]

**BYLAWS
OF
LOTUS HOMEOWNERS ASSOCIATION, INC.**
(a corporation not for profit organized under the laws of the State of Florida)

Section 1. Identification of Association

These are the Bylaws of Lotus Homeowners Association, Inc. ("Association") as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapters 617 and 720, Florida Statutes.

1.1. The initial office of the Association shall be 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323 and thereafter may be located at any place designated by the Board.

1.2. The fiscal year of the Association shall be the calendar year.

1.3. The seal of the Association shall bear the name of the Association and the words "Florida" and "Non-Profit."

Section 2. Explanation of Terminology

The terms defined in the Amended and Restated Articles of Incorporation of the Association ("Articles") as well as in the Declaration of Covenants, Restrictions and Easements for Lotus ("Declaration") are incorporated herein by reference and shall appear in initial capital letters each time such terms appear in these Bylaws.

Section 3. Membership; Members' Meetings; Voting and Proxies

3.1. The qualification of Members, the manner of their admission to membership in the Association, the manner of termination of such membership and the voting by Members shall be as set forth in the Articles.

3.2. The Members shall meet annually ("Annual Members' Meeting"). The Annual Members' Meeting shall be held at the office of the Association or at such other place in the County as the Board may determine and on such day and at such time as designated by the Board in the notice of such meeting commencing with the year following the year in which the Articles are filed with the Secretary of State. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (when that shall be appropriate as determined by the provisions of the Articles) and transact any other business authorized to be transacted at such Annual Members' Meeting.

3.3. Special meetings (meetings other than the Annual Members' Meeting) of the Members shall be held at any place within the County whenever called by the President or Vice President or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from Members having the right to vote at least one-third (1/3) of the total number of votes entitled to be cast by Members at any such special meeting.

3.4. Except as otherwise provided in the Articles, a written notice of each Members' meeting, whether an Annual Members' Meeting or a special meeting (collectively "Meeting"), shall be given to each Member entitled to vote at such Member's last known address as it appears on the books of the Association, and shall be mailed or hand delivered to the said address or electronically transmitted to the location furnished by the Member for that purpose not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the Meeting. Proof of such mailing, hand delivery or electronic transmission shall be given by affidavit of the person giving the notice. Any notice given hereunder shall state the date, time and place of the Meeting and the purposes for which the Meeting is called, however, the purpose of the Annual Members' Meeting need not be stated. The notices of all Annual Members' Meetings shall, in addition, specify the number of Directors of the Association to be designated by Declarant and the number of Directors to be elected by the Members, if applicable. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member (or by the person entitled to vote for such Member) by signing a document setting forth the waiver of such notice. Additionally, the attendance of any Member (or person authorized to vote for such Member), either in person or by proxy, shall constitute such Member's waiver of notice of such Meeting, and waiver of any and all objections to the place of the Meeting, the date and time of the Meeting, or the manner in which it has been called or convened, except when Member's (or Member's 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.

3.5. The Members may, at the discretion of the Board, act by written action in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or duly waived in accordance with the provisions of these Bylaws. Unless some greater number is required under the Governing Documents or the HOA Act, and except as to the election of Directors, which shall be accomplished by plurality vote, the decision of a majority of the votes cast by the Members as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written action in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written action in lieu of a Meeting shall set forth the time period during which the written actions must be received by the Association, which period shall be no longer than as provided in the HOA Act.

3.6. (a) A quorum for the transaction of business at any meeting of the Members shall consist of Members entitled to cast thirty percent (30%) of the total number of votes of the Members. A quorum of any class of Members shall consist of Members of such class entitled to cast thirty percent (30%) of the total number of votes of the class. Limited "Proxies" and general "Proxies" (as hereinafter defined in Section 3.10) may be used to establish a quorum.

(b) When a quorum is present at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written Proxy shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a

quorum is required by express provision of the Governing Documents or by law, then such express provision shall govern and control the required vote on the decision of such question.

3.7. Not less than sixty (60) days before any Annual Members' Meeting or special meeting at which elections of Directors are to occur (an "Election Meeting"), the Association shall mail, deliver or electronically transmit, whether by separate Association mailing or included in another Association mailing, delivery or transmission, including regularly published newsletters, to each Member entitled to a vote, a first notice of the date of the Election Meeting. Any Member or other eligible person desiring to be a candidate for the Board must give written notice to the Association not less than forty (40) days before the Election Meeting. Together with an agenda, the Association shall mail, deliver or electronically transmit a second notice of the Election Meeting to all Members entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 ½ by 11 inches, which must be furnished by the candidate not less than thirty-five (35) days before the Election Meeting, to be included with the mailing, delivery or electronic transmission of the ballot, with the costs of mailing, delivery or electronic transmission and copying to be borne by the Association. The Association shall not be liable for the contents of any information sheets prepared and supplied by the candidates. Elections shall be decided by a plurality of those ballots cast, regardless of whether a quorum is attained; however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of Members of the Board. Members may not vote for Directors by Proxy. Voting by secret ballots by Members shall be conducted in accordance with Section 720.306(8)(b), Florida Statutes. Furthermore, at any Election Meeting, the "Chairperson" (as hereinafter defined in Section 7.2) shall appoint an "Election Committee" consisting of three (3) Members to supervise the election, count and verify ballots, disqualify votes if such disqualification is justified under the circumstances and certify the results of the election to the Board. The Election Committee shall be able to determine questions within its jurisdiction by plurality vote of all three (3) members, but matters resulting in deadlocked votes of the Election Committee shall be referred to the entire Board for resolution. No candidate for election, or spouse or immediate family member thereof, shall be appointed to the Election Committee.

Notwithstanding any of the foregoing, if an election is not required because there are either an equal number or fewer candidates than vacancies existing on the Board, then no such voting and counting of ballots shall be necessary, with such candidates as having qualified as provided above being deemed elected, and commencing services on the Board at the same time as if each had been elected by vote.

3.8. If a quorum is not in attendance at a Meeting (other than with respect to an Election Meeting for which a quorum is not required), the majority of the Members who are present, either in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present, but in no event later than ninety (90) days from the date of the originally scheduled Meeting. Proxies for such adjourned Meeting shall remain valid in accordance with the HOA Act.

3.9. Minutes of all Meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times. The Association shall retain minutes for such time as required by applicable Florida law.

3.10. Voting rights of Members shall be as stated in the Articles with respect to the election of all Boards other than the First Board. Such votes may be cast in person, by secret ballot or by Proxy (as hereinafter defined). Proxies may also be used to vote on other agenda items at meetings at which Directors are to be elected, and may also be used to establish a quorum. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of a Member. Proxies shall be in writing signed by the person or authorized representative of an entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof, provided, however, any proxy automatically expires ninety (90) days after the original date of the Meeting for which it was originally given. A Proxy must be filed with the Secretary of the Association before the appointed time of the Meeting in order to be valid. Any Proxy may be revoked prior to the time a vote is cast in accordance with such Proxy. Any proxy holder may appoint, in writing, a substitute to act in his or her place.

3.11. The voting on any matter at a Meeting shall be by secret ballot upon request of the holders of ten percent (10%) of the votes represented at such Meeting and entitled to be cast on such matter, if such request is made prior to the vote in question.

Section 4. Board; Directors' Meetings

4.1. The business and administration of the Association shall be by its Board.

4.2. The election and, if applicable, designation of Directors shall be conducted in accordance with Section 3.7 above. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses of Members except that if a Lot is owned by an entity and not an individual, such entity may only appoint a partner, shareholder, member, manager, director or officer of such entity or any of its constituent entities on its behalf to be eligible to serve on the Board.

4.3. (a) Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Association as set forth in the Governing Documents and the HOA Act.

(b) The term of a Director's service shall be as stated in the Articles and, if not so stated, shall extend until the next Annual Members' Meeting and thereafter until his or her successor is duly elected and qualified or until he or she resigns or is removed in the manner elsewhere provided.

4.4. The organizational meeting of a newly elected Board shall be held immediately after the election, but if not, then no later than ten (10) days following its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected and notice of such organizational meeting shall be given in accordance with the HOA Act.

4.5. Regular meetings of the Board may be held at such times and places in the County as shall be determined from time to time by a majority of the Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least one-third (1/3) of the Directors. Any such special meeting may be held in the County at such date, time and place as determined by the Directors requesting such meeting or in such other place as all of the Directors shall agree upon.

4.6. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone, facsimile or electronically transmitted if correctly directed to an electronic mail address at which the Director has consented to receive notice, at least forty eight (48) hours prior to the date and time named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a Directors states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting is not lawfully called or convened.

4.7 Notice of all Board meetings shall be given to the members in accordance with the HOA Act. Members of the Board may communicate electronically (via e-mail, texting, messaging apps and other similar electronic means of communication) but may not use electronic communication to cast votes. This provision shall not, however, prohibit the circulation or delivery of a unanimous written consent of the Board via electronic transmission such as, but not limited to e-mail.

4.8. A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned meeting, only business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given other than, prior to such adjournment, the announcement of the time, date and place for the re-continued meeting unless additional business not scheduled to be taken up at the original Meeting is to be considered, in which case all notice requirements herein shall apply.

4.9. The presiding officer at all Board meetings shall be the President. In the absence of the President, the Vice President shall preside and in the absence of the Vice President, the Directors shall designate any one of their number to preside.

4.10. No Director shall receive any compensation from the Association for acting in such capacity or capacities, unless approved by a majority vote of the Members at a Meeting.

4.11. Minutes of all meetings of the Board shall be kept in a business-like manner, shall be available for inspection by Members and Directors at all reasonable times, and shall be retained for such time periods, all as required by the HOA Act.

4.12. The Board shall have the power to appoint an "Executive Committee" of the Board consisting of not less than three (3) Directors. An Executive Committee shall have and exercise such powers of the Board as may be delegated to such Executive Committee by the Board. Meetings of the Executive Committee shall be subject to all provisions hereof and of the HOA Act applicable to meetings of the full Board. The Board may appoint different Executive Committees for different purposes as determined by the Board.

4.13. Meetings of the Board shall be open to all Members pursuant to, and as limited by, the HOA Act. The Board may also hold closed meetings to the extent permitted by applicable law, including, by way of example but not by way of limitation, when the discussion at a meeting is governed by attorney-client privilege, meetings between the Board or a committee and the Association's attorney to discuss proposed or pending litigation or meetings of the Board held for the purpose of discussing personnel matters. Members shall have the right to speak on any matter placed on the agenda in accordance with, and as limited by, the HOA Act and any rules and regulations promulgated by the Association governing the frequency, duration and other manner of Member statements, which rules may include a sign-up sheet for Members wishing to speak. In the event a Member conducts himself or herself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, the Board shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he or she is a Member or a duly authorized representative, agent or proxy holder of a Member, unless said person has been specifically invited by any of the Directors to participate in such meeting.

4.14. The Board may by resolution also create committees and appoint persons to such committees and vest in such committees such powers and responsibilities as the Board shall deem advisable.

4.15 Prior to the Turnover Date, any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, specifically setting forth the action to be taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of the Directors, provided, however, whenever assessments are to be considered, they may be considered only at a meeting of the Directors properly noticed in accordance with the HOA Act.

Section 5. Powers and Duties of the Board

5.1. All of the powers and duties of the Association shall be exercised by the Board except where otherwise required or limited by the Governing Documents or the HOA Act. Such powers and duties of the Board shall include, but not be limited to, all powers and duties set forth in the Governing Documents, as well as all of the powers and duties of a director of a corporation not for profit under the HOA Act and any other applicable Florida law not inconsistent therewith.

5.2. The Association may employ a manager to perform any of the duties, powers or functions of the Association. Notwithstanding the foregoing, the Association may not delegate to the manager the power to conclusively determine whether the Association should make expenditures for capital additions or improvements chargeable against the Association funds. The members of the Board shall not be personally liable for any omission or improper exercise by the manager of any duty, power or function delegated to the manager by the Association.

Section 6. Late Fees and Legal Fees

A Member who fails to timely pay any Assessment or other amount due to the Association (a "Delinquent Amount") shall be charged a late charge of Twenty-Five Dollars (\$25) or five percent (5%) of the overdue amount, whichever is greater, by the Association for such late Assessment or Delinquent Amount plus interest at a rate determined by the Board to be charged for the late payment provided such amount does not exceed the highest amount permitted by law. Members shall also be responsible to pay all Legal Fees incurred in connection with the collection of late Assessments or Delinquent Amounts whether or not an action at law to collect said delinquent amounts and to foreclose the Association's lien has been commenced. Without limitation, the Board has authorized the collection of the following Legal Fees for such circumstances:

- (a) Legal Fees incurred in the filing of a Claim of Lien.
- (b) Legal Fees incurred in the filing of a Satisfaction of Lien;
- (c) Legal Fees incurred in the preparation and sending of any Notice of Intent to Lien and Notice of Intent to Foreclose; and
- (d) Legal Fees incurred in any action pursuing collection of such unpaid Assessments or Delinquent Amounts, or violation by a Member or their Occupants of any part of the Governing Documents, including those incurred in enforcing the Association's right to recover the aforementioned late charges, interest and Legal Fees.

Section 7. Officers of the Association

7.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of a majority of the Directors at any meeting of the Board. The Board may, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. One person may hold any two

offices simultaneously except when the functions of such offices are not incompatible, but no person shall hold the office of President and any other office simultaneously.

7.2. The President shall be the chief executive officer of the Association. He or she shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not for profit, including, but not limited to, the power to appoint such committees from among the Members at such times as he or she may, in his or her discretion, determine appropriate to assist in the conduct of the affairs of the Association. If in attendance, the President ("Chairperson") shall preside at all meetings of the Board and the Members; provided, however, that the President may appoint a substitute Chairperson who need not be a Member, Officer or Director.

7.3. In the absence or disability of the President, a Vice President shall exercise the powers and perform the duties of the President. If there is more than one (1) Vice President, the Board shall designate which Vice President is to perform which duties. The Vice President(s) shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First," "Second," etc., and shall exercise the powers and perform the duties of the presidency in such order.

7.4. The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. The Secretary shall have custody of the seal of the Association and affix the same to instruments requiring such seal when duly authorized and directed to do so. The Secretary shall be custodian for the corporate records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

7.5. The Treasurer shall have custody of all of the monies of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the Members and shall keep the books of the Association in accordance with good accounting practices and he or she shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall assist the Treasurer under the supervision of the Treasurer.

7.6. The compensation, if any, of the Directors, officers, committee members and other employees of the Association shall be fixed by the Board. Directors and officers shall not receive any compensation from the Association for acting in such capacity or capacities, unless permitted by the HOA Act and approved by a majority vote of the Members present at a Meeting. This provision shall not preclude the Board from hiring a Director or Officer as an employee of the Association or preclude contracting with a Director or Officer, or a party affiliated with a Director or Officer for the management or performance of contract services for all or any part of Lotus.

Section 8. Resignations; Vacancy; Removal

8.1 Any Director or officer may resign his or her 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 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 Declarant) shall constitute a written resignation of such Director or officer.

8.2 Except when contrary to the HOA Act, when a vacancy occurs on the Board, the vacancy shall be filled by the remaining members of the Board at any meeting by electing a person who shall serve the remaining portion of the unexpired term, provided that all vacancies in directorships to which Directors are appointed by Declarant pursuant to the provisions of the Governing Documents shall be filled only by the Declarant and without the necessity of any meeting.

8.3 Any Director elected by the Members other than the Declarant may be removed by: (a) a vote of a majority of voting interests of all of the Members (other than the Declarant) at a special meeting of Members called for that purpose, (b) written agreement signed by a majority of all such Members' voting interests, or (c) written ballot without a Meeting in accordance with the HOA Act. The vacancy of the Board so created shall be filled in accordance with the procedures specified in the HOA Act.

8.4 When a vacancy occurs in an office for any cause, the office shall be filled in accordance with the Articles.

Section 9. Accounting Records; Fiscal Management

9.1. The Association shall prepare financial reports and maintain accounting records in accordance with the HOA Act. The accounting records of the Association shall be open to inspection by Members and Institutional Mortgagees or their respective authorized representatives at reasonable times and in accordance with, but subject to the limitations of, the HOA Act. Such authorization as a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Such records shall include, but not be limited to: (i) a record of all receipts and expenditures; (ii) an account for each Lot within Lotus which shall designate the name and address of the Owner thereof, the amount of Individual Lot Assessments and all other Assessments, if any, charged to the Lot, the amounts and due dates for payment of same, the amounts paid upon the account and the dates paid, and the balance due; (iii) any tax returns, financial statements and financial reports of the Association; and (iv) any other non-privileged records that identify, measure, record or communicate financial information.

9.2. The Board shall adopt a Budget (as defined and provided for in the Declaration) of the anticipated Operating Expenses for each forthcoming calendar year (the fiscal year of the Association being the calendar year) at a special meeting of the Board ("Budget Meeting") called for that purpose to be held during the month of November of the

year preceding the year to which the Budget applies. Prior to the Budget Meeting, a proposed Budget for the Operating Expenses shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the Budget, the Association shall provide each Member with notice of the Individual Lot Assessment applicable to such Member's Lot and either: (a) a copy of the Budget, or (b) a written notice that a copy of the Budget is available upon request at no charge to the Members. If so requested by a Member, a copy thereof shall be furnished to each requesting Member within ten (10) business days after the Association's receipt of the written request. The copy of the Budget, if requested, shall be deemed furnished and the notice of the Individual Lot Assessment shall be deemed given upon its delivery or upon its being mailed to the Owner shown on the records of the Association at such Owner's last known address as shown on the records of the Association.

9.3. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any monies received by the Association in any calendar year may be used by the Association to pay expenses incurred; (iii) there shall be apportioned between calendar years on a *pro rata* basis any expenses which are prepaid in any one calendar year for Operating Expenses which cover more than such calendar year; (iv) Assessments shall be paid quarterly (unless otherwise determined by the Board) in amounts no less than are required to provide funds in advance for payment of all of the anticipated current Operating Expenses and for all unpaid Operating Expenses previously incurred; and (v) items of Operating Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Operating Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting.

9.4. Individual Lot Assessments shall be payable as provided in the Declaration.

9.5. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a Special Assessment or an upward adjustment to the Budget and Individual Lot Assessment, as amended by the Board.

9.6. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

9.7. A report of the accounts of the Association shall be made annually by an accountant and a copy of the report shall be furnished to each Member who requests same in writing no later than May 31 of the year following the calendar year for which the report is

made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Owner at such Owner's last known address as shown on the records of the Association.

Section 10. Rules and Regulations

The Board may at any meeting of the Board adopt rules and regulations or amend, modify or rescind, in whole or in part, then existing rules and regulations for the operation of Lotus; provided, however, that such rules and regulations are not inconsistent with the terms or provisions of the Governing Documents or the HOA Act. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all Members at the last known address for such Members as shown on the records of the Association at the time of such delivery or mailing and shall not take effect until forty-eight (48) hours after such delivery or mailing, or, in the event both forms of notification are used, whichever is later. Notwithstanding the foregoing, when rules and regulations are to regulate the use of a specific portion of the Association Property, same shall be conspicuously posted at such facility and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view toward protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced.

Section 11. Fines and Suspensions

The Board shall have the power and authority, all as provided in the Governing Documents: (i) to impose reasonable fines in amounts determined by the Board from time to time, (ii) to suspend the rights of a Member and/or such Member's Occupants to use the Association Property or any portions thereof, (iii) to suspend the right of a Member to vote, and (iv) to preclude a Member or Occupant from the Association Property or portions thereof for violation by such Member or Occupant of any duty, requirement or restriction imposed under the Governing Documents. Notwithstanding the foregoing, nothing herein shall authorize the Association or the Board to eliminate an Owner's or Occupant's ingress and egress to or from such Member's Lot, provided any access control device or label provided for a Member's or Occupant's convenience may be withdrawn from such party or deactivated as a sanction hereunder. Any such fine or suspension pursuant to this Section shall be governed by the pertinent procedures and requirements of Section 720.305, Florida Statutes, as same may be amended from time to time.

Section 12. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Members and the Board; provided, however, if such rules of order are in conflict with any of the Governing Documents or the HOA Act, Robert's Rules of Order shall yield to the provisions of such instrument(s). Non-material deviations from Robert's Rules of Order shall not invalidate otherwise proper acts of the Members or the Board.

Section 13. Roster of Owners

Each Owner shall file with the Association a copy of the recorded deed or other document showing his or her ownership interest in Lotus. The Association shall maintain such information as part of the official records of the Association. The Association shall also maintain the electronic mailing addresses and phone numbers of those Owners consenting to receive notice by electronic transmission. The electronic mailing address and numbers provided by Owners consenting to receive notice by electronic transmission shall be removed from Association records when consent to receive notice by electronic transmission is revoked. The Association may rely on the accuracy of such information for all purposes until notified in writing of changes therein. Unless otherwise requested in writing, all phone numbers and electronic mailing addresses shall constitute a part of the official records of the Association and provided to any Member who makes a proper request to inspect such official records of the Association and/or as part of published membership directories of the Association.

Section 14. Amendment of the Bylaws

14.1. These Bylaws may be amended as hereinafter set forth in this Section 14.

14.2. After the Turnover Date, any Bylaw of the Association may be amended or repealed with notice of the subject matter of a proposed amendment to be included in the notice of a meeting at which a proposed amendment is to be considered, and any new Bylaw of the Association may be adopted by either:

(i) a majority vote of the Members who appear in person or by proxy at any Annual Members' Meeting or any special meeting of the Members called for that purpose or by majority action of the Members who have acted by written action in lieu of a Meeting as permitted by these Bylaws; or

(ii) by the affirmative vote of a majority of the Directors then in office at any regular meeting of the Board or at any special meeting of the Board called for that purpose or by written instrument signed by all of the Directors as is permitted by these Bylaws, provided that the Directors shall not have any authority to adopt, amend or repeal any Bylaw if such new Bylaw or such amendment or the repeal of a Bylaw would be inconsistent with any Bylaw previously adopted by the Members.

14.3. Notwithstanding any of the foregoing provisions of this Section 14 to the contrary, until the Turnover Date, all amendments or modifications to these Bylaws and adoption or repeal of Bylaws shall only be made by action of the First Board as described in the Articles, which First Board shall have the power to amend, modify, adopt and repeal any Bylaws without the requirement of any consent, approval or vote of the Members.

14.4. Notwithstanding the foregoing provisions of this Section 14, there shall be no amendment to these Bylaws which shall abridge, prejudice, amend or alter the rights of: (i) Declarant, without the prior written consent thereto by Declarant; or (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee; nor shall any other amendment to these Bylaws be adopted or become effective without the prior written

consent of Declarant for so long as Declarant holds either a leasehold interest in or title to at least one (1) Lot.

14.5. A proposal to amend these Bylaws or the rules and regulations of the Association must contain the full text of the provision to be amended with new language underlined and deleted language stricken. However, if the proposed change is so extensive that underlining and striking through language would hinder, rather than assist, the understanding of the proposed amendment, the following notation must be inserted immediately preceding the proposed amendment: "Substantial rewording. See governing documents for current text." An amendment is effective when recorded in the public records of the County. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

Section 15. Mediation

If and to the extent required by the HOA Act, mandatory mediation before the Department of Business and Professional Regulation (the "Department") shall be required prior to institution of court litigation for disputes involving certain actions or inactions, as described in the HOA Act.

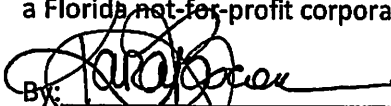
Section 16. Recall of Board Members and Election Disputes

If and to the extent required by the HOA Act, mandatory binding arbitration before the Department shall be required for election disputes and disputes involving the recall of any member of the Board. Any member of the Member-elected Board may be recalled and removed from office as provided for and described in the HOA Act.

Section 17. Interpretation

In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the event of any conflict between the Articles and the Declaration, the Declaration shall control.

LOTUS HOMEOWNERS ASSOCIATION, INC.,
a Florida not-for-profit corporation

By: 

Name: Kara Babcock

Title: President

Attest: 

Name: N. Maria Menendez

Title: Secretary

[CORPORATE SEAL]

EXHIBIT "D"

**RULES AND REGULATIONS
OF
LOTUS HOMEOWNERS ASSOCIATION, INC.**

[See Attached 30 Pages]

LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

GENERAL

These Rules and Regulations are designed for the mutual benefit of all Owners. All Rules and Regulations shall apply to and be binding upon all Owners. Notwithstanding the foregoing, the Rules and Regulations shall not apply to Declarant or Declarant's agents, employees or contractors or to Lots or Homes owned by Declarant until they are conveyed to Owners. All initial capitalized terms used herein, but not defined, shall have the meaning given to such terms as set forth in the Declaration of Covenants, Restrictions and Easements for Lotus, as amended and/or supplemented from time to time (the "Declaration").

1. **Responsibility.** With respect to compliance with the Rules and Regulations, an Owner shall be held responsible for the actions of such Owner, and such Owner's family members, guests, invitees, tenants, contractors and other persons for whom Owner is responsible, as well as for the actions of persons over whom Owner exercises control and supervision.
2. **Observance of Governmental Requirements.** All applicable laws, zoning ordinances, codes, orders, rules, regulations and requirements of all governmental bodies having jurisdiction (collectively, "Governmental Requirements") shall be observed. Violations of any Governmental Requirements relating to the Association Property or any Lot or Home shall be corrected by, and at the sole expense of, the responsible Owner and, as appropriate, the violator.
3. **Improper Use.** No improper, hazardous or unlawful use shall be made of the Association Property or any Home or Lot.
4. **Nuisance.** No obnoxious activity shall be carried on at any Home or Lot or in or about any portion of the Community. Nothing shall be done which may be an unreasonable annoyance or a nuisance to any other Owner or which interferes with the peaceful possession or proper use of the Homes or the surrounding areas. Nothing shall be done within the Association Property or any Home or Lot which tends to cause embarrassment, discomfort, unreasonable annoyance or nuisance to any Owner or such Owner's family members, guests, invitees and tenants using any portion of the Community.
5. **Disturbances.** No loud noises or noxious odors shall be permitted. None of the following shall be located, used or placed on any Lot or inside any Home, or exposed to other Owners without the prior written approval of the Board of Directors (the "Board"): (a) horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes); (b) noisy vehicles, power equipment, power tools or off-road motor vehicles; or (c) any items which may unreasonably interfere with television or radio reception. Owners shall not operate radios, televisions, musical instruments or any other noise producing items at times or at volume levels which shall disturb others.
6. **Violations.** Violations of any Rule or Regulation shall subject the responsible Owner and/or violator to any and all remedies available to the Association pursuant to the Governing Documents (as defined in the Declaration), including all rules and regulations promulgated by the Association and the HOA Act. All violations of any of the Rules and Regulations should be reported immediately to the Board or its designees. Violations shall be called to the attention of the responsible Owner(s) and, as appropriate, the violator(s) by the Board or its designees in writing. Disagreements concerning violations shall be presented to and be ruled upon by the Board or its designees in accordance with the Declaration and the HOA Act.
7. **Clubs.** Clubs that are authorized and approved by the Association shall only use the Association Property in accordance with the rules and guidelines established by the Board from time to time. The Board shall have the right to establish policies, procedures and guidelines regarding the organization and formation of clubs, and their permitted use of the Association Property including, without limitation, the Clubhouse.
8. **Enforcement.** Failure of an Owner to comply with any Rule or Regulation adopted by the Association shall be grounds for action which may include an action to recover sums due for damages, injunctive relief or any combination thereof. In addition to all other remedies for failure to comply with any Rule or Regulation, the Association may suspend any or all of the rights of an Owner or an Owner's tenants, guests or invitees to use the Association Property and facilities (including, without limitation, the Recreation Tract) as provided in the Declaration. In any actions, the Association shall be entitled to recover any and all court costs incurred by it, together with Legal Fees (as defined in the Declaration) against the responsible Owner(s) and, as appropriate, any violator(s). In addition, and in the sole discretion of the Board, fines may be imposed upon an Owner for failure to comply with any Rule or Regulation. Procedures for the impositions of fines are spelled out in the Declaration and the HOA Act.
9. **Revocation.** Any waivers of the Rules and Regulations and/or consents or approvals in violation of the Rules and Regulations given by the Board shall be revocable at any time and shall not be considered as a waiver, consent or approval of identical or similar situations unless set forth in writing by the Board.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

GENERAL (continued)

10. *No Amendment.* The Rules and Regulations contained in this document do not amend any provision of the Declaration. In the event of conflict between the two, the provisions of the Declaration shall prevail.
11. *Further Amendment.* The Board reserves the right to amend, rescind, clarify or alter these Rules and Regulations, in whole or in part, at any time and from time to time, including, without limitation, rules and regulations relating to the use of any portion of the Association Property, including the Recreation Tract, the Clubhouse and the facilities and/or amenities therein.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

ADDITIONS AND ALTERATIONS

As provided in the Declaration, no Owner shall make any improvement, addition or alteration to such Owner's Lot or the exterior of such Owner's Home without the prior written approval of the Architectural Control Committee ("Committee") and a security deposit in an amount determined by the Board to cover incidental damages caused to Association Property or to an adjacent Lot or Home by virtue of such Owner's construction of improvements, additions, or alterations to such Owner's Lot or the exterior of the Home. All requests for Committee approval of any improvement (as defined below) must be on the form designated for this purpose by and available from the Association. No changes shall be commenced until such time as the Owner is in receipt of written approval from the Committee.

ARCHITECTURAL CONTROL COMMITTEE ("COMMITTEE"):

All exterior improvements, additions, modifications, decorations or alterations to the Lot or Home (the "Improvement") shall be reviewed by and have written approval given by the Committee. The Committee shall require the submission of plans and specifications showing the materials, color, structure, dimensions and location of the proposed Improvement in sufficient detail to assure compliance with any criteria established for approvals. Submissions shall be accompanied by justification or reasoning for the Improvement and the security deposit, if any, required by the Board to cover the costs of incidental damage caused to Association Property or to an adjacent Lot or Home by virtue of an Owner's construction of improvements, additions or alterations to such Owner's Lot or exterior of the Home. Notwithstanding any criteria established, the Committee shall in its discretion determine whether the Improvement shall be in harmony with or detrimental to the appearance of the Community. The Committee shall approve or disapprove the request within 45 days from receipt of all requested submission plans and materials. In the event the Committee fails to approve or disapprove a request in writing within 45 days of receipt of all requested plans, materials and information, unless a request is specifically deferred, the request shall automatically be deemed disapproved. The Committee shall employ the following minimum criteria for approval or rejection of requests:

- (i) Uniformity of type and design in relation to similar improvements.
- (ii) Comparability of quality of materials as used in existing improvements.
- (iii) Uniformity with respect to color, size and location.
- (iv) Consistency with municipal requirements.

If approved by the Committee, all construction shall be subject to the terms and conditions set forth in the Committee's approval, the Governing Documents, the Rules and Regulations, and any federal, state, municipal or county ordinance, rule, statute or code or any other applicable laws or regulations (collectively, "Governmental Requirements"), including, without limitation, obtaining all proper permits.

LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the Committee or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for Improvements. Note that, even in the event of strict compliance with the following guidelines, prior approval from the Committee shall be required for each and every of the following items:

1. *Painting.* The painting, staining or varnishing of the exterior of the Home, including doors and garage doors, may be approved only if the colors and style are consistent with existing improvements. Declarant's original paint color schemes provided to its original purchasers shall be the basis for determining consistency with existing Improvements but shall not be the sole basis. For example, the Committee may permit Owners to stain or varnish their doors and garage doors, or replace same with wood or wood-like products notwithstanding such stain or varnish colors and/or wood or wood-like products are not provided by Declarant to its original purchasers. No Home shall have the same exterior color scheme as either of the homes placed next to it whose front elevation is on the same street frontage.
2. *Metal or Aluminum Roofs.* Metal or aluminum roofs shall not be permitted.
3. *Temporary Structures.* No tents, trailers, shacks, utility sheds or other temporary buildings or structures shall be constructed or otherwise placed on a Lot.
4. *Antennae.* No antennae, microwave receiving devices, satellite receiving devices, aerials or ham radios shall be placed or erected on any Lot, within any Home or upon any other portion of the Community, except to the extent applicable law requires the Association to permit any such device, in which case such improvement shall be subject to all of the other requirements of the Governing Documents and the Committee to the maximum extent permitted by law. Satellite dishes which are reasonable in size (such as one (1) meter (39.37 inches) or less in diameter) may be approved, subject to any rules adopted by the Association relating to the location and effectiveness with respect to concealing their appearance from adjacent lots and rights of way.
5. *Solar Panels.* An Owner shall not install or attach any solar panel to the Home without the prior written consent of the Committee. The Committee shall have the right to adopt and amend from time to time, guidelines governing the type, design and size of solar panels which may be permitted, and restrictions relating to locations and the maintenance of the solar panels.
6. *Driveways.* Approval for the widening of driveways may be considered if the width shall be no wider than the outside width of the garage and only if finished with material of a selection, color and style consistent with the original installation. Approval for the refinishing of driveways with brick pavers may be approved only if the colors and styles are consistent with existing improvements and it does not interfere with any existing utilities, as determined by the Association. Widening of driveways of zero lot line homes will only be considered for the non-zero side of the driveway. Owner assumes the responsibility for continued maintenance, repair and replacement of the extended driveway areas. Declarant's original brick paver schemes provided to its original purchasers (on either a standard or optional basis) shall be the basis for determining consistency with existing improvements.
7. *Awnings.* An Owner shall not install or attach any awnings to the Home without the prior written consent of the Committee. The Committee shall have the right to adopt, and amend from time to time, guidelines governing the type, design, size and color of awnings which may be permitted, and restrictions relating to locations and the maintenance of the awnings.
8. *Exterior Lighting.* Except for seasonal decorative lights, which may be displayed between Thanksgiving and January 31 only, all exterior lights must be approved by the Committee. Approval may be given for lighting fixtures (e.g. coach lights and entry chandeliers), subject to limited wattage, fixture sizes which are to scale with others in Community and fixture styles which are consistent with others in the Community.
9. *Above Ground Swimming Pools and Spas.* Above ground swimming pools shall not be permitted. Above ground spas shall not be permitted unless: (i) the entire spa is located under a covered patio area of the Home, or (ii) the entire spa is located within the screen enclosure of the Home and the entire base of the spa shall at all times be screened from view by all adjacent Lot Owners and from the street with the use of hedges and/or landscaping. Owner shall be required to submit a landscaping plan to the Committee to show proper screening of the spa base. Owner shall be responsible to maintain, repair and replace from time to time any hedges and/or landscaping which may be approved as part of the screening requirements for the spa.

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ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS (continued)

10. *Fountains and Sculptures.* All fountains and sculptures to be installed in the exterior of the Home must be approved by the Committee. Certain fountains may be considered for approval if installed with timers and if to scale with the area of installation. Approved fountains may only be installed in the rear yard of an Owner's Lot, but in no event in a manner which obstructs or interferes with the view of a Lake by an adjacent Lot Owner in a material way. No fountain shall be approved or installed which exceeds 48" in height. Fountains shall only be permitted to run between the hours of 8:00 a.m. and 11:00 p.m.
11. *Play Equipment.* Permanently installed play equipment may be approved which is of a common playground type designed for children. No play equipment shall be permitted within lake maintenance, utility, drainage or access easements, except basketball hoops in the driveway areas. By submitting a request to the Committee to review and approve the placement of play equipment on a Lot, the Owner shall be deemed to automatically agree that the Association shall not have any responsibility for the maintenance and care, mowing, fertilization, repair and/or replacement of sod or other plantings located under the play equipment, all such responsibilities thereafter being the responsibility of the Owner of the Lot.
12. *Basketball Hoops.* All basketball hoops and backboards in front yard areas shall be permitted on a pole in the driveway only at a location which is no closer than midway between the garage door and the front property line. Temporary or mobile basketball hoops shall not be permitted except for temporary moveable units that are stored in a garage when not in use. When not stored, units must be located such that the base and rim are entirely within the Lot and not in the right-of-way bounding the Lot.
13. *Conversion of Garages.* Conversion of garages to air conditioned livable space shall not be permitted except as may be permitted by applicable Governmental Requirements. Notwithstanding the foregoing, no Owner shall store any items, materials or other personal property in the garage of such Owner's Home to the extent such storage would limit or prohibit the use of the garage for the parking of at least two (2) vehicles inside of the garage.
14. *Garage Door Screening.* No portion of the opening to any garage door may be covered or enclosed by screen material.
15. *Outdoor Furniture.* Approval of outdoor furniture may be permitted only in the rear yard of a Lot and Owner shall maintain such outdoor furniture free of mildew, rust, wood rot and deterioration of equipment components.
16. *Pergolas.* Pergolas may be approved by the Committee, but in no event in a manner which obstructs or interferes with the view of a Lake by an adjacent Lot Owner in a material way. All pergolas must include concrete footers or other mechanism to permanently secure the structure.
17. *Review and Inspection Fees.* The Committee may set, establish and charge fees ("Review and Inspection Fees") for, among other things, processing Owner's request for proposed Improvements, review of the plans and specifications for proposed Improvements and inspection of the Improvements constructed by an Owner, which review and inspection may be performed by third parties. The Committee may require that such Review and Inspection Fees be paid in advance (i.e., at the time of submission of the Owner's application). In the event any Review and Inspection Fees remain unpaid by an Owner, in addition to the other rights of the Association, the Committee shall have the right, at its option, to: (i) not release the security deposit described below until all Review and Inspection Fees have been paid, or (ii) deduct all unpaid Review and Inspection Fees from any security deposit required to be paid by such Owner. In addition (and in addition to any other remedies under and pursuant to the Governing Documents for a failure of an Owner to perform Owner's obligations), if any Review and Inspection Fees are not paid by an Owner, the Board may levy an Assessment against such Owner for such unpaid Review and Inspection Fees, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.
18. *Security Deposit.* Any Owner desiring to make Improvements may be required by the Committee, depending upon the Improvements being requested and the manner of installation of such Improvements, to provide to the Committee, at the time of the Owner's submission of plans and specifications for review and approval by the Committee, a security deposit in an amount determined by the Board (initially, Five Thousand and No/100 (\$5,000.00) Dollars) to cover costs of incidental damage caused to Association Property or to an adjacent Lot or Home by virtue of such Owner's construction of Improvements. The Committee shall have the sole and absolute discretion to determine whether a security deposit is required for the Improvements being requested. The amount of the security deposit may be increased or decreased as may be determined by the Board from time to time.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

**ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS FOR
OPEN PATIOS, SCREEN ENCLOSED PATIOS AND POOL DECKS**

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the Committee or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for open patios, screen enclosed patios and pool decks. Note that, even in the event of strict compliance with the following guidelines, prior approval from the Committee shall be required for each and every screen enclosure installation:

1. Approval for screen enclosures shall be limited to aluminum frame structures which are bronze.
2. Approval for screen enclosures shall be limited to screen meshes on the enclosure which are a standard dark color (e.g. charcoal, bronze or black).
3. Kick plates may be approved which are no taller than 24" above the patio and/or pool deck.
4. Obscure screen materials shall be prohibited.
5. No enclosures shall be permitted at the front entries.
6. No aluminum or flat roofing material shall be permitted. Either the existing roof line may be extended or a screen enclosure may be installed if approved by the Committee.
7. Open patios, screen enclosed patios and pool decks must maintain the following setbacks, assuming drainage easements and other easements do not exist and assuming that any enclosure is built with a screen roof rather than a solid roof:

POOLS AND SPAS

Minimum decking behind pool – building code issue, not zoning issue

Rear yard setback from edge of pool water to property line – non open space lots

Rear yard setback from edge of pool water to property line - open space lots* (excludes LME)

Side yard setback from property line to edge of pool water (corner lots)

Side yard setback from property line to edge of pool water (interior lots)

Setbacks
per building code
5'
3'
13'
ZLL-3' / NZ-5'

SCREEN ENCLOSURES

Rear yard setback from property line to screen – non open space lots

Rear yard setback from property line to screen – open space lots* (excludes LME)

Side yard setback from property line to screen – interior lots

Side yard setback from property line to screen – corner lots

Setbacks
2'
0'
ZLL-0' / NZ-2'
ZLL-10' / NZ-10'

ZLL - Zero Lot Line property line

NZ - Non Zero Lot Line property line

* An "open space Lot" is a Lot that abuts an open space area fifty (50') feet or greater in width.

8. Notwithstanding anything to the contrary contained in these Rules and Regulations, there shall be a minimum two foot (2') setback requirement from the side yard lot line on the "zero lot line" side of a Home for that portion of any open patio, screen enclosed patio and/or pool deck that extends beyond the foot masonry wall extending from such "zero lot line" side of the Home (the "Privacy Wall"). In addition, if an Owner installs or constructs such open patio, screen enclosed patio and/or pool deck between two feet (2') and five feet (5') from the side yard lot line on the "zero lot line" side of a Home, then a Hedge must also be installed by said Owner within the two foot (2') setback area along that portion of the open patio, screen enclosed patio and/or pool deck that extends beyond the Privacy Wall in order to provide a vegetative privacy barrier.
9. Except as expressly provided in this paragraph, no planting, landscaping and/or other improvement whatsoever, including, without limitation, hedges, trees, pool decks, patios, screen enclosures, etc. shall be permitted within the rear five (5') feet (the "Rear Yard Drainage Swale Area") of all "Non-Lake Lots." As used herein, a "Non-Lake Lot" means and refers to a Lot in which no portion of such Lot is abutting any portion of a Lake or a twelve foot (12') drainage easement dedicated on a Plat. The Rear Yard Drainage Swale Area is for drainage and flowage of storm water runoff,

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OPEN PATIOS, SCREEN ENCLOSED PATIOS AND POOL DECKS
(continued)**

and the pipes and other ancillary equipment installed to provide for such drainage and flowage. Notwithstanding the first sentence of this paragraph to the contrary, subject to the prior written approval from the Committee, an Owner of a Non-Lake Lot may install a pool/spa deck, patio and/or screen enclosure within the Rear Yard Drainage Swale Area provided that such pool/spa deck, patio and/or screen enclosure is constructed in a manner that will not cause storm water runoff to discharge therefrom onto any adjacent property (including, without limitation, any adjacent Owner's Lot or Association Property). In that regard, no pool/spa deck, patio and/or screen enclosure to be constructed within a Rear Yard Drainage Swale Area shall be approved by the Committee unless such pool/spa deck, patio and/or screen enclosure is designed and constructed in a manner that will retain all storm water runoff within the Non-Lake Lot including, without limitation, installation of a commercial grade deck drain that will collect such runoff and discharge it to the side yard of the Non-Lake Lot. In addition, each Owner of a Non-Lake Lot shall have the right to seek approval from the Committee for the installation of a fence across the Rear Yard Drainage Swale Area to the rear property line of such Owner's Non-Lake Lot, subject to the terms and conditions of the Lotus Documents, execution of fence removal and indemnification agreement with the Association and the prior approval of the Committee.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS - FENCES

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the Committee or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for fences. Note that, even in the event of strict compliance with the following guidelines, prior approval from the Committee shall be required for each and every fence installation:

1. Bronze aluminum rail fences shall be the only permissible type of fencing on the Lots within the Community. Fence heights shall be five (5') feet, with pickets spaced no closer than three (3") inches on center and no thicker than one (1") inch, unless otherwise required by the Governmental Requirements. However, if the fence serves as a pool barrier and the requirements of Palm Beach County (the "County") provide for a minimum height of the fence in excess of five (5') feet, then the height of the fence shall be the minimum height required by County requirements and all other fencing on the Lot connected and tying-in thereto shall be the same minimum height required by the County requirements so that all fencing on the Lot shall have a common and uniformed height.
2. No style of wood, PVC or chain link fence shall be approved.
3. Owners shall not be permitted to attach any items or objects to a fence without prior written approval from the Committee.
4. The Association may require in its sole discretion the planting of landscaping in conjunction with the installation of a fence.
5. Except as expressly permitted in the Declaration and/or these Rules and Regulations, no fence shall be approved or installed which encroaches into Association Property or other Lots, lakes, lake maintenance easements, lake maintenance access easements, open spaces, wetland mitigation areas, preserve tracts, conservation areas and/or wetland areas.
6. No fence shall be approved which is not set back a minimum of 10' back from the front wall of the Home and at least 5' back from the sidewalk where applicable. No fences shall be attached to a neighbor's home. In considering requests for fence installations, the following may be taken into consideration: locations of air conditioning units; locations of garage access doors; and positions of adjacent Homes.
7. No fence shall be approved which extends in front of the front corner of a neighbor's Home where the two Homes are immediately adjacent to each other and where both Homes face the same direction. Except as expressly permitted in the Declaration and/or these Rules and Regulations, no fence shall be installed within the Fence Restricted Areas. The Fence Restricted Areas include (a) the area between the front of a Home and Street, Drive or Roadway at the front of the Lot on which the Home is situated, unless specifically required by the Palm Beach County Unified Land Development Code, (b) except as otherwise provided below, any drainage easement on the Property as set forth on the Plat, any Additional Plat or in any separate instrument recorded in the public records of the County, and/or (c) any Lake Maintenance Easement.
8. For fences installed on corner Lots whose rear property line is common with the adjacent Lot's side property line and/or whose side property line is adjacent to or visible from a road, a landscape hedge must be installed on the outer side of the fence within the Lot to provide screening. No fence shall be permitted on corner Lots which cross a utility easement. For fences installed on corner Lots whose side property line is adjacent to a street or road, no fences shall be permitted to cross or be installed within any utility easement which runs along such side property line without the approval of the Committee, County and the utility company(ies) occupying the easement, and without a removal and indemnification agreement as may be required by the County and/or the Association.
9. No fence shall be approved which does not provide access to the Owner's neighbor for maintenance of the neighbor's zero lot line wall and roof overhang, if possible. All fences to be installed along the "non-zero lot line" side of a "zero lot line" Lot shall require a gate to provide access to the Owner's neighbor for maintenance of the neighbor's "zero lot line" wall and roof overhang.
10. For any fence, if approved, the Owner shall be responsible for the costs associated with any required removal, repair and/or replacement if that fence is erected on or adjacent to a lot line common with a Lot where the house is not yet under construction or, if under construction, not yet closed to the new Owner.
11. For Lots with zero lot line maintenance easements and/or roof overhang and encroachment easements, the approval and execution of fence removal and indemnification agreement with the Association shall be required.
12. For any fence, if approved, the Owner shall: (a) be responsible to meet all Palm Beach County requirements and criteria including, but not limited to, proper permitting and surveying, and (b) be responsible to maintain the fence, including trimming any grass or other plants from the fence.

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ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS - FENCES
(continued)

13. Except as otherwise provided in the Declaration and/or these Rules and Regulations, no fence shall be approved which: (i) attaches to the boundary or perimeter fence or wall located within any Open Space Area or other Association Property; or (ii) would otherwise fence-in or enclose any portion of an Open Space Area or other Association Property. Notwithstanding such prohibition against installing fences that enclose any portion of Association Property, the Owners of Lots that are adjacent to the Open Space Areas running parallel and along the Drainage District's L-38 Canal (i.e., the canal along the northern boundary of Lotus) shall have the right to install fencing to close in the portion of such Open Space Area immediately abutting such Owner's rear or side yard, as applicable provided, however, any such fencing: (i) must first be approved by the Architectural Control Committee, (ii) shall include operable gates to permit access to and from other parts of the Open Space Areas including, without limitation, access by the Association to maintain the sod located in the Open Space Areas, (iii) shall not encroach into, or be installed over and/or across, any utility easements located within the Open Space Areas, and (iv) shall not be installed by any Owner whose Lot borders an Open Space Area with a boundary wall located therein. Although such fencing is permitted over and across the Open Space Areas as aforesaid, nothing herein allows any Owner to install, construct or place any other Improvements in or on the Open Space Area including, without limitation, landscaping, pools or pool decking, patios, screen enclosures, play equipment, etc. Each Owner who installs any fencing as provided in this paragraph shall be solely responsible for all required maintenance, repair, replacement and removal of the fencing at Owner's sole cost and expense.
14. No Owner shall be permitted to install a fence within any drainage easement without the prior written consent of the Committee. The Committee may approve the installation of a fence within a drainage easement where the Owner has obtained the approval and execution of a removal and indemnification agreement, signed by Owner in a form acceptable to Palm Beach County Utilities and the Association.
15. In accordance with the Declaration, an Owner who elects to install a fence on any portion of such Owner's Lot shall be required to install access gate(s) in locations approved by the Committee which provide adequate and sufficient access to the Association to perform the maintenance obligations. Such gates shall be five (5') feet wide and may be located in the front, rear and/or sides of the Lot, as determined by the Committee. In the event that access to any portion of a Lot by the Association becomes inaccessible or is impeded in any manner, the Owner of such Lot shall assume the full the responsibility for the maintenance and care of the lawn and landscaping located within that portion of the Lot which is inaccessible to the Association, and the Association shall have no further responsibility to do so as long as the Lot remains inaccessible or access is impeded. This maintenance includes, by way of example and not limitation, cutting of the grass, maintaining of the irrigation system, fertilization, spraying, mulching, edging and replacement of sod. There shall be no reduction in the Association assessments for the Owner in return for the preceding maintenance obligation assumed by the Owner. In addition, Owners of a Lot to which access by the Association is impeded shall be responsible to cutting and maintenance of any hedge located with Association Property which is immediately adjacent to such Owner's Lot.
16. To the extent a hedge is required to be installed as part of the fence approval issued by the Committee, or in the event an Owner desires to install a hedge in lieu of a fence, such hedge shall be subject to the same rules as fences as provided herein and must comply with all fencing guidelines contained within the Governing Documents, including, without limitation, rules regarding providing access to perform the Association's maintenance obligations, and any and all height and location restrictions.

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ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS - PERMANENT GENERATORS

Without limiting the generality of the criteria included in these Rules and Regulations and without curtailing the right of the Committee or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for a permanent emergency generator and other appurtenances applicable to the permanent generator (collectively, a "Generator System"). Note that, even in the event of strict compliance with the following guidelines, prior approval from the Committee shall be required for each and every installation of a Generator System on a Lot:

1. **Location.** No above-ground portions of a Generator System shall be permitted to be installed within any portion of the front yard of a Lot. No portion of a Generator System shall encroach onto: (a) any Association Property, (b) any other Lot in the Community, (c) any easements benefiting or burdening the Lot including, without limitation, utility easements, drainage easements, lake maintenance easements, lake maintenance access easements, zero lot line maintenance and/or roof overhang and encroachment easements, or (d) drainage swales on the Lot. In addition to the foregoing, the locations of the various components of the Generator System shall otherwise comply with all Governmental Requirements. The location of the Generator System shall also comply with all applicable setback requirements set forth in the Association Documents and Governmental Requirements.
2. **Applications; Submittals.** All applications for Generator Systems shall include, in addition to other standard information: (a) the make, model, propane capacity and sound level ratings for all components of the Generator System, and (b) an indemnification and hold harmless agreement from the Owner(s) of the Lot in favor of the Association, the Committee and all other Owners. With the application for installation of a Generator System, the Owner shall be required to submit a survey to the Committee showing the general location and placement of all components of the Generator System. The survey shall depict (i) the location of all components of the Generator System including, without limitation, the storage tank and the distances from the Home on the Lot and the Home(s) adjacent to the Lot on the side(s) where the Generator System or any portion thereof is to be installed, (ii) the size and layout of the slab that the physical generator will be installed on, (iii) the location of all easements and applicable setbacks affecting the Lot to show that no portion of the Generator System encroaches thereon, and (iv) the location and size and species of any screening to be installed to screen the above-ground portions of the Generator System as required below.
3. **Screening.** Generators shall at all times be screened from view by all adjacent Lot Owners and from the street using fences, walls or hedges, or a combination thereof, as determined by the Committee. Owner shall submit a landscaping/screening plan to show proper screening of the Generator.
4. **Compliance with Governmental Requirements.** For any Generator System approved by the Committee, the Owner shall at all times be responsible to comply with all Governmental Requirements relating to the installation and use of the Generator System including, without limitation, applicable setback requirements and maximum sound level restrictions. In that regard, all approvals for a Generator System shall require the Owner to obtain all necessary building permits and other approvals required by the Governmental Requirements. Regardless of an approval by the Committee, no Generator System may be installed or used without such building permits and approvals. No portion of an Owner's Security Deposit shall be returned to an Owner unless and until evidence satisfactory to the Committee of such compliance with Governmental Requirements has been delivered to the Committee.
5. **Underground Plumbing.** A licensed and insured LP gas contractor must be used to install any necessary plumbing.
6. **Maintenance.** All Generator Systems must be regularly and properly maintained, repaired and replaced, as applicable, by the Owner of the Lot on which such Generator System is installed.
7. **Required Removals.** For any Generator System, if approved, the Owner shall be responsible for the costs associated with any required removal, repair and/or replacement if the Generator System is erected on or adjacent to a lot line common with a Lot where the house is not yet under construction or, if under construction, not yet closed to the new Owner.
8. **Limitations.** Not all Lots in the Community may be able to have Generator System installed thereon due to, among other things, the Governmental Requirements, applicable setback requirements, location of easements and the configuration of the Lot. Accordingly, even if an application for a Generator System is approved by the Committee, there is no guarantee that a particular Lot will accommodate a Generator System thereon. Accordingly, each Owner shall be responsible to confirm that their Lot can accommodate a Generator System prior to making application to the Committee and/or applying for any necessary permits and approvals.

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ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS – TRAMPOLINES

These Rules and Regulations regarding the use and location of trampolines are designed for the mutual benefit of all Owners. The mere fact that the Association has established rules regarding the use of trampolines on privately owned Lots should not be read, viewed, understood or taken as Association approval of the use or placement of any trampoline. The following rules and regulations are in addition to Rule 11 titled "Play Equipment" of the Additional Guidelines for Additions and Alterations.

1. Approval

- (a) No trampoline shall be installed or otherwise placed on the Lot of any Owner without the Owner first submitting an application and receiving approval from the Committee. Such application should include, in addition to the other information required by these Rules and Regulations: (i) the make, model and specifications of the trampoline, (ii) a picture of the proposed trampoline, (iii) the intended designated location for placement of the trampoline on the Lot, and (iv) such other requirements as may be set out herein, and/or as requested by the Committee and/or the Board.
- (b) By submitting a request to the Committee to review and approve the placement of a trampoline on a Lot, the Owner shall be deemed to have automatically recognized and agreed that use of a trampoline is an inherently dangerous activity, and the Committee's approval of the placement of the trampoline is in no way an indication of acceptance of responsibility for, or liability by, the Association. By submitting such request to the Committee, the Owner shall be deemed to have automatically agreed, by virtue of such request, to release, hold harmless and indemnify the Association and its officers, directors and members, the Committee Members and the Declarant from any and all claims, damages, liabilities, injuries (including personal injuries and/or death), fees, costs, and expenses including, without limitation, Legal Fees that may arise from the use and/or placement of the trampoline, and/or the Committee's approval of the trampoline.
- (c) By submitting a request to the Committee to review and approve the placement of a trampoline on a Lot, the Owner shall be deemed to have automatically recognized that use of a trampoline is an inherently dangerous activity, and the Committee's approval of the placement of the trampoline is in no way an indication of acceptance of responsibility for, or liability by, the Committee, the Board and/or the Association.
- (d) The Committee, in its sole discretion, may, upon application of any Owner in accordance with this Rule, permit the trampoline to be placed on the Owner's Lot. Each submission will be evaluated separately, on a case by case basis. The permitting of a trampoline on an Owner's Lot by the Board does not prohibit the Board from denying the placement of a trampoline on another Owner's Lot under similar circumstances.
- (e) All Committee approvals are and shall remain contingent upon each Owner ensuring that upon issuance of a tropical storm, hurricane or severe weather watch or warning the approved trampoline is stored indoors.

2. Use

- (a) Use of the trampoline by anyone under the age of eighteen (18) is prohibited without adult supervision.
- (b) No trampoline may be used unless the safety net is properly installed and in use.

3. Placement

- (a) The placement and use of a trampoline is only permitted in the back yard of the Lot.
- (b) No trampoline is, or shall be, permitted on a Lot that is not completely fenced in.
- (c) No trampoline shall be located within any required setback, and/or easement including, but not limited to, the lake maintenance, utility, drainage or access easements.

4. Materials

- (a) All trampolines must be constructed with heavy duty steel tubing and must not show rust on the exterior.
- (b) All trampolines must include a fixed safety net designed to prevent the user from falling off the trampoline.
- (c) All trampolines must be capable of being stored indoors.

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ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS – TRAMPOLINES (continued)

5. *No Maintenance/Replacement of Sod under Trampoline.* By submitting a request to the Committee to review and approve the placement of a trampoline on a Lot, the Owner shall be deemed to automatically agree that the Association shall not have any responsibility for the maintenance and care, mowing, fertilization, repair and/or replacement of sod or other plantings located under the trampoline, all such responsibilities thereafter being the responsibility of the Owner of the Lot.
6. *Remedies*
 - (a) In the event the Owner does not properly care for or otherwise maintain the approved trampoline and the area immediately adjacent to and/or under the approved trampoline, then, after five (5) business days written notice sent to the Owner, the Association shall have the right, but not the obligation, to remove the approved trampoline from the Owner's Lot and dispose of the removed trampoline in a proper trash receptacle and/or the Association may perform such lawn care maintenance around and under the trampoline and charge the Owner for such services.
 - (b) All fees and costs related to the enforcement of these Rules and Regulations regarding Trampolines, including without limitation, all Legal Fees, shall be collectible by the Association in a manner similar to Assessments including, without limitation, the right to lien and foreclose the Owner's Lot.

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LOTUS HOMEOWNERS ASSOCIATION, INC.
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MAINTENANCE AND APPEARANCE OF HOMES

1. *General.* Each Owner shall keep and maintain such Owner's Home and Lot in good order, condition and repair, and shall perform promptly all maintenance and repair work within the Home and Lot which, if omitted, would adversely affect the Community, other Owners or the Association. Maintenance obligations are more fully defined in the Declaration.
2. *Personal Property.* The personal property of an Owner shall be stored inside such Owner's Home or garage and not be visible to surrounding neighbors or from Association Property.
3. *Hurricane Season.* Each Owner who plans to be absent from such Owner's Home during the hurricane season shall prepare the Home and Lot prior to departure by removing all furniture, potted plants and other movable objects, if any, from the covered patio or screen enclosure area and from the outside of the Home. The Owner shall also designate a responsible person or firm satisfactory to the Association to care for the Home and Lot should it suffer hurricane damage and shall furnish the Association with the name of the designated firm or individual.
4. *Hurricane Shutters.* No hurricane shutters shall cover window or door openings except during periods of a hurricane watch or a hurricane warning that impacts the Community. Any removable tracks which have been installed by Declarant or approved by the Committee as part of a hurricane shutter package shall not remain installed on a Home other than during periods of a hurricane watch or a hurricane warning. An Owner shall remove any removable type of hurricane shutters attached to the Home immediately after a hurricane watch or a hurricane warning has been lifted. In that regard, if an Owner installs removable hurricane shutters on the Home during a hurricane watch or a hurricane warning and thereafter leaves the Home, that Owner must either: (a) immediately return to the Home after the hurricane watch or hurricane warning has been lifted and remove such hurricane shutters from the Home; or (b) make arrangements for another individual to remove such hurricane shutters from the Home immediately after the hurricane watch or hurricane warning has been lifted. The installation of hurricane shutters, other than those provided by Declarant (if any), shall require Committee approval.
5. *Window Decor.* Window treatments (drapery, blinds, decorative panels or other tasteful window coverings) are permitted, however, the color of any portions of a blind, decorative panel or window treatment which are visible from the exterior of the Home must be neutral and otherwise consistent with the color scheme of the existing improvements. No newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding two (2) weeks after an Owner first moves into a Home, or when permanent window treatments are being cleaned or repaired.
6. *Landscape Material.* No trees, shrubbery or landscaping shall be removed from, altered or added to Lots without the prior written consent of the Committee. No additional trees, shrubbery or landscaping are permitted to be planted by an Owner on the Lot without the prior written consent of the Committee. No landscaping or other materials shall be planted or installed by any Owner on any Association Property. Replacement of dead, dying or decaying sod, trees, shrubs, landscaping and other plant materials within the Lots regardless of the reason whatsoever, shall be the obligation of the Owner of the Lot upon which replacement is required. Such replacement shall be with replacement material of similar size and species of that being replaced unless approved by the Committee. Notwithstanding the foregoing, and subject to the prior approval of the Committee, which may be withheld in its sole and absolute discretion, hedge(s) which exceed the height of a five (5') foot fence may be planted for privacy purposes on (i) non-Lake Lots, or (ii) on a Lake Lot where such hedge(s) will not materially interfere with the view of the lake by the immediate neighbor who is also a Lake Lot Owner. Approval by the Committee may be conditioned upon the Owner agreeing to trim such hedge(s) should the hedge(s) later be found to create an obstruction of a lake view. In the event the Owner fails to trim the obstructing hedge(s) within fourteen (14) days following receipt of written notice by the Association to do so, then the Association shall have the right, but not the obligation, to trim such hedge(s). The costs associated with such hedge trimming performed by the Association will be charged as an assessment against the Owner's Lot. The determination of whether a hedge materially interferes with the view of the lake by the immediate neighbor shall be determined by the Board in the Board's sole and absolute discretion.
7. *Landscaping on Lake Lots.* Any plans for landscape improvements or alterations shall be submitted for approval to the Committee. No landscaping shall be installed on Lake Lots which shall materially interfere with the view of the lake by the immediate neighbor who is also a Lake Lot Owner. Approval by the Committee for landscaping on a Lake Lot may be conditioned upon the Owner agreeing to trim such hedge(s) should the hedge(s) later be found to create a material obstruction of a lake view. In the event the Owner fails to trim the obstructing hedge(s) within fourteen (14) days following receipt of written notice by the Association to do so, then the Association shall have the right, but not the obligation, to trim such hedge(s). The costs associated with such hedge trimming performed by the Association will be charged as an

**LOTUS HOMEOWNERS ASSOCIATION, INC.
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MAINTENANCE AND APPEARANCE OF HOMES (continued)

assessment against the Owner's Lot. The determination of whether landscaping materially interferes with the view of the lake by the immediate neighbor shall be determined by the Board in the Board's sole and absolute discretion.

8. *No Alteration of Drainage.* No sod, top soil, fill or muck shall be removed from or added to Lots without the prior written consent of the Committee. No change in the condition of the soil or the level of land shall be made which would result in any permanent change in the flow or drainage of surface water within the Community or on the Lot.
9. *Air Drying.* No linens, cloths, clothing, curtains, rugs, mops, laundry of any kind or other articles shall be hung, dried or aired from any window, door, fence or balcony, or in such a way as to be visible to any other Owner. Clotheslines may be approved if reasonable in size, style, location and effectiveness with respect to appearance from adjacent lots and rights of way.
10. *Bicycles.* All bicycles, other than those which are being used, shall be stored within the garage of the Owner's Home.
11. *Home Landscaping Services.* The levels of service and schedule of services for the Home Landscaping Services (as described in the Declaration) shall be determined by the Board from time to time. The Home Landscaping Services initially will include mowing sod, landscape trimming, tree trimming (for hardwood trees only up to eight (8') feet in height and palm trees only up to twelve feet (12') in height), weeding, fertilization, exterior pest control spraying, and mulching (two (2) time per calendar year). Notwithstanding the obligation of the Association to perform the Home Landscaping Services, any replacement of dead, dying or decaying sod, trees, shrubs, landscaping and other plant materials within the Lots, for any reason whatsoever, shall be the obligation of the Owners of the Lots upon which such replacement is required. The Association may, at its option, discontinue replacing sod on the Lots, in which event the replacement of any sod on the Lots would become the responsibility of the Owners. In the event that the Committee approves any additional trees, shrubbery or landscaping to be installed on the Lot which was not initially installed by Declarant, the Association's Home Landscaping Services will not include the maintenance and care of such additional material.

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RULES AND REGULATIONS**

TRASH AND OTHER MATERIALS

1. No rubbish, trash, garbage, refuse, tree limbs, grass clippings, hedge trimmings or other waste material ("Trash") shall be kept or permitted on the Lots except in sanitary self-locking containers located in appropriate areas (i.e., areas not visible from the street or any other Lot other than at times of scheduled curbside Trash pick-up).
2. For curbside pick-up, Trash shall be placed in sanitary self-locking containers. All garbage cans must be stored in the garage of the Home and only brought to the curb after 6:00 p.m. on the day before the scheduled Trash pick-up. Empty garbage cans shall be returned to the garage of the Home within eight (8) hours following pickup, but in no event shall a garbage can be left outside of the garage overnight.
3. No odors shall be permitted to arise from Trash containers so as to render any portion of the Community unsanitary, offensive or a nuisance to any Owners, to the Association Property or to any other property in the vicinity.
4. No stripped-down vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse or Trash shall be stored or allowed to accumulate on any portion of the Community.
5. Each Owner shall regularly pick up all Trash around the Home and Lot.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

PARKING AND VEHICULAR RESTRICTIONS

1. Parking shall be permitted only on driveways, inside garages or in areas specifically designated as "parking areas" by the Association. No parking shall be permitted on sidewalks. No overnight parking on the streets or swales is permitted.
2. No vehicle or other possessions belonging to an Owner or to an Owner's family member, guest, invitee or tenant shall be positioned in such a manner as to hinder, impede or obstruct: (a) ingress or egress to any other Owner's driveway, (b) passage across or within sidewalks and/or (c) traffic on the streets of the Community.
3. Only vehicles belonging to authorized persons actively using the Recreation Tract are permitted to be parked in the Recreation Tract parking spaces. The parking spaces in the Recreation Tract shall not be utilized for parking other than during periods of use of the Recreation Tract by the vehicle's owner.
4. No commercial vehicles, campers, mobile homes, motor homes, house trailers or trailers of every other description, recreational vehicles, trucks larger than a full size pick up truck, horse trailers or vans, boats, or boat trailers shall be permitted to be parked or stored any place on the Lot except only in enclosed garages. For purposes of this Section, "commercial vehicles" means vehicles: (a) in which the driver is ordinarily hired for transport, including, but not limited to, taxis, limousines, or buses, and/or (b) which are not designed and used for customary, personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle; however, the presence of such graphics or lettering shall create a presumption that the vehicle is commercial unless otherwise determined by the Board. The prohibitions on parking contained in this Section shall not apply to: (i) temporary parking of trucks and commercial vehicles for contractors or vendors while performing work for an Owner on such Owner's Lot, such as for temporary construction use or providing pick-up and delivery and other commercial services; (ii) passenger-type vans with windows for personal use which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time); and/or (iii) any vehicles of the Declarant or its affiliates, and/or any of their respective employees, contractors, subcontractors and/or agents. All Owners and other occupants of Homes are advised to consult with the Association prior to purchasing, or bringing onto the Lot, any type of vehicle other than a passenger car inasmuch as such other type of vehicle may not be permitted to be kept within the Community. The determination of what constitutes a commercial vehicle shall be made by the Board in the Board's sole and absolute discretion.
5. No repairs of vehicles shall be made within the Community unless the repairs take less than twenty-four (24) hours. The only exceptions to the preceding shall be: (a) emergency repairs; and, (b) repairs made within the garage of the Home and with the garage door closed.
6. Disposal of drained automotive fluids is not allowed within the Community.
7. Vehicles which cannot operate under their own power and which remain within the Community for more than seventy-two (72) hours shall be towed at the Owner's expense, unless parked on the Owner's driveway or inside the Owner's garage.
8. All vehicles shall be kept in proper operating condition so as not to be a hazard or a nuisance by noise, exhaust emission, appearance or otherwise.
9. No Owner shall keep any vehicle on the Lot which is deemed to be a nuisance by the Board.
10. No Owner shall perform restorations of any motor vehicle, boat or other vehicle within the Community unless made within the garage of the Home and with the garage door closed.
11. Car washing shall be permitted only on an Owner's driveway.
12. Owners shall maintain a current registration and all required insurance coverages for all vehicles parked within the Community.
13. *Golf Carts:*
 - a. No gasoline-powered golf carts shall be operated within the Community, except as may be owned and operated by the Declarant or the Association. All other golf carts shall be powered by electricity or by similar non-combustion means. When not in use, golf carts shall be parked or stored within the garage of the Home and with the garage door closed.

LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

PARKING AND VEHICULAR RESTRICTIONS (continued)

- b. Golf carts may only be operated upon the paved roadways located within the Community. Operators of golf carts shall abide by all traffic regulations applicable to vehicular traffic and shall operate their golf cart in accordance with all manufacturers' and other safety recommendations. The operator shall not impede the flow of traffic. The Association may restrict, prohibit or regulate the use of golf carts upon heavily traveled roadways within the Community if the Association determines such use is incompatible with the normal and safe movement of traffic.
 - c. Any person operating a golf cart within the Community shall carry and maintain a valid driver's license. Golf carts may be operated only during the hours between sunrise and sunset, unless the golf cart is equipped with headlights, brake lights, turn signals and a windshield. Each owner of a golf cart operated within the Community shall keep the golf cart in good condition and appearance. Each golf cart shall be equipped with efficient brakes, reliable steering apparatus, safe tires, a rearview mirror and red reflectorized warning devices in both the front and rear. No owner of a golf cart may modify their golf cart in a manner that affects the recommended mode or operation, speed or safety of the vehicle. Appropriate written warnings and/or violations will be issued where deemed appropriate or necessary by the Association. The issuance of two written warnings or violations will suspend an Owner's golf cart privileges for one year. Five such warnings and/or violations within one year will permanently revoke such Owner's golf cart privileges within the Community.
 - d. Each Owner (regardless of whether the Owner is the operator) and each operator of a golf cart (regardless of whether they are owner of the golf cart) will be responsible, jointly and severally, for any and all damage to property and injuries to persons (including death) caused by and/or resulting from its ownership and/or operation of a golf cart in the Community. Accordingly, EACH SUCH OWNER AND OPERATOR, JOINTLY AND SEVERALLY, SHALL AND HEREBY AGREES TO, INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION, THE BOARD, DECLARANT AND THE OTHER MEMBERS OF THE ASSOCIATION, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, SUITS, ACTIONS, CAUSES OF ACTION, LIABILITIES (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH), JUDGMENTS, DAMAGES (INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL OR PUNITIVE DAMAGES), FINES, LIENS, ENCUMBRANCES, PENALTIES, COSTS AND EXPENSES OF WHATEVER NATURE OR KIND (INCLUDING, WITHOUT LIMITATION, LEGAL FEES) RELATED TO, ARISING OUT OF AND/OR RESULTING FROM THE OWNERSHIP, OPERATION, MAINTENANCE AND/OR USE OF A GOLF CART IN THE COMMUNITY.
14. All Owners, their family members, guests, invitees and tenants will obey the parking regulations imposed and/or posted by the Association in the private streets, parking areas and drives, and any other traffic regulations promulgated in the future, for the safety, comfort and convenience of Owners.
15. The operation of motorized scooters, go-carts, and other non-licensed or non-registered vehicles shall be prohibited in the Community except: (a) non-licensed and non-registered wheelchair or similar vehicles may be used for the transportation of disabled persons; and (b) golf carts which may be operated within the Community in accordance with the Rules and Regulations set forth herein.
16. The Board shall make a reasonable attempt to give notice to the owners of offending vehicles. If such vehicle is not removed or if the violation is not corrected, the Board may have the offending vehicle towed at the expense and risk of the owner of the vehicle.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

ANIMALS AND PETS

1. Ordinary house pets are permitted, subject to the guidelines contained herein. Ordinary house pets shall include dogs (except Pit Bulls, Rottweilers, Presa Canarios (canary dog) and "Dangerous Dogs" – all as provided in the Declaration), cats, caged domesticated birds, hamsters, gerbils, guinea pigs, aquarium fish, small snapping turtles and tortoises, domesticated rabbits and pets normally maintained in a terrarium or aquarium. The Board may determine in its discretion, a maximum number of pets permitted per household.
2. Under no circumstances shall a Pit Bull, Rottweiler, Presa Canario (canary dog) or Dangerous Dog be permitted on the Property. As used in the Declaration: (i) a "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds; and (ii) a "Dangerous Dog" is defined as a dog which meets any one (1) of the following criteria: (a) has aggressively bitten, attacked, endangered or has inflicted severe injury on a human being at any time whether on or off the Property, (b) has severely injured or killed a domestic animal at any time whether on or off the Property, or (c) has, when unprovoked, chased or approached any person upon the Streets, Drives, Roads, Avenues, Roadways and/or Sidewalks, or any other portion of the Property in a menacing fashion or apparent attitude of attack; provided, however, a dog shall not be a "Dangerous Dog" if the threat, injury, death or damage was sustained by a person who, at the time, was unlawfully on the Property (or any portion thereof), or, while lawfully on the Property (or any portion thereof), was tormenting, abusing or assaulting the dog or its owner or a family member; provided further, that no dog may be a "Dangerous Dog" if the dog was protecting or defending a human being within the immediate vicinity of the dog from an unjustified attack or assault.
3. Notwithstanding the foregoing, breeding of any animals or pets, including ordinary house pets, or any other keeping of pets for any commercial purpose whatsoever within the Community is prohibited.
4. Unusual pets shall not be kept, raised, bred or maintained on any portion of the Community, including the Home, Lot and Association Property. Unusual pets shall include, by way of example and not limitation, those animals not generally maintained as pets, such as poultry, livestock, horses, large reptiles, anthropoids, felines other than cats, canines other than dogs, rodents, birds and other creatures other than those listed in Item 1 above, or not maintained in a terrarium or aquarium. Pit Bulls, Rottweilers, Presa Canarios (canary dog) and Dangerous Dogs (all as provided in the Declaration) are also classified as unusual pets and are, therefore, prohibited. Free-ranging domestic animals (i.e., domestic animals that spend all or a portion of their time outdoors where they may prey on wildlife) are also prohibited and shall not be kept, raised, bred or maintained on any portion of the Community, including the Home, Lot and Association Property.
5. Pet owners are responsible for any property damage, personal injury or disturbance which their pet may cause or inflict. Each Owner who determines to keep a pet agrees to indemnify the Association and hold the Association harmless against any loss or liability of any kind or character whatsoever arising from or growing out of such Owner having any animal in the Community.
6. Pets shall not be left unattended outside the Home. No pet shall be kept tied up outside of a Home or in any covered or screened porch or patio, unless someone is present in the Home. All dogs and cats shall be walked on a leash and in full control by their owners at all times. Any pet shall be carried or kept on a leash when outside of a Home or outside of a fenced-in area.
7. Any solid animal waste shall be immediately picked up and removed and shall not be deposited on or within the Association Property.
8. All pets shall have and display, as appropriate, evidence of all required registrations and inoculations and the name and address of its owners.
9. Every female animal, while in heat, shall be kept confined in the Home by its owner in such a manner that she shall not be in contact with another animal nor create a nuisance by attracting other animals.
10. If any pet becomes obnoxious to the Owners by barking or otherwise, the owner of the pet shall cause the problem to be corrected. If the problem is not corrected, then the Owner, upon written notice from the Association, shall be required to dispose of the animal. No Owner shall inflict or cause cruelty upon or in connection with any pet.
11. The foregoing are in addition to the other rules, regulations and restrictions governing animals and pets set forth in the Governing Documents.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

USE AND ENJOYMENT OF LAKES

1. Owners, and their family members, guests, invitees and tenants, shall be permitted to engage in "catch and release" fishing in the Lakes. Notwithstanding the preceding, an Owner shall only access a Lake from the Lake Maintenance Easement which immediately abuts such Owner's Lot if such Owner's Lot is a Lake Lot. If the Owner's Lot is not a Lake Lot, or if an Owner of a Lake Lot wishes to access a different Lake or another area of the same Lake, then access to a Lake shall be exclusively from the Lake Maintenance Easement area abutting Association Property. If no portion of a Lake Maintenance Easement abuts Association Property, Owners other than Lake Lot Owners whose Lots abut the Lake shall not be permitted access to the Lake.
2. No Owner shall be permitted access to or to fish from any Lake Maintenance Easement or Lake Bank area which immediately abuts a Lake Lot owned by another Owner.
3. Lake Lot Owners and their Occupants shall be permitted to operate non-motorized and electric watercraft in the Lake immediately abutting such Owner's Lot. No other persons shall be entitled to operate watercraft in the Lakes. The launching into and removal from a Lake of any permitted non-motorized and electric watercraft by a Lake Lot Owner shall be limited to that Owner's Lake Lot. Accordingly, a Lake Lot Owner shall only access the Lake abutting such Owner's Lot from the lake maintenance easement area or lake maintenance access easement area which immediately abuts Owner's Lot. Watercraft size shall be limited in size to 18' in length.
4. No planting, fencing or other improvements or additions to the grassed area surrounding the lake and outside the Lot is permitted.
5. No installation of sand or other materials intended to simulate a beach is permitted along the Lake banks or within the Lake Maintenance Easements along the rear yards of Lake Lots.
6. Swimming and the operation of fuel-powered watercraft in the Lakes are prohibited.
7. No watercraft (including watercraft permitted to be used within the Lakes of the Community) or trailers may be stored on Lake Banks, Lake Maintenance Easements or Lake Maintenance Access Easements within the rear yard of a Lot or otherwise visible in any manner on a Lot.
8. In no event shall any Owner cause any erosion or change in grade of any Lake bank slope from design grade.
9. Littoral plantings are installed in accordance with the permitting requirements of the South Florida Water Management District and may not be altered, relocated, destroyed, damaged or removed by an Owner.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

LEASING OF HOMES

1. No portion of a Home, other than an entire Home, shall be rented by the Owner and no Home, or portion thereof, shall be sub-let.
2. All leases shall provide for a minimum lease term of seven (7) months. No lease shall provide for an early lease termination which would reduce a lease term to a period of less than seven (7) months except in the event of a default by the tenant. No Home may be rented more than one (1) time during any twelve (12) month period.
3. All leases shall provide that the right of the tenant to use and occupy the Home and the Association Property shall be subject and subordinate in all respects to the provisions of the Governing Documents.
4. All leases shall provide, and if they do not so provide then the leases shall be deemed to provide, that the Association shall have the right to terminate the lease upon the tenant's failure to observe any of the provisions of the Governing Documents.
5. Each Owner shall be required to use a lease addendum which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due the Association. Even if such lease addendum is not included, each lease entered into by Owner for a Home shall be deemed to include the foregoing by this reference.
6. The Owner of a leased Home shall be jointly and severally liable with such Owner's tenant: (a) for compliance with the Governing Documents (including, without limitation, these Rules and Regulations), and (b) to the Association to pay Assessments and/or any claim for injury or damage to persons or property caused by the acts or omissions of the tenant and/or those for whom the Owner is responsible.
7. The Owner shall provide the Association with a copy of all executed leases in their entirety for the Home.
8. A person occupying a Home for more than one (1) month without the Owner or tenant or a member of the Owner's or tenant's family being present (regardless of whether a lease exists or rent is paid) shall not be deemed a guest, but rather, shall be deemed a tenant for purposes of the Governing Documents which apply to tenants.

LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

MISCELLANEOUS RULES AND REGULATIONS

1. **Signs.** No sign, display, poster, advertisement, notice or other lettering whatsoever (including, without limitation, "For Sale", "For Rent" or "By Owner" signs) shall be exhibited, displayed, inscribed, painted or affixed in public view of any portion of a building, vehicle or other Improvements in the Community (including, without limitation, a Home) without the prior written approval of the Board, which approval may be given, conditioned, withheld or denied in the sole and absolute discretion of the Board. Notwithstanding anything to the contrary contained in these Rules and Regulations, the Board shall not approve any sign, display, poster, advertisement, notice or other lettering which is or in the nature of a "For Sale", "For Rent", "By Owner" or any other similar sign for the sale or renting of a Home for so long as Declarant owns a Lot in Lotus or so long as Declarant or any of Declarant's affiliates (or any of their respective successors or assigns) are conducting sales and marketing of Homes in the Community or other communities developed or marketed by Declarant or its affiliates, whichever is later.
2. **Barbecuing.** If Owners barbecue on covered or screened patios or at a close distance away from the Homes, then those Owners shall take responsibility to clean or paint over any smoke discoloration which may result from such activities.
3. **Chemicals.** Except as otherwise specifically provided herein, Owners shall not keep any flammable, combustible or explosive fluids, fuels, chemicals or substances in any Home, its adjacent yard area or within the Association Property. No above-ground or other fuel storage tanks shall be permitted except only for customary propane tanks associated with barbecue grills. Any such propane tanks shall be maintained in accordance with the prescribed use and safety instructions but in no event shall they be installed or stored on Association Property.
4. **Moving.** Owners or tenants who are moving in or out of the Community shall do so between the hours of 8:00 am and 9:00 p.m. Portable self-storage containers are permitted but may not be stored outside of the Home for more than 48 hours. Portable self-storage containers shall be placed entirely within the Lot and not in the right-of-way bounding the Lot. At no time shall such units be placed on Association Property.
5. **Residential Directory; No Solicitation.** Use of mailing addresses, phone numbers and e-mail addresses set out in any resident directory is for official Association use only. The resident directory and all information therein contained may not be used by any Owner for their own political, charitable, or business purposes. Any contact information (including, without limitation, email addresses) provided to the Association or included in any correspondence to the Association may be used by the Association. All contact information in the Association's records may be included in the residential directory unless Owner sends written notice to the Association directing that such contact information not be included in the residential directory. All door-to-door commercial solicitation is prohibited. Placing of materials in mailboxes or on or within any portion of the Homes or Lots is strictly prohibited unless express written permission is granted by the Board.
6. **Hunting, Trapping or the Possession/Use of Firearms.** Hunting, trapping, or the possession/use/discharge of firearms, including but not limited to, hand guns, rifles, shotguns, BB guns, pellet guns, paint guns, slingshots and bows and arrows, are not permitted anywhere in the Community. This rule shall not, however, prohibit an Owner from keeping a lawful firearm: (a) in such Owner's Home, or (b) on such Owner's person strictly in accordance with a lawfully issued Florida concealed weapons license.
7. **Recording and Broadcasting of Association Meetings.** Owners shall provide not less than twenty-four (24) hour advance written notice to the Board expressing their desire to utilize any audio or video equipment at an official meeting of the Board or an official meeting of the Owners (collectively, "Association Meetings"). The only audio and video equipment and devices which Owners are authorized to utilize at any such meeting is equipment which does not produce distracting sound or light emissions. All audio and video equipment shall be assembled and placed in position in advance of the commencement of Association Meetings. Owners videotaping or audio recording Association Meetings shall not be permitted to move about the meeting room in order to facilitate the audio or video recording. Owners who have recorded an Association Meeting shall not share such recording (or any portion thereof) with non-Owners. Live streaming and/or broadcasting of Association Meetings, including, without limitation, through Periscope, Facebook Live, Instagram, Twitter or other similar social media platforms, is prohibited. These rules only apply to official Board meetings, Annual Members' Meetings and Special meetings of the Members; thus, no other meetings may be recorded, live streamed and/or broadcasted in any manner whatsoever.

LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

GENERAL USE OF ASSOCIATION PROPERTY AND RECREATION TRACT

"Recreation Tract" as used herein shall mean and refer to the Recreation Tract (as defined in the Declaration) and any portion thereof, including, without limitation, recreation amenities, facilities and equipment located thereon and therein.

1. Responsibility:

- (a) ALL PERSONS USING ASSOCIATION PROPERTY, INCLUDING BUT NOT LIMITED TO THE RECREATION TRACT, SHALL DO SO AT THEIR OWN RISK. The Association and its Board assumes no responsibility for any accident or personal injury or for any loss or damage to personal property arising out of or in connection with the use of Association Property in general, including but not limited to the Recreation Tract. Persons using Association Property, including but not limited to the Recreation Tract, agree not to hold the Association or the Board liable for actions of any nature occurring within Association Property, including but not limited to the Recreation Tract.
- (b) With respect to the use of Association Property, including but not limited to the Recreation Tract, an Owner shall be held responsible for the actions and conduct of Owner and the actions and conduct of such Owner's Occupants. Decorum, good conduct and safety shall be observed and shall be strictly enforced.
- (c) Any damage to Association Property, including but not limited to the Recreation Tract, which is caused by any Owner or Occupant of an Owner shall be repaired or replaced at the expense of the Owner.
- (d) The use of Association Property, including, but not limited to the Recreation Tract, by persons other than an Owner or Owner's Occupants is strictly prohibited and shall be at the risk of those involved and not, in any event, the risk of the Association. Use of the Outdoor Courts and facilities by Owners and Owners' Occupants shall be pursuant to the "Rules for Outdoor Courts and Racquet Center Facilities" section set forth herein.
- (e) The Association shall not be responsible for any personal injury or any loss or damage to personal property within Association Property, including but not limited to the Recreation Tract, regardless of where such property is kept, checked, left or stored on the premises.
- (f) The Association shall have the right to require Owners and Owners' Occupants execute a Recreational Amenities Release and Waiver in a form acceptable to Association prior to: (i) use of the Recreation Tract, and/or (ii) participation in any activities sponsored, promoted or set up by the Association.

2. General Use Restrictions:

- (a) The Association Property, including, but not limited to the Recreation Tract, shall be solely for the use of the Owner and such Owner's Occupants, subject to the provisions of the Governing Documents. The Association retains the right to limit the number of guests, invitees and other Occupants per household that are permitted to (i) use the Recreation Tract, and/or (ii) participate in any activities sponsored, promoted and/or set up by the Association.
- (b) Owners shall accompany and remain with their guests and invitees when at the Recreation Tract.
- (c) Use of the Recreation Tract, by any organized team (i.e., school teams, municipal recreation league teams, etc.) as a practice or scrimmage court, facility, field or area is strictly prohibited except in connection with the Outdoor Courts, as more particularly set forth in the "Rules for Outdoor Courts and Racquet Center Facilities" section herein.
- (d) The use of the Recreation Tract and/or any other portion of the Association Property, for any private use shall be submitted for prior approval to the Board or its manager. For this purpose, "private use" shall include, by way of example but not limitation, any of the following: private lessons (such as tennis lessons or swimming lessons), group lessons, instructional classes, aerobic classes, weight training instruction, exercise classes (including karate or other martial art classes), social meetings, fraternal meetings, political meetings, religious group meetings, parties, socials, barbecues, seminars, educational classes, computer training courses and motivational speakers. The foregoing shall not apply to the Outdoor Courts and facilities. Use restrictions and requirements relating to the Outdoor Courts and facilities shall be as set forth in the "Rules for Outdoor Courts and Racquet Center Facilities" section herein.
- (e) The use of the Recreation Tract by an organized team (i.e., school teams, municipal recreation league teams, etc.) as a practice or scrimmage court, facility, field or area is strictly prohibited.
- (f) Pets shall not be permitted in the Recreation Tract.
- (g) The walkways and entrances of the Association Property, including, but not limited the Recreation Tract, and facilities located thereon and therein shall not be obstructed or used for any purpose other than ingress and egress.
- (h) No grilling, barbecuing or cooking of food shall be permitted within the Association Property except in those areas designated for such purposes by the Association.

LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

GENERAL USE OF ASSOCIATION PROPERTY AND RECREATION TRACT (continued)

3. *Cleanliness:*

- (a) It is prohibited to litter or cause debris to be put in any of the Association Property, including the Recreation Tract. Owners, their family members, guests, invitees and tenants shall cause to be removed or disposed of all rubbish, garbage, trash, refuse or other waste materials generated during their respective use within any recreational facilities or other Association Property.
- (b) No personal articles shall be allowed to stand overnight in any of the Association Property.
- (c) No garbage cans other than those provided by the Association, supplies, water bottles or other articles shall be placed or left within in the Association Property, including but not limited to the Recreation Tract.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE CLUBHOUSE

1. *Clubhouse Use:*

- (a) Clubhouse hours shall be as established by the Board from time to time. Time extensions for social or community events may be granted at the discretion of the Board or, if applicable, the Social Director. Activities outside the Clubhouse shall not be allowed after 8:00 p.m. (Monday through Thursday) and 9:00 p.m. (Friday through Sunday) without the prior approval of the Board. The foregoing time restrictions shall not apply to activities which have been organized by the Association.
- (b) All persons thirteen (13) years of age and younger shall at all times be accompanied and closely supervised by an Owner or supervising adult who is eighteen (18) years of age or older when using the Clubhouse amenities.
- (c) All belongings shall be removed from the Clubhouse when leaving. The Association and its Board shall not be responsible for belongings lost or stolen.
- (d) No immoral, offensive or unlawful use shall be made of the Clubhouse. All Governmental Requirements shall also be strictly observed.
- (e) Equipment and supplies shall not be stored in any location other than as specifically approved in writing by the Board or, if applicable, the Social Director.
- (f) No signs, notices or photos shall be posted on any of the walls or windows of the Clubhouse, other than on bulletin boards, if made available by the Association for that specific purpose. All postings must first be approved by the Board.
- (g) All community events and meetings shall supersede the use of all other events throughout the Clubhouse.

2. *Code of Conduct for the Clubhouse:*

- (a) No smoking (including e-cigarettes) in the Clubhouse or any rooms therein shall be allowed.
- (b) No breakable containers shall be permitted outside of the designated dining areas.
- (c) Alcoholic beverages shall not be served to anyone under the age of 21 or to intoxicated persons.
- (d) Proper attire shall be worn in the Clubhouse.
- (e) Bare feet, bare chests and swimsuits shall be prohibited in the Clubhouse, other than to use the locker room facilities provided that entry to and exit from the Clubhouse is through the door adjacent to the locker rooms directly accessing the Pool Area (as hereafter defined).
- (f) When the Clubhouse facilities are in use by an Owner who has properly reserved the facility, no other Owner shall be permitted in those areas other than for ingress and egress.
- (g) An Owner shall be responsible for repair and/or replacement costs incurred as a result of deliberate, careless or irresponsible behavior resulting in damage to the Clubhouse furniture, accessories, appliances and/or any related equipment caused by the Owner and/or Owner's family members, tenants, guests, invitees and others for whom the Owner is responsible.
- (h) Boisterous or profane language shall be not used in the Clubhouse.

3. *Renting of the Event Room or Party Pavilion:*

- (a) All reservations of any area permitted to be reserved or rented (i.e., the Event Room or Party Pavilion) by Owners must first be approved by the Board or, if applicable, the Social Director. Renting of the Event Room the Clubhouse or Party Pavilion by Owners for their private use, if permitted by the Board, shall be subject to availability, the payment of scheduled fees and deposits as may be determined by the Board, and the execution of the Association's form of rental agreement.
- (b) Any Owner or other authorized person reserving the Event Room or Party Pavilion shall have the care, custody and control of the Event Room or Party Pavilion, as applicable, during the period the facility is reserved and shall, therefore, be responsible for any and all costs for repairs and/or replacement to the reserved Event Room or Party Pavilion, and any furniture, equipment, accessories, appliances and the like which are damaged or destroyed for any reason while under Owner's or authorized person's care, custody and control. In addition, any Owner or authorized person using the Event Room or Party Pavilion shall be responsible for the care and cleaning thereof, including the kitchen. All furnishings and equipment shall be replaced to their previous locations, but in no event shall they be removed from the Event Room or Party Pavilion.

LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

RULES FOR THE CLUBHOUSE (continued)

- (c) Owners wishing to reserve the Event Room or Party Pavillion must first contact the Association Property Manager or Social Director, if applicable, to request a date and time. A deposit shall be due and payable at the time of reservation, and a portion thereof shall be non-refundable, all as determined by the Board. The balance of the deposit shall be refunded only if (i) there has been no damage, misuse or theft to the reserved Event Room or Party Pavilion and all furniture, equipment, accessories, and appliances therein, and (ii) the reserved Event Room or Party Pavilion is clean. The amount of the required deposit and the non-refundable portion of the deposit may be established and amended by the Board at any time and from time to time.
- (d) All community events and meetings shall supersede the use of the Event Room and Party Pavilion.
- 4. *Rules for Use of Indoor Sports Court:*
 - (a) The hours of the Indoor Sports Court shall be as established by the Board from time to time.
 - (b) Use of the Indoor Sports Court is restricted to the playing of appropriate games or game-related activities (i.e., exhibitions and clinics) only. PLAYERS SHALL PLAY AT THEIR OWN RISK.
 - (c) Use of the Indoor Sports Court shall be limited to one (1) hour for use. Play may continue providing no other players are waiting at the expiration of the preceding time limits.
 - (d) No one shall be permitted in the Indoor Sports Court except those persons playing.
 - (e) Roller skates, skateboards, roller blades, bicycles, scooters and other play or exercise equipment are prohibited in the Indoor Sports Court.
 - (f) Only proper attire, shoes and protective wear shall be worn. Only sneakers shall be worn on the sports courts. Black soled sneakers shall not be permitted.
 - (g) No food or breakable containers shall be permitted in the Indoor Sports Court.
 - (h) An Owner shall be responsible for repair and/or replacement costs incurred as a result of deliberate or irresponsible behavior resulting in damage to the Indoor Sports Court caused by the Owner and/or Owner's Occupants.
 - (i) Use of the Indoor Sports Court by any organized team (i.e., school teams, municipal recreation league teams, etc.) is strictly prohibited.
 - (j) Walking through the Indoor Sports Court during play shall be prohibited. Entering or leaving a court shall only occur when the play of other players is stopped.
- 5. *Rules for Use of Fitness Center and Multipurpose Room:*
 - (a) Fitness Center and Multipurpose Room hours shall be as established by the Board from time to time. Time extensions for social or Community events may be granted at the discretion of the Board or, if applicable, the Social Director.
 - (b) USE OF THE FITNESS CENTER, MULTIPURPOSE ROOM AND EQUIPMENT THEREIN SHALL BE USED AT THE RISK OF THE PERSON EXERCISING.
 - (c) Athletic shoes and shirts shall be worn at all times.
 - (d) As a courtesy to others, people exercising are requested to allow others to work in with them.
 - (e) A thirty (30) minute time limit shall apply on all cardio-vascular equipment when someone is waiting.
 - (f) Equipment shall be wiped down after usage. Accordingly, people exercising are requested to bring a towel to the Fitness Center and Multipurpose Room for that purpose.
 - (g) All personal belongings shall be removed from the Fitness Center and Multipurpose Room when leaving. The Association and its Board shall not be responsible for belongings lost or stolen.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE SWIMMING POOL AREA

"Pool Area" as used herein shall mean and refer to the resort pool, lap pool, spa, wading pool, interactive wet play area, shade cabanas and the general pool deck area.

1. Pool Area Use:

- (a) THERE SHALL BE NO LIFEGUARD ON DUTY. ALL PERSONS USING THE POOLS OR OTHER WATER FACILITIES IN THE POOL AREA SHALL DO SO AT THEIR OWN RISK, INCLUDING, WITHOUT LIMITATION, ALL RISK OF PERSONAL INJURY AND/OR DEATH. The Association and its Board assumes no responsibility for any accident or personal injury or for any loss or damage to personal property arising out of or in connection with the use of the resort pool, lap pool, spa, wading pool, interactive wet play area and/or the Pool Area in general. Persons using the resort pool, lap pool, spa, wading pool, interactive wet play area and/or Pool Area agree not to hold the Association or the Board liable for actions of any nature occurring within the Pool Area including, without limitation, any personal injury and/or death.
- (b) Pool Area hours are from Dawn to Dusk, but in no event later than 9:00 p.m. Outdoor recreation lights shall be turned off no later than 9:00 p.m. Prior to 8:00 a.m., the use of Pool Area shall be restricted to Owners only. No use prior to 8:00 a.m. shall be allowed which is deemed disruptive to the peaceful enjoyment of those residents living in close proximity to the Pool Area. The foregoing time restrictions shall not apply to activities occurring on the Pool Area which have been organized by the Association.
- (c) All persons thirteen (13) years of age or younger using the Pool Area shall be accompanied and closely supervised by an Owner or supervising adult who is eighteen (18) years of age or older. Persons over the age of sixteen (16) are not permitted to use the interactive wet play area.
- (d) Wheelchairs, strollers, and child waist and arm flotation devices shall be permitted in the Pool Area. No rafts and similar flotation devices shall be permitted in the Pool Area.

2. Code of Conduct for the Pool Area:

- (a) No nude swimming shall be allowed at any age. Paper or cloth diapers are prohibited in the pools or spa. Infants/children who are not toilet trained and adults who are incontinent must wear appropriate swim diapers which fit snugly around the legs and waist. If the swim diapers become soiled, the person must exit the pool immediately and not return until he/she has taken or been given a soap shower and has been covered by a new, clean swim diaper.
- (b) No smoking (including e-cigarettes) shall be permitted in the Pool Area.
- (c) No roller skates, skateboards, roller blades, bicycles, scooters, balls of any kind, scuba equipment, swimming fins and other play or exercise equipment shall be permitted in the Pool Area unless the equipment is used in conjunction with an event or activity scheduled by the Association.
- (d) No running, pushing, dunking, rough play, profane language, diving or jumping in the Pool Area shall be permitted.
- (e) No music devices or portable televisions shall be permitted in the Pool Area without the use of headphones.
- (f) Live musical entertainment (i.e., DJ, live band, etc.) is not permitted in the Pool Area unless organized by the Association.

3. Health and Safety Considerations:

- (a) All users shall shower before entering the resort pool, lap pool, spa and/or interactive wet play area. Water is circulated; persons using the Pool Area shall not swallow pool water.
- (b) No soaps, shampoos or shaving creams shall be used in any of the pools or at the pool side showers.
- (c) Persons wearing bandages or having colds, viruses, diarrhea, coughs, inflamed eyes, infections or open sores shall not use the resort pool, lap pool, spa and/or interactive wet play area.
- (d) No glass containers or other breakable objects shall be permitted in the Pool Area.
- (e) All belongings shall be removed when the user is leaving the Pool Area. The Association and its Board shall not be responsible for any belongings lost or stolen.
- (f) All rubbish, garbage, trash, refuse or other waste materials shall be placed into containers around the Pool Area provided for this purpose or removed from the Pool Area.
- (g) A five (5) foot walking area shall be maintained around the resort pool, lap pool and spa at all times. Additionally, walking areas around and through the Pool Area shall not otherwise be blocked.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE SWIMMING POOL AREA (continued)

- (h) In accordance with health department regulations, no food or drink permitted in the resort pool, lap pool, spa and/or interactive wet play area.
- (i) No animals are permitted in the Pool Area.
- 4. *Use of pool furniture and equipment:*
 - (a) Pool furniture shall not be removed from the Pool Area.
 - (b) Pool furniture shall not be reserved for anyone not in the Pool Area.
 - (c) Pool furniture and equipment shall not be modified, altered or changed in any manner.
 - (d) Towels shall be placed on pool furniture when in use.
- 5. The spa may reach temperatures in excess of one hundred degrees Fahrenheit (100°F). If a permitted user of the spa has a health risk, such user should first check with their physician before using the spa.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE BASKETBALL COURT AND OPEN PLAY AREAS

"Basketball Court and Open Play Area" as used herein shall mean and refer to the basketball court, shaded playground and the open play field area.

- 1. PLAYERS SHALL PLAY AT THEIR OWN RISK.**
- 2. Use of Basketball Court and Open Play Areas:**
 - (a) Unless specific hours are indicated below, all Basketball Court and Open Play Areas are open from 8:00 a.m. until Dusk.
 - (b) During morning hours (8:00 a.m. to 12:00 noon), players shall maintain low noise levels.
 - (c) Unless otherwise specified below, the Basketball Court and Open Play Areas are limited to one (1) hour of play. Play may continue provided no other players are waiting at the expiration of the preceding time limits.
 - (d) The Basketball Court and Open Play Areas are restricted to the playing of appropriate games or game related activities, only (i.e., exhibitions and clinics).
 - (e) No one shall be permitted on the Basketball Court and Open Play Areas except those persons playing.
 - (f) Roller skates, skateboards, roller blades, bicycles, scooters, and other play or exercise equipment shall be prohibited on the Basketball Court and Open Play Areas.
 - (g) All persons thirteen (13) years of age and younger shall be accompanied and closely supervised by an Owner or supervising adult eighteen (18) years of age or older when using the Basketball Court and Open Play Areas and shall not disrupt the play of others.
 - (h) No intoxicants, smoking, food or breakable containers shall be permitted on the Basketball Court and Open Play Areas.
 - (i) All belongings shall be removed from the Basketball Court and Open Play Areas when play is complete. The Association and its Board shall not be responsible for belongings lost or stolen.
 - (j) An Owner shall be responsible for the repair and/or replacement costs incurred as a result of deliberate or irresponsible behavior resulting in damage to the Basketball Court, Open Play Areas and/or related equipment caused by the Owner and/or Owner's family members, tenants, guests, invitees and others for whom Owner is responsible.
 - (k) Use of the Basketball Court and Open Play Areas by an organized team (i.e., school teams, municipal recreation league teams, etc.) as a practice or scrimmage court, facility, field or area is strictly prohibited.
- 3. Code of Conduct for the Basketball Court and Open Play Areas:**
 - (a) Boisterous or profane language shall be not used by players or spectators.
 - (b) Walking behind or through the Basketball Court and Open Play Areas during play shall be prohibited.
 - (c) Entering or leaving a Basketball Court shall only occur when the play of other players is stopped.
 - (d) Only proper attire and shoes shall be worn. No swimsuits or bare chests shall be allowed. Only sneakers shall be worn on the Basketball Court. Black soled sneakers shall not be permitted on the Basketball Court.

LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS

RULES FOR THE OUTDOOR COURTS AND RACQUET CENTER FACILITIES

"Outdoor Courts" as used herein shall mean and refer to the Racquet Center Proshop, clay tennis courts, hardcourt tennis court, pickleball courts, shaded pavilion and the stadium seating areas.

1. General Restrictions:

- (a) The Association may retain or employ a manager (the "Racquet Center Director") to oversee and manage the operations, maintenance and other aspects of the Outdoor Courts and related facilities (collectively, the "Racquet Facilities"). Each Member's use and enjoyment of the Racquet Facilities will, in addition to the rules and regulations contained herein, be subject to such other rules, policies, and regulations imposed by the Racquet Center Director and approved by the Board, which may include, without limitation, the right to regulate use, impose time restrictions and requirements, implement scheduling procedures and other rules and regulations, schedule and conduct events and tournaments, providing private and group instructions and lessons, clinic programs, league/team programs, management and coaching. Notwithstanding anything contained in these Rules and Regulations to the contrary, if provided for in the Racquet Facilities Agreement, the Racquet Center Director shall have the right to schedule use of the Outdoor Courts by organized teams, as a practice or scrimmage court, facility, field or area.
- (b) Lessons and Instructions. Only the Racquet Center Director (or its agents), or, where no Racquet Facilities Agreement is in place, such person or person(s) designated by the Association, shall be permitted to provide and conduct tennis and/or pickleball lessons and instructions upon the Outdoor Courts.
- (c) Non-Resident Use Restrictions. Owners of property in Lotus may invite guests who are not owners of homes in Lotus to play with them, subject to the rules promulgated by the Association from time to time. Residents shall accompany and remain with their guests, invitees and tenants at all times during the use of the Racquet Center Facilities.
- (d) Notwithstanding anything contained herein to the contrary, the Association or Racquet Center Director shall have the right, but not the obligation, from time to time, to impose, amend and/or supplement rules, regulations and restrictions relating to the number of guests permitted per Owner or per household, and the days and times which guests are permitted or restricted from play. The foregoing right of the Association and Racquet Center Director shall include, the right to impose fees to be paid by guests in connection with their use of the Racquet Center Facilities; the right to determine a ratio of "owner per guest" use"; and the right to ban use of the Racquet Center Facilities by outside person(s) and/or guests as a result of non-compliance of these rules by the Owner and/or such guest.
- (e) If applicable, guests of Members shall be required to pay the prevailing guest fee at check-in. Payment of guest fees is the responsibility of the Owner who reserved the court. Owners and tenants and guests with guest passes may use the facilities without charge.
- (f) Use of the Racquet Center Facilities or any portion thereof, by any organized team (i.e., school teams, municipal recreation league teams, etc.) as a practice or scrimmage court, facility, field or area is strictly prohibited. The Association or Racquet Center Director shall have the right to schedule matches, events and tournaments with other communities, groups, leagues and third parties however. Such visiting communities, groups, and leagues shall not be required to pay guest fees when playing in official league matches scheduled by the Association or Racquet Center Director.
- (g) Written requests or telephone messages left for reservations are not considered valid requests for reservations.
- (h) All players shall play at their own risk.

2. Racquet Center Facilities Use:

- (a) The Racquet Center Facilities are open for play from 7:00 a.m. until 11:00 p.m. Pro shop hours are posted at the Racquet Center and are subject to change as determined by the Association or Racquet Center Director from time to time.
- (b) During morning hours (7:00 a.m. to 12:00 noon), players shall maintain low noise levels.
- (c) Private lessons shall not be given during prime playing hours (5:00 p.m. to 9:00 p.m.).
- (d) Play shall be limited to one and a half (1½) hours for doubles play and one (1) hour for singles play. Play may continue provided that no other players are waiting at the expiration of the preceding time limits.
- (e) The Association or Racquet Center Director, as applicable, shall have the right to terminate/refuse play for any reason, in their sole discretion.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

RULES FOR THE OUTDOOR COURTS AND RACQUET CENTER FACILITIES (continued)

- (f) Operation of the Racquet Center Facilities may be suspended (i) due to cold weather, rain or wet conditions; (ii) when the lightning detection system (if any) is activated, and (iii) as otherwise directed by the Association or the Racquet Center Director, as applicable.
3. **Specific Use Restrictions:**
- a. The Racquet Center Facilities are restricted to the playing of appropriate games or game-related activities (i.e., exhibitions and clinics) only.
 - b. No one shall be permitted on the Racquet Center Facilities except those persons playing without the prior consent of the Racquet Center Director.
 - c. Roller skates, skateboards, roller blades, bicycles, scooters and other play or exercise equipment are prohibited on the other Outdoor Courts and within the Racquet Center Facilities.
 - d. Children thirteen (13) years of age and younger shall be accompanied and closely supervised by an adult eighteen (18) years of age or older and shall not disrupt the play of others.
 - e. No intoxicants, food or breakable containers shall be permitted on or within the Racquet Center Facilities.
 - f. All belongings shall be removed from the Racquet Center Facilities when play is complete. The Association and its Board shall not be responsible for belongings lost or stolen.
 - g. An Owner shall be responsible for repair and/or replacement costs incurred as a result of deliberate or irresponsible behavior resulting in damage to the Racquet Center Facilities and/or related equipment caused by the Owner, such Owner's family members, tenants, guests, invitees and others for whom the Owner is responsible.
 - h. Pets shall not be permitted on the Racquet Center Facilities.
4. **Code of Conduct for the Racquet Center Facilities:**
- a. Boisterous or profane language shall be not used by players or spectators.
 - b. Walking behind or through the playing areas during play shall be prohibited.
 - c. Entering or leaving a court or playing field shall only occur when the play of other players is stopped.
 - d. Only proper attire, shoes and protective wear shall be worn. No swimsuits or bare chests shall be allowed. Only sneakers shall be worn on the courts. Black soled sneakers shall not be permitted.
5. **Reservations for Use.** Use of the amenities is currently managed by a computerized system which controls general member play (open play) while reserving smaller time slots for programmed activities including instruction, round-robins, team play, and special events. The computerized system may be accessed by phone or Internet.
- a. Reservations for use of Racquet Center Facilities shall be as set forth and determined by the Association or the Racquet Center Director.
 - b. Players shall not reserve more than one time slot. Any duplicate reservations shall not be honored until all other players have played.
 - c. Unassigned court time may be signed up for by the same players on the same day.
 - d. Court time shall be forfeited if players do not show up within ten (10) minutes of the reserved time.
 - e. If the court loses playability during a reserved time, playing time shall not be extended if other players are waiting or have reservations.
6. **Pickleball Courts.** The Board reserves the right to require the use of specific pickleball paddles and/or pickleballs.

Last Revised Date 10/14/19



STATE OF FLORIDA • ~~PALM BEACH~~ ^{PAGE 30} COUNTY

I hereby certify that the foregoing is a true copy of the record in my office with redactions, if any as required by law.

THIS 15 DAY OF Oct 2019

SHARON R. BOCK
CLERK & COMPTROLLER

By [Signature]
FIDELITY CLERK

This Instrument Prepared By And After Recording Should Be Returned
To:

Boca Raton Associates VIII, LLLP
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323
Attn: Steven M. Helfman, Esq.

FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LOTUS

THIS FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LOTUS (the "Amendment") is made as of the 5th day of December, 2019, by **BOCA RATON ASSOCIATES VIII, LLLP**, a Florida limited liability limited partnership (the "Declarant") and joined in by **LOTUS HOMEOWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation ("the Association"), as follows:

WHEREAS, the Declaration of Covenants, Restrictions and Easements for Lotus was recorded on October 15, 2019 in Official Records Book 30955, at Page 528 of the Public Records of Palm Beach County, Florida, as amended and supplemented from time to time (the "Declaration"); and

WHEREAS, Article XIII, Section 8 of the Declaration provides that prior to the "Turnover Date" (as such term is defined in the Declaration), the Declarant may amend the Declaration without the requirement or consent of the Association or the "Owners" (as such term is defined in the Declaration), so long as such amendment is not prohibited by the HOA Act (as such term is defined in the Declaration); and

WHEREAS, Article XIII, Section 8 of the Declaration also provides that the Association shall, upon request of Declarant, join in any such amendment; and

WHEREAS, the Turnover Date has not occurred as of the date of this Amendment, and this Amendment is not prohibited by the HOA Act; and

WHEREAS, Declarant, together with the joinder and consent of the Association, desires to amend the Declaration, as further set forth herein.

NOW, THEREFORE, Declarant, joined in by the Association, hereby amends the Declaration as follows (deleted language is shown by ~~strikeout~~, additional language is shown as underlined text and unaffected language is shown by " * * "):

1. Recitals; Defined Terms. The above recitals are true and correct and are hereby incorporated herein by this reference as if repeated at length. All initial capitalized terms used in this Amendment shall have the meanings given to such terms as set forth in the Declaration unless an alternative meaning is set forth herein.
2. Special Service Assessments. The Board shall have the right to assess fees, costs and expenses for any special services provided to or for the benefit of Lots and/or Owners or any portions thereof, or to reimburse the Association for such fees, costs and expenses (collectively, a "Special Service Assessment"). Special Service Assessments are a type of Assessment but are in addition to other Assessments levied in accordance with the Governing Documents. Accordingly, all references in the Governing Documents to "Assessments" shall include Special Service Assessments if and to the extent levied by the Board, which Special Service Assessments are in addition to Individual Lot Assessments and Special Assessments. Special Service Assessments may (but are not required to) be levied against particular Lots and/or Owners to the exclusion of others. Each Owner of a Lot acknowledges and agrees that each Lot and the Owners thereof are jointly and severally liable for the Special Service Assessments, in addition to any other Assessments (including, without limitation, Individual Lot Assessments and Special Assessments), which such Lots and Owners are responsible to pay as provided in the Governing Documents.

The Special Service Assessment shall be based upon: (a) bids received and approved by the Board for any special services to be provided to one or more of the Lots in Lotus, and/or (b) contracts entered into by the Association for the providing of specific services to a particular Lot or Lots, which Special Service Assessments may be in different amounts for different Lots based on, among other things, such bids and/or contracts. The Board shall have the right to accept or reject any such bids and/or contracts as determined solely by the Board. By way of example, and for illustration purposes only, the Home Landscaping Services (as defined in Article IX, Section 1.F of the Declaration) shall be a Special Service Assessment for all Completed Lots. As a further example, the fees for alarm monitoring services which are provided to Completed Lots shall also be a Special Service Assessment for such Completed Lots; however, the fees for alarm monitoring services which are provided to Association Property shall be an Operating Expense. The Board shall have the sole and absolute discretion to determine whether fees, costs and/or expenses are Special Service Assessments, as will be reflected in each annual Budget of the Association. Notwithstanding anything to the contrary, except as may be limited by applicable Law, Declarant will not be obligated to pay Special Service Assessments: (i) for Incomplete Lots owned by Declarant and/or (ii) for any special services not provided to the Lots owned by Declarant.

3. The first sentence of Article VII, Section 1.B. of the Declaration is hereby amended and restated as follows:

B. Using the information provided by Declarant, the Board shall then adopt the Budget in accordance with the Governing Documents which shall include "Individual Lot

Assessments" and "Special Service Assessments", as described and calculated below, and any reserves determined by the Board, but excluding any expected or possible Special Assessments.

4. Article VII, Section 2 of the Declaration is hereby amended and restated as follows:

Section 2. ASSESSMENT PAYMENTS. Individual Lot Assessments and Special Service Assessments shall be payable quarterly, in advance, on the first day of January, April, July and October of each year; provided, however, at the Board's option, Individual Lot Assessments and/or Special Service Assessments may be payable monthly. Individual Lot Assessments and/or Special Service Assessments, and the quarterly or monthly installments thereof, may be adjusted from time to time by the Board to reflect changes in the number and status of Completed Lots and Incomplete Lots (thus apportioning all such Assessments and installments thereof among all Lots at the time such installment is due), changes in the Budget or in the event the Board determines that an Assessment or any installment thereof is either less than or more than the amount actually required. When an Incomplete Lot becomes a Completed Lot during a period with respect to which an Assessment or installment thereof has already been assessed, such Completed Lot shall be deemed assessed the amount of such Assessment or installment thereof which was assessed against Completed Lots in existence at the time of such Assessment, prorated from the date the Lot became a Completed Lot through the end of the period in question. If the payment of such Assessment or installment thereof was due at the time the Lot became a Completed Lot or prior thereto, said prorated amount thereof shall be immediately due and payable. Likewise, the amount paid with respect to such Completed Lot based upon the Lot's status as an Incomplete Lot, prorated from the date the Incomplete Lot became a Completed Lot to the end of the period in question, shall be credited against the amount owed as a Completed Lot.

5. Article VII, Section 6 of the Declaration is hereby amended and restated as follows:

Section 6. DEFICIT FUNDING. In the event that Declarant elects to pay the Deficit during the Deficit Funding Period pursuant to Clause A or B of Section 5 above, which Declarant has no obligation whatsoever to do, then during the Deficit Funding Period, Declarant shall be obligated to pay the difference ("Deficit"), if any, between: (a) the Operating Expenses (other than those Operating Expenses which are properly the subject of a Special Assessment) incurred by the Association during the Deficit Funding Period, and (b) the sum of (i) the amounts assessed as Assessments against Owners during the Deficit Funding Period, and (ii) all other income and/or revenue received by or on behalf of the Association including, but not limited to, Voluntary Contributions. The Deficit, if any, to be paid by Declarant pursuant to this Section 6 shall be determined by examining the entire Deficit Funding Period, without regard to quarterly, annual or any other accounting or fiscal periods and without regard to intraperiod allocations. In that regard, in the event it is determined at the end of the Deficit Funding Period that Declarant has previously advanced funds to the Association in excess of the Deficit incurred during the Deficit Funding Period, Declarant shall be entitled to the immediate repayment from the

Association of the amount of funds advanced by Declarant in excess of the Deficit. The Declarant's Deficit payment obligation, if any, expressly does not include payments of reserves, Special Service Assessments, Special Assessments and/or any unpaid Assessments of any kind by Owners. All Voluntary Contributions made by Declarant to the Association shall be applied to (and shall reduce) any Deficit owed to the Association by the Declarant.

"Deficit Funding Period" as used herein shall mean and be defined as the period commencing with the Effective Date of this Declaration and ending upon the sooner to occur of: (i) the Turnover Date; or (ii) the date of delivery of written notice from Declarant to Association of Declarant's termination of the Deficit Funding Period, but in no event shall such termination be effective later than the Turnover Date.

Following expiration or termination of the ~~Deficit Funding Period~~ Declarant's election to pay the Deficit, if applicable, pursuant to Clause A or B of Section 5 above, each Owner shall be obligated to pay Individual Lot Assessments and Special Assessments as set forth in Section 1 above and commencing at such time, Declarant shall be required to pay Assessments on any Lots it owns but at the 20:1 ratio as provided in said Section 1.

6. This Amendment shall become effective upon recording amongst the Public Records of Palm Beach County, Florida.

7. Except as modified by this Amendment, the Declaration shall remain in full force and effect in accordance with the terms thereof. In the event any of the provisions of this Amendment shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof or of the Declaration, which shall remain in full force and effect, and any provisions of this Amendment 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.

[Signatures and Acknowledgments Appear on Following Pages]

IN WITNESS WHEREOF, this Amendment has been signed by the Declarant and joined in by the Association on the respective dates set forth below.

DECLARANT:

BOCA RATON ASSOCIATES VIII, LLLP, a
Florida limited liability limited partnership

By: Boca Raton VIII Corporation, a Florida
corporation

WITNESSES AS TO DECLARANT:

Vanessa

Signature

Print Name Vanessa Serrano

By: Richard M. Norwalk

Richard M. Norwalk, Vice President

[CORPORATE SEAL]

Rebecca C. Medley

Signature

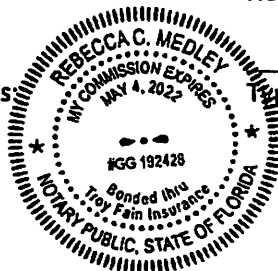
Print Name Rebecca C. Medley

STATE OF FLORIDA)
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this 5th day of December, 2019, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Richard M. Norwalk, as Vice President of Boca Raton VIII Corporation, a Florida corporation, the general partner of BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership, on behalf of said corporation and limited liability limited partnership. He is personally known to me.

Rebecca C. Medley
Notary Public, State of Florida at Large

My Commission Expires



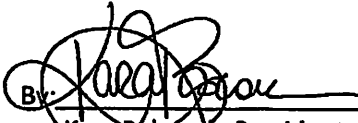
Typed, Printed or Stamped Name of Notary Public

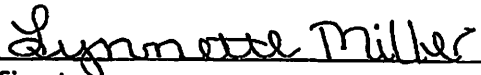
ASSOCIATION:

LOTUS HOMEOWNERS ASSOCIATION, INC., a
Florida corporation not for profit

WITNESSES AS TO ASSOCIATION:


Signature
Print Name Nicole Belizon

By: 
Kara Babcock, President


Signature
Print Name Lynnette Miller

[CORPORATE SEAL]

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

I HEREBY CERTIFY that on this 9 day of December, 2019, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Kara Babcock, as President of LOTUS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, freely and voluntarily under authority duly vested in her by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation. She is personally known to me.


Notary Public, State of Florida at Large

My Commission Expires:

Typed, Printed or Stamped Name of Notary Public



CFN 20210306057

OR BK 32642 PG 0839
RECORDED 06/30/2021 15:21:54
Palm Beach County, Florida
Joseph Abruzzo, Clerk
Pgs 0839 - 8431 (5pgs)

This Instrument Prepared By And After Recording Should Be Returned
To:

Boca Raton Associates VIII, LLLP
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323
Attn: Steven M. Helfman, Esq.

SECOND AMENDMENT TO THE DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LOTUS

THIS SECOND AMENDMENT TO THE DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LOTUS (the "Amendment") is made as of the 28th day of June, 2021, by BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership (the "Declarant") and joined in by LOTUS HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation ("the Association"), as follows:

WHEREAS, the Declaration of Covenants, Restrictions and Easements for Lotus was recorded on October 15, 2019 in Official Records Book 30955, at Page 528 of the Public Records of Palm Beach County, Florida, as amended and supplemented from time to time (the "Declaration"); and

WHEREAS, Article XIII, Section 8 of the Declaration provides that prior to the "Turnover Date" (as such term is defined in the Declaration), the Declarant may amend the Declaration without the requirement or consent of the Association or the "Owners" (as such term is defined in the Declaration), so long as such amendment is not prohibited by the HOA Act (as such term is defined in the Declaration); and

WHEREAS, Article XIII, Section 8 of the Declaration also provides that the Association shall, upon request of Declarant, join in any such amendment; and

WHEREAS, the Turnover Date has not occurred as of the date of this Amendment, and this Amendment is not prohibited by the HOA Act; and

WHEREAS, Declarant, together with the joinder and consent of the Association, desires to amend the Declaration, as further set forth herein.

NOW, THEREFORE, Declarant, joined in by the Association, hereby amends the Declaration as follows (deleted language is shown by ~~strikeout~~, additional language is shown as underlined text and unaffected language is shown by " * "):

1. The above recitals are true and correct and are hereby incorporated herein by this reference as if repeated at length. All initial capitalized terms used in this Amendment shall have the meanings given to such terms as set forth in the Declaration unless an alternative meaning is set forth herein.

2. The fifth sentence of Article IV, Section 6.F of the Declaration is hereby amended as follows:

No Owner shall install any plantings, landscaping, levees and/or other Improvements whatsoever in, on, over or across any drainage easement; provided, however, that generators, hedges, shrubs and/or ground cover plantings may be installed in a drainage easement, subject to the approval of the ACC (which such approval may be conditioned on the execution of a removal and indemnification agreement as may be required by the Association and/or the applicable Governmental Authorities).

3. The sixth sentence of Article VII, Section 1.B. of the Declaration is hereby deleted as follows:

~~The number of Completed Lots and Incomplete Lots shall be adjusted quarterly, as needed, as hereinafter set forth.~~

4. The last sentence of Article VII, Section 2 of the Declaration is hereby deleted as follows:

~~Likewise, the amount paid with respect to such Completed Lot based upon the Lot's status as an Incomplete Lot, prorated from the date the Incomplete Lot became a Completed Lot to the end of the period in question, shall be credited against the amount owed as a Completed Lot.~~

5. The last sentence of Article VII, Section 6 of the Declaration is hereby amended as follows:

Following expiration or termination of the Declarant's election to pay the Deficit, if applicable, pursuant to Clause A or B of Section 5 above, each Owner shall be obligated to pay Individual Lot Assessments and Special Service Assessments as set forth in Section 1 above and commencing at such time, Declarant shall be required to pay Assessments on any Lots it owns but at the 20:1 ratio as provided in said Section 1.

6. The following amendments are hereby made to Article X, Section 5 of the Declaration:

Section 5. LEASES. No portion of a Home (other than an entire Home) may be rented. All leases shall provide: (a) for a minimum lease term of seven months, and (b) that the

right of the tenant to use and occupy the Home and Association Property shall be subject and subordinate in all respects to the provisions of the Governing Documents. No lease shall provide for an early lease termination which would reduce a lease term to a period of less than seven months except in the event of a default by the tenant and no Home may be rented more than one (1) time during any twelve (12) month period. All leases shall also provide, and if they do not so provide then the leases shall be deemed to provide, that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration or other Governing Documents, or of any other agreement, document or instrument governing the Lots or Homes. The Owner of a leased Home shall be jointly and severally liable with such Owner's tenant for compliance with the Governing Documents and to the Association to pay any and all losses, claims, demands, suits, actions, causes of action, liabilities (including, without limitation, property damage, personal injury and/or death), judgments, damages (including, without limitation, all secondary, incidental, consequential, special and/or punitive damages), fines, liens, encumbrances, penalties, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from the negligence, or willful or criminal misconduct, of the tenant and/or those for whom the Owner is responsible. Every lease shall be subordinate to any lien filed by the Association whether before or after such lease was entered into. Each Owner shall be required to use a lease addendum which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association of more than sixty (60) days. The Association has the right to require Owners to use a lease addendum the form of which may be prepared by the Association providing for, among other things, the foregoing. Even if such lease addendum is not included, each lease entered into by Owner for a Home shall be deemed to include the foregoing by this reference.

Within five (5) days following execution of a lease for a Home, but in no event later than occupancy of the Home by a tenant, Owner shall: (a) notify the Association in writing with the name of the tenant and all of tenant's Occupants that will be occupying the Home, and (b) provide the Association with a true, correct and complete copy of the lease agreement. In the event Owner fails to timely comply with the foregoing, such lease shall be null and void and of no further force or effect, and Owner shall be in violation of this Declaration. The provisions of this 0 shall also apply to renewals of leases. In no event shall subleases or assignment of leases be permitted without the prior written approval of the Association. In addition, a person occupying a Home for more than one (1) month without the Owner or tenant or a member of the Owner's or tenant's family being present shall not be deemed a guest, but rather, shall be deemed a tenant for purpose of the provisions of this Section 5.

* * *

7. This Amendment shall become effective upon recording amongst the Public Records of Palm Beach County, Florida.

8. Except as modified by this Amendment, the Declaration shall remain in full force and effect in accordance with the terms thereof. In the event any of the provisions of this Amendment shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof or of the Declaration, which shall remain in full force and effect, and any provisions of this Amendment 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.

IN WITNESS WHEREOF, this Amendment has been signed by the Declarant and joined in by the Association on the respective dates set forth below.

DECLARANT:

BOCA RATON ASSOCIATES VIII, LLLP, a
Florida limited liability limited partnership

By: Boca Raton VIII Corporation, a Florida
corporation

WITNESSES AS TO DECLARANT:

Shardlyn Webb
Signature
Print Name SHARDLYN WEBB

By: [Signature]
Richard M. Norwalk, Vice President

[CORPORATE SEAL]

Vanessa Serrano
Signature
Print Name Vanessa Serrano

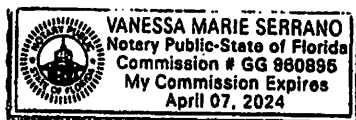
STATE OF FLORIDA)
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 28th day of June, 2021, by Richard M. Norwalk, as Vice President of Boca Raton VIII Corporation, a Florida corporation, the general partner of BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership, on behalf of said corporation and limited liability limited partnership. He is personally known to me.

Vanessa Serrano
Notary Public, State of Florida at Large

My Commission Expires:

Typed, Printed or Stamped Name of Notary Public



ASSOCIATION:

LOTUS HOMEOWNERS ASSOCIATION, INC., a
Florida corporation not for profit

WITNESSES AS TO ASSOCIATION:

Taylor Ashley
Signature
Print Name Taylor Ashley

By: Kara Babcock President
Kara Babcock, President

Daniella Sanguino
Signature
Print Name DANIELLA SANGULO

[CORPORATE SEAL]

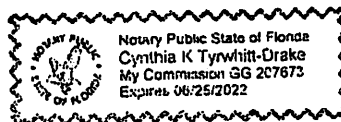
STATE OF FLORIDA)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me by means of ☒ physical presence
or ☐ online notarization, this 28th day of June, 2021, by Kara Babcock, as President of LOTUS
HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, on behalf of said
corporation. She is personally known to me.

[Signature]
Notary Public, State of Florida at Large

My Commission Expires:

Typed, Printed or Stamped Name of Notary Public



5



STATE OF FLORIDA - PALM BEACH COUNTY
I hereby certify that the
foregoing is a true copy
of the record in my office

THIS 30 DAY OF June, 2021

JOSEPH ABRUZZO
CLERK OF THE CIRCUIT COURT & COMPTROLLER
By: [Signature]
Deputy Clerk

LOTUS RECREATION AMENITIES RELEASE AND WAIVER

I, the below named Participant, hereby execute this Release and Waiver ("Release") in connection with my: (a) use of the Lotus recreation amenities and facilities including, without limitation: the clubhouse complex, recreation tract(s), fitness center, exercise area, indoor sports complex, restaurant, bar, game room, card rooms, party pavilion, pools, spa, interactive wet play area, tennis courts, tennis pro shop, pickleball courts, basketball courts, playgrounds, and/or other open play areas, and the equipment and facilities located thereon and therein (individually, a "Recreation Amenity" and collectively as the "Recreation Amenities") which are owned, operated and/or maintained by Lotus Homeowners Association, Inc. (the "Association"), and/or (b) participation in any and all activities sponsored, promoted or set up by the Association and whether or not such activities take place on the Association Property or elsewhere (the "Activities"). I acknowledge, understand and agree as follows:

1. I understand that I am responsible for my own safety while using any of the Recreation Amenities and/or while participating in the Activities and I will therefore fully familiarize myself with the safe use of the applicable Recreation Amenity and/or Activities. It is my responsibility to ensure that my family members, tenants, guests, and invitees understand that they are each responsible for: (a) their own safety while using any of the Recreation Amenities and/or participating in the Activities, and (b) fully familiarizing themselves with the safe use of the applicable Recreation Amenities and/or Activities.

2. I fully understand that physical exercise can be strenuous and subject to risk of serious injury and/or death, and that I should seek the advice of a physician before beginning use of the Recreation Amenities and/or participating in any Activities. I will only use the Recreation Amenities and/or participate in the Activities when I am physically able to do so.

3. I fully understand and agree that my use of the Recreation Amenities and/or participation in Activities bears both known risks and unanticipated risks that could result in serious injury, permanent disability, death, illness, disease, emotional distress, damage and/or loss to me and/or my property as well as to third parties and/or their property. I acknowledge and agree that I know, understand and appreciate the risks (known and unanticipated) of participating in fitness activities, sports, classes, programs and instruction at any of the Recreation Amenities. I know that these known and unanticipated risks may result from my own actions and/or the actions of others. I assume all risk (known and unanticipated) of serious injury, permanent disability, death, illness, disease, emotional distress, damage and/or loss to me and/or my property that might result from my use of the Recreation Amenities and/or participation in the Activities. I understand and agree that it is also my responsibility to ensure that my family members, tenants, guests, and invitees understand and assume all of the known and unanticipated risks that might result from their use of the Recreation Amenities and/or participation in Activities, and any such use shall be deemed their agreement to assume all of the known and unanticipated risks.

4. I, for myself, my family, my heirs, my legal guardians, my personal and legal representatives, my estate, my successors and my assigns, hereby voluntarily release, waive, relinquish, surrender and forever discharge the Association and Boca Raton Associates VIII, LLLP (the "Developer"), and each of their respective parents, subsidiaries, affiliates, partners, shareholders, members, managers, officers, directors, agents, employees, contractors, representatives, successors and assigns (collectively, the "Released Parties") from any and all losses, liabilities, judgments, claims, actions, causes of action, damages (including, without limitation, consequential and/or punitive damages), costs and/or expenses which I and/or they may have for personal injury (including, without limitation, death), property damage, and/or otherwise (collectively, the "Losses") arising out of and/or in any way connected with my use of the Recreation Amenities, participation in Activities, and/or use or participation in any other service, product, activity, league, class, program or instruction offered or sold by any of the Released Parties at or in connection with the Recreation Amenities and/or Activities. I fully understand and agree that this Release includes any claims based on any action or inaction (negligent, reckless or otherwise) of the Released Parties and/or any other person.

5. Should any of the Released Parties incur attorneys' fees, costs or other expenses to enforce this Release, whether or not any proceeding is actually commenced, I agree to indemnify and reimburse the Released Parties for such fees, costs and expenses at all trial, appellate and post-judgment levels and proceedings, whether or not suit be brought.

6. This Release and any disputes arising under or related to it will be governed and interpreted pursuant to the laws of the State of Florida, without regard to its conflicts of law rules, and venue for any such actions shall be exclusively in Palm Beach County, Florida. I KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT I MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO ENFORCE, DEFEND OR INTERPRET ANY RIGHTS OR REMEDIES UNDER, ARISING IN CONNECTION WITH AND/OR RELATING TO THIS RELEASE, INCLUDING, BUT NOT LIMITED TO, ANY ACTION, SUIT AND/OR PROCEEDING ARISING IN CONNECTION WITH AND/OR RELATING TO MY USE OF THE RECREATION AMENITIES AND/OR PARTICIPATION IN THE ACTIVITIES. THIS MEANS THAT A JUDGE AND NOT A JURY WILL BE THE TRIER OF FACT IN RESOLVING ANY ACTION, SUIT AND/OR PROCEEDING REGARDLESS OF (A) THE NATURE OF THE ACTION, SUIT OR PROCEEDING, (B) WHETHER THE ACTION, SUIT OR PROCEEDING IS BASED IN CONTRACT, TORT, NEGLIGENCE, STATUTE OR OTHERWISE, AND/OR (C) THE NATURE OF THE INJURY ALLEGED (INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURY, DEATH, PROPERTY DAMAGE AND/OR OTHER ECONOMIC OR NON-ECONOMIC DAMAGE).

7. This Release is intended to be as broad as is permissible under the laws of the State of Florida. If any provision of this Release shall be found to be unlawful, void, or for any reason unenforceable by a court of competent jurisdiction, then that provision shall be deemed severable from this Release and shall not affect the validity and enforceability of any remaining provisions. No one has represented to me that the Association, the Developer and/or any of the Released Parties would not seek to enforce each and every provision of this Release.

I HAVE CAREFULLY READ THIS RELEASE AND FULLY UNDERSTAND AND AGREE TO ITS TERMS, AND I FURTHER UNDERSTAND AND AGREE THAT I AM GIVING UP SUBSTANTIAL RIGHTS HEREIN. I HAVE SIGNED THIS RELEASE FREELY AND WITHOUT ANY INDUCEMENT OR ASSURANCE OF ANY NATURE, AND INTEND THIS RELEASE TO BE A COMPLETE AND UNCONDITIONAL RELEASE OF ALL LIABILITY TO THE GREATEST EXTENT ALLOWED BY LAW.

Signature of Participant

Date

Date of Birth

Printed Name of Participant

For participants of minority age, this is to clarify that I, as parent, guardian, or temporary guardian with legal responsibility for this participant, do consent and agree on behalf of the minor participant to all the terms of this Release, including, but not limited to, the waiver of a trial by jury, and voluntarily release, waive, relinquish, surrender and forever discharge the Released Parties from any and all Losses arising out of or in any way connected to the participants' use of the Recreation Amenities, participation in the Activities and/or use or participation in any other service, product, activity, league, class, program or instruction offered or sold by any of the Released Parties at or in connection with the Recreation Amenities and/or the Activities.

Signature of Parent or Adult Guardian

Printed Name of Parent or Adult Guardian

Date

Note: No person will be permitted to use the Recreation Amenities, or participate in the Activities or any other service, activity, league, class, program or instruction prior to signature of this Release and Waiver.

**LOTUS HOMEOWNERS ASSOCIATION, INC.
2021 ESTIMATED OPERATING BUDGET**

Total Number of Homes (Note 1)	Total
Est. Average Number of Completed Lots for 2021	804
	373

	2021 ESTIMATED OPERATING BUDGET
ADMINISTRATIVE EXPENSES:	
ONSITE MANAGER	\$ 113,698
MANAGEMENT FEES	34,568
ADMINISTRATIVE ASSISTANT	27,300
INSURANCE	36,950
OFFICE SUPPLIES	11,886
BAD DEBT	5,000
LEGAL	5,000
ANNUAL REVIEW/TAX PREP	7,350
COMMUNITY WEBSITE	2,400
COMPUTER TECHNICAL SUPPORT	1,200
LICENSES, FEES & TAXES	100
TOTAL ADMIN EXPENSES	245,452
COMMON AREA EXPENSES:	
LANDSCAPE MAINTENANCE	454,795
ROVING PATROL	94,591
ACCESS CONTROL-GATEHOUSE (Note 2)	-
ELECTRIC	129,000
MULCH	80,226
GENERAL REPAIRS	46,134
RECLAIMED WATER (Note 3)	-
LAKE/WETLAND PRESERVE MAINTENANCE	62,726
LANDSCAPE EXTRAS	54,630
TREE TRIMMING	50,000
IRRIGATION MAINTENANCE	48,036
FRONT ENTRY FEATURE	34,500
WATER & SEWER	20,000
HOLIDAY LIGHTS	15,000
HURRICANE PREPARATION	15,000
GATE MAINTENANCE	10,000
IRRIGATION REPAIRS	7,200
GATEHOUSE COMPUTER MAINTENANCE	3,840
GATEHOUSE PHONES/INTERNET	3,000
LAKE FOUNTAIN MAINTENANCE/REPAIR	3,000
TOTAL COMMON AREA EXPENSES	1,131,678
RECREATION AREA:	
RESTAURANT SUBSIDY	160,800
TENNIS PROGRAM	150,000
JANITORIAL & SUPPLIES	72,539
SOCIAL DIRECTOR	50,700
ELECTRIC	50,800
INSURANCE	31,842
RECREATION AREA LANDSCAPE CONTRACT	28,860
RECREATION AREA REPAIRS & MAINTENANCE	21,855
RECREATION AREA LANDSCAPE EXTRAS	9,222
POOL & SPA MAINTENANCE	12,875
WATER & SEWER	16,875
CLUBHOUSE ACTIVITIES	10,417
TENNIS/PICKLEBALL SUPPLIES	20,000
LICENSES (MUSIC, MOVIES & FITNESS)	15,773
TELEPHONE/INTERNET/CABLE	10,150
CLUBHOUSE ATTENDANTS	5,514
HANDYMAN SERVICE	7,525
RESTAURANT REPLACEMENT FOR BREAKAGE	3,500
TRASH REMOVAL	3,375
NATURAL GAS	2,016
IRRIGATION MONITORING	2,340
RESTAURANT POS SYSTEM	1,600
IRRIGATION REPAIRS	780
TOTAL RECREATION AREA EXPENSES	689,357
SUBTOTAL OF ANNUAL OPERATING EXPENSES	2,066,487

**LOTUS HOMEOWNERS ASSOCIATION, INC.
2021 ESTIMATED OPERATING BUDGET**

	Total
Total Number of Homes (Note 1)	804
Est. Average Number of Completed Lots for 2021	373



SUBTOTAL OF OPERATING EXPENSES PER COMPLETED LOT (Note 4)	\$ 436
LESS DECLARANT VOLUNTARY CONTRIBUTION (Note 4)	\$ (177)
TOTAL MONTHLY ASSESSMENT FOR OPERATING EXPENSES	\$ 259

SPECIAL SERVICE ASSESSMENTS (Note 5):

ALARM MONITORING (Note 6)	\$ 26.70
LANDSCAPE MAINTENANCE	65.00
MULCH	10.27
IRRIGATION MONITORING	5.50
IRRIGATION REPAIRS	1.50
TOTAL MONTHLY ASSESSMENT FOR SPECIAL SERVICE ASSESSMENTS	\$ 108.96

COMPLETED LOT ASSESSMENT SUMMARY

TOTAL MONTHLY ASSESSMENT FOR OPERATING EXPENSES	\$ 259
TOTAL MONTHLY ASSESSMENT FOR SPECIAL SERVICE ASSESSMENTS	\$ 109
TOTAL MONTHLY COMPLETED LOT ASSESSMENT	\$ 368

TOTAL QUARTERLY COMPLETED LOT ASSESSMENT (Notes 1 and 7)	\$ 1,104
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NOTES:

- Although Lotus is anticipated to ultimately contain 804 Homes, this 2021 Estimated Operating Budget is based on an estimated average number of 373 Completed Lots for 2021. Lotus and the number of Homes are subject to change in accordance with the Lotus Governing Documents.
- Access Control is based on the gatehouse being staffed 24 hours per day, 7 days per week at a future date. Staffing of the gatehouse is at the discretion of the Board of Directors of the Association.
- Reclaimed Water expense will be fully abated from the assessments since the reclaimed water has not yet been made available by the Palm Beach County Water Utilities Department. See the Governing Documents regarding Lotus location within the Water Utilities Department's Mandatory Reclaimed Water Zone.
- The amount of Operating Expenses per Completed Lot does not include (and is net of) the assessment due from the owner(s) of Incomplete Lots, all as calculated pursuant to the Governing Documents. The amount of the Voluntary Contribution is determined by Declarant and is subject to change at any time by Declarant as provided in the Governing Documents.
- Special Service Assessments include: (i) costs for the Home Landscaping Services (as defined in the Lotus Governing Documents) for the Completed Lots, and (ii) the alarm monitoring service for the Completed Lots.
- Alarm System Monitoring includes basic house alarm monitoring only.
- Monthly figures are provided to allow for personal planning purposes only, but assessments are due and collected quarterly. Quarterly Assessment amounts are rounded up to the nearest whole dollar. The amounts set forth in this Estimated Operating Budget are estimates only based on, among other things: (a) information available at the time of preparation of the budget, (b) the estimated average number of Completed Lots for 2021, and (c) the services and improvements presently contemplated to be provided to Lotus in 2021, all of which are subject to change in accordance with the Governing Documents including, without limitation, as a result of any additional improvements or services provided to the Community. Therefore, it is possible that actual expenses and assessments may be higher or lower as a result of full build-out and completion of the Community.

LOTUS HOMEOWNERS ASSOCIATION, INC.
ESTIMATED FULL BUILD-OUT OPERATING BUDGET
BASED ON 804 HOMES

Total Number of Homes (Note 2)

804

	ESTIMATED FULL BUILD-OUT BUDGET		
	ANNUAL BUDGET	MONTHLY BUDGET	MONTHLY PER HOME
ADMINISTRATIVE EXPENSES:			
ON-SITE MANAGER	\$ 113,698	\$ 9,475	\$ 11.78
MANAGEMENT FEES	72,360	6,030	7.50
ADMINISTRATIVE ASSISTANT	62,400	5,200	6.47
INSURANCE	46,750	3,896	4.85
OFFICE SUPPLIES	18,560	1,547	1.92
BAD DEBT	10,000	833	1.04
LEGAL	10,000	833	1.04
ANNUAL REVIEW/TAX PREP	7,350	613	0.76
COMMUNITY WEBSITE	2,400	200	0.25
COMPUTER TECHNICAL SUPPORT	1,200	100	0.12
LICENSES, FEES & TAXES	850	71	0.09
TOTAL ADMIN EXPENSES	\$ 345,568	\$ 28,797	\$ 35.82

COMMON AREA EXPENSES:

LANDSCAPE MAINTENANCE	\$ 461,020	\$ 38,418	\$ 47.78
ROVING PATROL	178,447	14,871	18.50
ACCESS CONTROL-GATEHOUSE (Note 2)	160,123	13,344	16.60
ELECTRIC	148,726	12,394	15.42
MULCH	80,226	6,686	8.32
GENERAL REPAIRS	69,734	5,811	7.23
RECLAIMED WATER (Note 2)	65,299	5,442	6.77
LAKE/WETLAND PRESERVE MAINTENANCE	62,726	5,227	6.50
LANDSCAPE EXTRAS	54,630	4,553	5.66
TREE TRIMMING	50,000	4,167	5.18
IRRIGATION MAINTENANCE	46,900	4,075	5.07
FRONT ENTRY FEATURE	34,500	2,875	3.58
WATER & SEWER	20,000	1,667	2.07
HOLIDAY LIGHTS	15,000	1,250	1.55
HURRICANE PREPARATION	15,000	1,250	1.55
GATE MAINTENANCE	10,000	833	1.04
IRRIGATION REPAIRS	7,200	600	0.75
GATEHOUSE COMPUTER MAINTENANCE	3,840	320	0.40
GATEHOUSE PHONES/INTERNET	3,000	250	0.31
LAKE FOUNTAIN MAINTENANCE/REPAIR	3,000	250	0.31
TOTAL COMMON AREA EXPENSES	\$ 1,491,372	\$ 124,281	\$ 154.58

RECREATION AREA:

RESTAURANT SUBSIDY	\$ 385,920	\$ 32,160	\$ 40.00
TENNIS PROGRAM	150,000	12,500	15.55
JANITORIAL & SUPPLIES	137,760	11,480	14.28
SOCIAL DIRECTOR	101,400	8,450	10.51
ELECTRIC	106,800	8,900	11.07
INSURANCE	59,620	4,968	6.18
REC AREA LANDSCAPE CONTRACT	44,400	3,700	4.60
RECREATION AREA REPAIRS & MAINTENANCE	46,419	3,868	4.81
REC AREA LANDSCAPE EXTRAS	36,870	3,073	3.82
POOL & SPA MAINTENANCE	36,931	3,078	3.83
WATER & SEWER	30,000	2,500	3.11
CLUBHOUSE ACTIVITIES	25,000	2,083	2.59
TENNIS/PICKLEBALL SUPPLIES	20,000	1,667	2.07
LICENSES (MUSIC, MOVIES & FITNESS)	20,216	1,685	2.10
TELEPHONE/INTERNET/CABLE	16,800	1,400	1.74
CLUBHOUSE ATTENDANTS	13,235	1,103	1.37
HANDYMAN SERVICE	10,034	836	1.04
RESTAURANT REPLACEMENT FOR BREAKAGE	8,400	700	0.87
TRASH REMOVAL	8,100	675	0.84
NATURAL GAS	4,838	403	0.50
IRRIGATION MONITORING	3,600	300	0.37
RESTAURANT POS SYSTEM	3,350	279	0.35
IRRIGATION REPAIRS	1,200	100	0.12
TOTAL RECREATION AREA EXPENSES	\$ 1,270,892	\$ 105,908	\$ 131.73
SUBTOTAL OF OPERATING EXPENSES - 804 HOMES	\$ 3,107,831	\$ 258,986	\$ 322.12

**LOTUS HOMEOWNERS ASSOCIATION, INC.
ESTIMATED FULL BUILD-OUT OPERATING BUDGET
BASED ON 804 HOMES**

Total Number of Homes (Note 1) **804**

ESTIMATED FULL BUILD-OUT BUDGET

ANNUAL BUDGET	MONTHLY BUDGET	MONTHLY PER HOME
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SPECIAL SERVICE ASSESSMENTS (Note 4):

ALARM MONITORING (Note 5)

LANDSCAPE MAINTENANCE

MULCH

IRRIGATION MONITORING

IRRIGATION REPAIRS

SUBTOTAL OF SPECIAL SERVICE ASSESSMENTS

\$ 257,568	\$ 21,464	\$ 26.70
627,120	52,260	65.00
99,061	8,255	10.27
53,064	4,422	5.50
14,472	1,206	1.50
\$ 1,051,285	\$ 87,607	\$ 108.96

TOTAL MONTHLY SINGLE FAMILY HOME ASSESSMENT **\$ 431**

TOTAL QUARTERLY ASSESSMENT (Notes 1 and 6) **\$ 1,293**

NOTES:

- 1 This Estimated Full Build-Out Operating Budget is based on a projected final build-out of 804 homes in Lotus. The Community and the total number of homes in the Community are subject to change in accordance with the Association Documents. Quarterly Assessment amounts are rounded up to the nearest whole dollar.
- 2 Access Control is based on the gatehouse being staffed 24 hours per day, 7 days per week at a future date. Staffing of the gatehouse is at the discretion of the Board of Directors of the Association. This amount will be partially abated from the assessments collected based on the actual hours that the gatehouse is staffed.
- 3 Reclaimed Water expense will be fully abated from the assessments collected since the reclaimed water has not yet been made available by the Palm Beach County Water Utilities Department. See Association Documents regarding the location of Lotus being in the Palm Beach County Water Utilities Department's Mandatory Reclaimed Water Zone.
- 4 Special Service Assessments include: (i) costs for the Home Landscaping Services (as defined in the Lotus Governing Documents) for the single family homes, and (ii) the alarm monitoring service for the single family homes.
- 5 Alarm System Monitoring includes basic house alarm monitoring only.
- 6 Monthly figures are provided to allow for personal planning purposes only, but assessments are due and collected quarterly. The amounts set forth in this Estimated Full Build-Out Operating Budget are estimates only based on, among other things: (a) information available at the time of preparation of the budget, (b) the number of Homes presently anticipated to be constructed in the Community, and (c) an assumption of a full build-out and completion of the Community including, without limitation, the services and improvements presently contemplated, all of which are subject to change in accordance with the Governing Documents. Therefore, it is possible that actual expenses and assessments may be higher or lower than projected as a result of full build-out and completion of the Community.

**THIS BUDGET IS PRELIMINARY AND HAS NOT BEEN APPROVED BY
THE LOTUS HOMEOWNERS ASSOCIATION, INC.
THEREFORE, THIS BUDGET IS SUBJECT TO CHANGE WITHOUT NOTICE!**

ESCROW AGREEMENT
LOTUS

THIS ESCROW AGREEMENT is made as of January 2, 2019, by and between BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership (the "Seller"), whose address is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, and NOVA TITLE COMPANY, a Florida corporation (the "Escrow Agent"), whose address is 7900 Glades Road, Suite 530, Boca Raton, FL 33434.

RECITALS:

WHEREAS, Seller is developing, constructing, and selling new residential dwelling units in Lotus (the "Project") in Palm Beach County, Florida; and

WHEREAS, Section 501.1375, Florida Statutes, requires that certain deposit monies paid by a buyer to a building contractor or developer be held in escrow or that a blanket or master surety bond be obtained; and

WHEREAS, Escrow Agent is a title insurance company authorized to insure title to Florida real property and is willing and able to act as escrow agent; and

WHEREAS, the parties desire to provide for the escrow and release from escrow of these funds.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable considerations, the parties agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.
2. **Escrow of Deposits.** Unless waived by a buyer, Seller shall pay into an escrow account established with Escrow Agent all payments up to ten percent (10%) of the sale price received by Seller from a buyer of a dwelling unit in the Project (a "Purchaser") toward the sale price of a home in the Project. Escrow Agent shall give each Purchaser a receipt for the deposit upon request. The funds received by Escrow Agent pursuant to the terms of this paragraph shall be held in escrow by Escrow Agent pursuant to the provisions of Section 501.1375, Florida Statutes.
3. **Disbursement of Escrowed Funds.** In the event the Escrow Agent receives a notice sent by a Purchaser or the Seller requesting that the deposit monies be paid over to the Purchaser or the Seller in accordance with Section 501.1375, Florida Statutes, and the Purchase Contract, then the deposit monies shall be paid by the Escrow Agent as requested. In the event that prior to a closing the Escrow Agent receives written notice from the Purchaser or Seller that there is a dispute between the Purchaser and Seller, the Escrow Agent is hereby authorized in its sole discretion to ignore any request which the Escrow Agent shall deem not to be in accord with the terms of this Agreement and to commence an action in the nature of interpleader and seek to deliver documents, instruments, and deposit monies to a court of competent jurisdiction. Escrow Agent shall disburse a Purchaser's deposit monies to the Seller upon Escrow Agent's receipt of the Seller's written notice that such Purchaser's closing has been completed, and upon receipt of copies of executed Purchaser's and Seller's closing statements. Notwithstanding any provision to the contrary contained in this Agreement, the Escrow Agent shall make no disbursement out of escrow until Purchaser's deposit in the form of a check has been negotiated by Escrow Agent's financial institution and credited by such financial institution to the escrow account of Escrow Agent.
4. **Master Surety Bond.** Pursuant to the provisions of Section 501.1375 (5), Florida Statutes, a blanket or master surety bond issued by a company licensed to do business in the state of Florida may be acquired by Seller in an amount equal to or greater than the total amount of escrow deposits held by Escrow

Agent pursuant to the provisions of this Agreement, and other escrow agreements between Escrow Agent and affiliates of Seller. In such event, the escrowed funds shall be released to Seller by Escrow Agent for construction purposes only. Each Purchaser shall be debited at closing in an amount equal to the premium for the applicable portion of the bond securing his or her deposit. The master surety bond amount and the pro rata share of the bond premium debited against each Purchaser may be based on the reasonable projection of the annual escrow deposit amounts which will be withdrawn pursuant to this provision.

5. Modification. No rescission of this Agreement or modification of terms shall be made without the written consent of the parties to this Agreement.

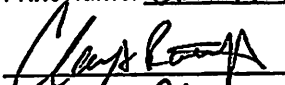
6. Entire Understanding. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and there are no representations, warranties, covenants or undertakings other than those expressly set forth in this Agreement.

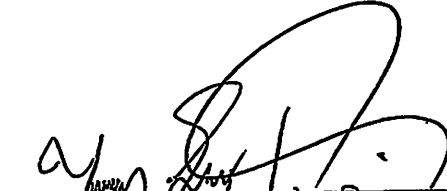
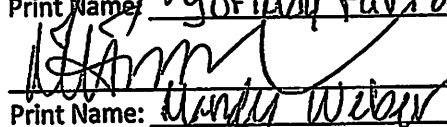
7. Indemnification. Seller agrees to indemnify Escrow Agent for any and all expenses incurred by Escrow Agent, including but not limited to Escrow Agent's costs and reasonable attorneys' fees, including such costs and fees through all appellate levels, in any way arising out of or related to this Agreement other than such matters arising out of or related to the gross negligence or wrong doing of Escrow Agent.

8. Notices. All notices under this Agreement shall be in writing and shall be sufficient if mailed to the parties at their respective addresses herein set forth. Upon Seller's depositing of monies with Escrow Agent, Seller shall provide to Escrow Agent a copy of the Purchase Contract pursuant to which the monies are being deposited. Service of all notices on a Purchaser shall be sufficient if mailed to the Purchaser at the address set forth in the Purchase Contract.

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year written above.

Witnesses:

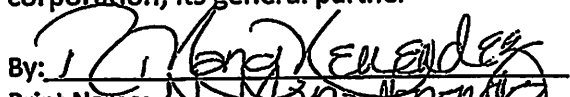

Print Name: Steven Helfman

Print Name: Clayton Ratiff


Print Name: Yorlady Parra

Print Name: Wendy Weber

SELLER:

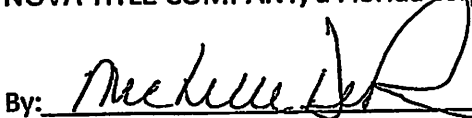
BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership

By: Boca Raton VIII Corporation, a Florida corporation, its general partner

By: 
Print Name: N. Maria Hernandez
Title: Vice President

ESCROW AGENT:

NOVA TITLE COMPANY, a Florida corporation

By: 
Michelle DeRosa, Vice President

NEW HOME LIMITED WARRANTY



LOTUS



Dear Homeowner,

Congratulations on the purchase of your new home in Lotus! We appreciate the confidence you have placed in us and we have developed this Guidebook to provide you the information you need to understand how your new home is expected to perform and what we are required to do in the unlikely event that your home does not conform to the Performance Guidelines set forth in our Limited Warranty.

Please take the time to read this Guidebook as it provides important information about your new home, including your legal rights and obligations if you have to make a claim under our Limited Warranty.

Thank you for choosing Lotus. We are so happy to welcome you to our neighborhood!

Sincerely,

BOCA RATON ASSOCIATES VIII, LLLP



NEW HOME LIMITED WARRANTY GUIDEBOOK

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Attachments:

- Limited Warranty Performance Guidelines
- Notice of Claim Form



NEW HOME LIMITED WARRANTY

A. OVERVIEW

BOCA RATON ASSOCIATES VIII, LLLP, a Florida limited liability limited partnership ("Seller") assures that the components of your new home will work as provided in this Limited Warranty. As part of our commitment to quality, value and integrity, your new home comes with a limited one (1) year warranty on workmanship and materials, a limited two (2) year warranty on systems, and a limited ten (10) year warranty on structural defects, all subject to the terms, conditions, limitations and exclusions set forth herein (collectively, the "Limited Warranty").

This Guidebook contains: the specific terms, conditions, limitations and exclusions of this Limited Warranty; the Lotus Performance Guidelines; and the notification form you will use if you would like to make a claim under the Limited Warranty. In the unlikely event of an irreconcilable dispute between you and Seller, the dispute will be handled by final and binding arbitration, and that process is part of the Limited Warranty and described below in this Guidebook.

Throughout this Guidebook the words "you" and "your" refer to the Homeowner, including any subsequent owners, and the words "we", "us" and "our" refer to the Seller.

Although your home was built to meet or exceed the Performance Guidelines of the Limited Warranty, keep in mind that the components of your home require that you properly maintain them in order for them to last as long as possible, including beyond the expiration of the Limited Warranty. Defects that arise from a lack of maintenance, even in the first year of your ownership, are not generally covered by the Limited Warranty. Also, if you make any changes or additions to the home, they are not covered by the Limited Warranty especially if they alter or damage any portions of the home as constructed by us.

Although this Guidebook is presented in a friendly manner, it is an important legal document that provides all of the terms, conditions, limitations and exclusions of the Limited Warranty, your rights as the Homeowner and the Seller's rights and obligations, so please keep this Guidebook in a safe place. Our Home Warranty Department representatives will use it to evaluate any warranty service requests you submit to determine if they are covered by the Limited Warranty.

IN PARTICULAR, THIS LIMITED WARRANTY INCLUDES AN AGREEMENT BETWEEN YOU AND US THAT ALL CLAIMS AND DISPUTES WILL BE RESOLVED EXCLUSIVELY THROUGH FINAL AND BINDING ARBITRATION AND NOT THROUGH LITIGATION. THIS MEANS THAT WE ARE EACH GIVING UP OUR RIGHTS TO GO TO COURT TO LITIGATE AND RESOLVE ANY CLAIM OR DISPUTE. Arbitration is a process in which persons with a dispute give up their right to file a lawsuit in court and, instead, agree to submit their dispute to a neutral third person (an "Arbitrator") for decision after presenting their claims and defenses in an informal proceeding. The decision of the Arbitrator, which usually follows quickly after the end of the proceeding, is then binding on the parties. This agreement to arbitrate may be enforced by either you or us.

It is important for you to carefully read this Guidebook in its entirety so that you can familiarize yourself with the Limited Warranty, the procedures for making a claim under the Limited Warranty, and the Performance Guidelines, all of which will be used to evaluate your warranty service requests.

The Limited Warranty is not a service contract, maintenance agreement or an insurance policy, and Seller does not provide you any insurance through or as a result of this Limited Warranty. You should always obtain homeowner's insurance to protect your home and your personal property, and your bank or other mortgage provider may require homeowner's insurance if you have a mortgage.

B. DURATION OF LIMITED WARRANTY

This Limited Warranty first goes into effect on the date you close on the purchase of the home from Seller and that date is referred to as the "Effective Date." The applicable warranty protection periods provided below are referred to in this Limited Warranty as the "Warranty Term." The Limited Warranty will automatically run to the benefit of each successor in title to the home for the remainder of the applicable Warranty Term. So if you sell or transfer title to your home, you should provide this Limited Warranty to any subsequent owner of the home and let them know that they should contact us to provide us with their contact information. Any such change in ownership of the home will not, however, increase, reduce, restart or otherwise affect the coverage under the Limited Warranty for the remainder of the applicable Warranty Term. If you are an owner other than the original purchaser of the home, you are bound by all the terms and conditions of the Limited Warranty including, but not limited to, the claims procedures and requirement to submit any claims or disputes that may arise under the Limited Warranty to binding arbitration.

Subject to the Warranty Exclusions described below, for purposes of this Limited Warranty, a "Covered Defect" is a defect in the home during the applicable Warranty Term which results from: (i) materials or workmanship that were part of the home as delivered to you by Seller at closing and which do not conform to the Performance Guidelines, (ii) any plumbing, electrical, ventilating and mechanical systems which were installed by us as part of the home which do not conform to the Performance Guidelines, and (iii) a "Structural Defect" as defined below. The materials and workmanship, systems and Structural Defect descriptions are further explained below.

As long as you comply with the terms and conditions of this Limited Warranty, then Seller agrees to remedy Covered Defects by repairing the Covered Defects in a manner that will conform to the Performance Guidelines, or paying you the reasonable cost to repair the Covered Defects. The term "repair" as used in this Limited Warranty may instead be a replacement of the Covered Defect if Seller determines that a repair either cannot be completed to conform to the requirements of this Limited Warranty or the repair would be more costly than making a replacement.

1. ONE YEAR WORKMANSHIP AND MATERIALS AND TWO YEAR SYSTEMS WARRANTY

The Seller is providing you with a one (1) year limited workmanship and materials warranty and a two (2) year limited systems warranty for your home. This means that: (a) your home will conform to the workmanship and materials standards set forth in the Performance Guidelines for a period of one (1) year; and (b) for two (2) years, your home will be free from defects in certain plumbing, electrical, ventilating and other mechanical systems as set forth in the Performance Guidelines. The workmanship and materials limited warranty shall expire one (1) year following the Effective Date, and the systems defect limited warranty will expire two (2) years following the Effective Date. If a certain component of the home or manner of workmanship is not specifically provided in the Performance

Guidelines, then it will not be considered a Covered Defect and therefore is not covered by the Limited Warranty; in which event, Seller shall have no obligation to repair or pay for the cost of repair of that system or manner of workmanship. Please be aware that some items in the Performance Guidelines are subject to a one-time only repair obligation and the Warranty Term on any such one-time repair item expires upon our completion of the single repair.

2. TEN YEAR STRUCTURAL DEFECT WARRANTY

The Seller also warrants that your home will be free from Structural Defects (as defined below) for a period that ends on the earlier of: (a) 10 years following the Effective Date, or (b) the expiration of any applicable statute of limitations or statute of repose under applicable Florida Law.

A "Structural Defect" means actual physical damage to the designated load-bearing portions of the home caused by the failure of such load-bearing portions that affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary, or otherwise unlivable. Load-bearing components for the purpose of defining structural defects are footings, bearing walls, lintels, beams, trusses, girders, bearing columns, load-bearing walls and partitions, roof framing systems and floor systems. The remaining elements of your home are not load-bearing elements under the Limited Warranty. Unless there is actual physical damage that prevents the load bearing structural element from performing its load bearing function such that the home is unsafe, the structural element will not be deemed a Structural Defect.

C. PERFORMANCE GUIDELINES

The Performance Guidelines attached to this Limited Warranty are incorporated herein and made a part of this Limited Warranty in their entirety. The Performance Guidelines apply to the one (1) year limited warranty on workmanship and materials and the two (2) year limited warranty on systems. These Performance Guidelines are the standards Seller commits it will meet, and any noncompliance by Seller within the applicable Warranty Term will call for repair as provided in this Limited Warranty. However, Seller is not responsible for discontinued items, changes in dye lots, colors or patterns, or items ordered outside of the original construction. Although Seller cannot guarantee exact color matches due to possible fading, deterioration or unavailability of any materials, Seller will try to its best to match and replace the Homeowner's original choice of colors and materials.

D. OPTION TO REPAIR OR PAY FOR DEFECT

For any Covered Defect, the Seller may elect to make a repair or pay you the reasonable cost of repairing the Covered Defect in lieu of making the repair, as Seller shall determine in Seller's sole and absolute discretion. If the Seller decides to repair any such Covered Defect, the design, method and manner shall also be within the Seller's sole discretion but shall at least conform to the Performance Guidelines. If the Seller repairs or pays the reasonable cost of repairing any Covered Defect which is covered by any other insurance or warranty, then upon request by the Seller, you agree to assign the proceeds of such insurance or the rights under such warranties to the Seller to the extent of the cost incurred by Seller for the repair or payment in connection with such Covered Defect. Nothing in this paragraph, however, shall require you to file any claim with an insurance carrier.

In the event of a Covered Defect which we elect to repair, we will take corrective action sufficient for the Covered Defect to be repaired in order for the Covered Defect to conform to the Performance Guidelines. In the event of a Structural Defect, the repair of such Structural Defect is limited to the following: (a) repair of damage to the load-bearing portions of your home necessary to restore their load-bearing function, as designed; (b) repair of those non-load-bearing portions damaged by the Structural Defect to the extent such repair is necessary to make the home safe, sanitary or otherwise livable; and (c) repair cosmetic damages directly caused by the Structural Defect but only of those surfaces, finishes and coverings that were originally in the home when closing occurred. Repairs of Structural Defects are intended to restore the home to approximately the condition just prior to such Structural Defect, but not necessarily to a like-new condition.

1. HOMEOWNER'S OBLIGATION TO MAINTAIN THE HOME

You are solely responsible for performing routine maintenance of your home. Even quality materials cannot last forever and your home will require proper care to keep it in good shape and condition. We are not responsible for any issues or damages that arise from matters caused by you or others, from climatic conditions, negligent or improper maintenance, or from ordinary wear and tear, and this Limited Warranty does not extend to any defects or damages resulting from such items. This also includes changes or alterations you make to the home such as changing the drainage, grading or landscaping which may damage your foundation or cause moisture intrusion issues. Also, you should be aware that all homes go through a period of settlement and movement, and your home may experience some minor material shrinkage, cracking and other events which are normal and customary, and therefore NOT a Covered Defect.

2. FAILURE TO PERMIT SELLER TO ACCESS THE HOME

Importantly, we must be granted access to your home during normal business hours to inspect and make timely repairs concerning a Covered Defect. Seller is not responsible for, and the Limited Warranty does not cover, any consequential or incidental damages you incur in order to give us access to the home. If you fail to give Seller the opportunity to access your home during normal business hours to inspect, conduct tests and/or make repairs, the Seller shall be relieved of any and all responsibility to make repairs of or pay for any Covered Defect. In other words, a denial of access to the home shall void the Limited Warranty with respect to your claim.

E. LIMITATION OF SELLER'S LIABILITY

Seller's total maximum financial liability under this Limited Warranty is limited to the original contract price paid by you to Seller for the home at closing (the "Warranty Limit"). Seller's financial liability shall be calculated based on the total of any and all repairs, replacements and payments made under the Limited Warranty by Seller, but shall never exceed the Warranty Limit regardless of the actual damages incurred by you. The Warranty Term shall not be extended by any repairs, replacements or payments made under the Limited Warranty, and there shall be no warranty whatsoever, express or implied, arising from the repair or replacement work performed by or on behalf of the Seller. However, any Covered Defects which are repaired or replaced by us within the Warranty Term shall continue to be covered by this Limited Warranty for the remainder of the Warranty Term.

UNDER NO CIRCUMSTANCES SHALL THE SELLER BE LIABLE TO YOU OR ANYONE ELSE FOR ANY SECONDARY, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, ALL SUCH DAMAGES BEING SPECIFICALLY EXCLUDED AND DISCLAIMED (INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM CLAIMS FOR PROPERTY DAMAGE, LOSS OF USE, LOSS OF INCOME, LOSS OF MARKET VALUE, PERSONAL INJURY, DEATH AND/OR EMOTIONAL DISTRESS), AND YOU HEREBY RELINQUISH AND WAIVE ANY AND ALL RIGHTS YOU MAY HAVE TO ANY SUCH DAMAGES (CLAIMS FOR SUCH SECONDARY, INCIDENTAL, CONSEQUENTIAL AND PUNITIVE DAMAGES BEING EXPRESSLY MADE UNAVAILABLE AND KNOWINGLY AND VOLUNTARILY WAIVED BY YOU). YOU ALSO AGREE NOT TO ASSIGN AND YOU HEREBY WAIVE ALL RIGHTS OF SUBROGATION OF YOUR INSURERS AND/OR ALL OTHER THIRD PARTIES. ANY SUCH ASSIGNMENT OR ATTEMPTED ASSIGNMENT SHALL BE VOID AND UNENFORCEABLE.

F. DISCLAIMER OF OTHER WARRANTIES

YOU ACKNOWLEDGE, UNDERSTAND AND AGREE THAT THIS LIMITED WARRANTY IS THE SOLE WARRANTY PROVIDED TO YOU IN CONNECTION WITH THE HOME, AND THEREFORE, EXCEPT ONLY FOR THIS LIMITED WARRANTY, THERE ARE NO WARRANTIES (EXPRESS OR IMPLIED) PROVIDED BY US IN CONNECTION WITH THE HOME. IN ADDITION AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, YOU FURTHER ACKNOWLEDGE, UNDERSTAND AND AGREE THAT EXCEPT AS EXPRESSLY PROVIDED IN THIS LIMITED WARRANTY, NEITHER SELLER NOR ANY OF SELLER'S PARTNERS, AFFILIATES, AGENTS, EMPLOYEES, SUCCESSORS AND/OR ASSIGNS SHALL HAVE ANY LIABILITY OR RESPONSIBILITY WHATSOEVER (WHETHER IN CONTRACT, TORT, NEGLIGENCE OR OTHERWISE, AND REGARDLESS OF THE NATURE OF THE INJURY ALLEGED INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH) TO YOU OR TO ANY OTHER PERSON FOR ANY LOSS, LIABILITY, CLAIM, EXPENSE, DAMAGE TO PROPERTY, AND/OR INJURY OR DEATH TO PERSON(S) ("LOSS") FROM ANY CAUSE WHATSOEVER (INCLUDING, WITHOUT, LIMITATION, ANY LOSS RESULTING FROM ANY ACTION, INACTION, OMISSION AND/OR NEGLIGENCE BY SELLER, SELLER'S AGENTS OR OTHERS), UNLESS SUCH LOSS IS DIRECTLY CAUSED BY SELLER'S FRAUD, GROSS NEGLIGENCE OR WILLFUL VIOLATION OF LAW. THE FOREGOING APPLIES TO ALL SUCH LOSSES, EVEN IF THE LOSS RESULTS FROM AN ASSERTED CLAIM BASED ON A THEORY NOT RECOGNIZED ON THE EFFECTIVE DATE.

Seller shall not be responsible under this Limited Warranty for any repairs made or costs, damages, or expenses covered and paid by homeowner's insurance or other insurance. If a Covered Defect is repaired or paid under this Limited Warranty before other applicable insurance pays for the Covered Claim, then you shall assign the rights to such insurance to Seller pursuant to Section D above. If you receive an insurance payment for a Covered Claim and we have completed a repair or paid you under this Limited Warranty for such Covered Claim, then you shall pay such insurance payment to us.

G. WARRANTY EXCLUSIONS

This Limited Warranty expressly excludes all of the following items which are specifically not considered a Covered Defect and are not covered by this Limited Warranty, and therefore Seller has no responsibility whatsoever to repair, replace or pay for any of the following:

1. Items defined as "Consumer Products" by the Magunson-Moss Warranty Act or any manufactured items such as appliances, fixtures, equipment (except as specifically provided in the Performance Guidelines) or any other items which are covered by a manufacturer's warranty, nor does this Limited Warranty cover defects in any systems that are caused by the failure of any such manufactured items.

2. Loss or damage to land or any other property that is not part of the home covered by this Limited Warranty.
3. Loss or damage to landscaping including, without limitation, sod, shrubs, trees, plants and other landscaping materials.
4. Loss or damage which arises while your home is being used primarily for nonresidential purposes.
5. Loss or damage caused by, or resulting from, accidents, vandalism, riots, terrorism, theft, power surges or failures, acts of God, fire, blasting, explosion, smoke, water escape, tidal wave, lightning, hurricanes, tornados, earthquakes, floods, wind-driven waters, surface waters, overflow of a body of water, water spray from any the foregoing whether or not driven by wind, water below the surface of the ground (including water which exerts pressure on, or seeps or leaks through, a building, sidewalk, driveway, foundation, swimming pool, or other structure), springs or aquifers, hail or snow, falling objects, changes in the underground water table, buried debris, underground springs, sinkholes, soil movement (including subsidence, expansion, or lateral movement of the soil), fallen trees, aircraft, and/or vehicles.
6. Loss or damage to swimming pools and other exterior facilities; driveways; boundary walls, retaining walls and bulkheads (except where boundary walls, retaining walls and bulkheads are necessary for the structural stability of the home); walkways; streets; mail boxes; patios, decks, porches, screen enclosures and/or any other appurtenant structure or attachment to the home; fences; and/or sprinkler systems.
7. Construction deficiencies, defects, or violations of any applicable building codes, regulations or requirements of governmental authorities or any other conditions that have NOT caused or resulted in any physical damage to your home.
8. Any loss or damage that is caused, or made worse, by any of the following causes:
 - (a) Your failure to give prompt, proper or timely notice to the Seller of any Covered Defect or a failure to minimize or mitigate any defect, condition, loss or damage as soon as practicable;
 - (b) Improper maintenance, improper operation, negligence, and/or defective material or work supplied by anyone other than the Seller or its employees, agents or contractors;
 - (c) Microorganisms, fungus, decay, rotting of any kind, mold, mildew, vermin, termites, insects, rodents, wild or domestic animals, plants, rust, radon, radiation, formaldehyde, asbestos, irritants or pollutants of any kind (whether solid, liquid or gaseous), contaminants, toxins, carcinogenic fumes or substances, electromagnetic fields or emissions, or the presence of hazardous or toxic materials;
 - (d) Failure to maintain proper temperatures (cooling or heating) in the home; dampness or condensation caused by your failure to maintain adequate ventilation, and/or to maintain appropriate temperature and humidity levels within the home;
 - (e) Failure to maintain and/or operate the HVAC system in accordance with its design criteria; and
 - (f) Abuse or misuse of your home or any part thereof.

9. Loss of use of the home (or any portion thereof), and/or relocation or other incidental costs including, without limitation, housing, transportation, food, moving, storage and/or other costs and expenses incurred due to loss of use of the home.
10. Loss or reduction in market value of the Home.
11. Normal wear and tear or deterioration.
12. Any losses or damages occurring or incurred after the applicable Warranty Term expires.
13. Any Covered Defect that is NOT properly reported to us within thirty (30) days of the expiration of the Warranty Term.
14. Any work performed or material supplied incident to construction, modification or repair to the home performed by you, or anyone on your behalf, other than the Seller or its employees, agents, or contractors.
15. Any items listed in the Performance Guidelines as excluded or non-covered items.

H. REQUESTING LIMITED WARRANTY SERVICE

If you believe you have a Covered Defect during the applicable Warranty Term, the following are the steps to be taken by you to make a claim under this Limited Warranty:

STEP 1 – NOTIFY US IN WRITING

As soon as possible after you become aware of a problem that you believe is a Covered Defect, you must submit a notice of claim form to Seller to provide formal notice thereof. Seller offers the following ways to submit a notice of claim form: (i) through a mobile application entitled "My GL Home Warranty" which can be downloaded from your mobile device's application store; (ii) online through the following link: <https://outsystems.glhomes.com/HomeWarrantyWebOwner/HomeScreen.aspx>; (iii) via telephone at (866) 979-2424; or (iv) in writing using the Notice of Claim Form located at the back of this Guidebook. For fastest results, we encourage you to submit your notice of claim form through the mobile application or online. If mailing, send the Notice of Claim Form only to the address set forth in the Notice of Claim Form to ensure it is submitted to our Home Warranty Department and we will respond as expeditiously as possible. Additional Notice of Claim Forms are available from our Home Warranty Department. Complete the Notice of Claim Form and provide as many details as you can about what you believe to be a Covered Defect including the date you first observed the condition that is the subject of your claim. If there are conditions surrounding a Covered Defect that could cause additional damage, you must notify us immediately. An example, for illustration purposes, would be a water leak which, if not quickly stopped, could cause continuing damage. But if there is something you can do to stop or minimize the damage (such as turning off the water source to stop an ongoing leak), then you should also do that. Also include information about your availability or the best days or times to reach you. For instance, if calling you at work is acceptable, let us know and provide the best contact information for us to reach you. Otherwise, we will attempt to reach you at the last phone number we have on file for you.

Any and all claims under this Limited Warranty must be submitted to us no later than thirty (30) days after the expiration of the applicable Warranty Term. It is important that you be aware that the Warranty Term varies for the different components,

materials and equipment in your home. The Seller shall have no liability or obligation to respond to or cover any claim under this Limited Warranty whatsoever if the Seller has not received actual written notice of the claim within thirty (30) days after expiration of the applicable Warranty Term. Late filed claims are excluded from this Limited Warranty.

STEP 2 – INVESTIGATION BY SELLER

Upon receipt of your Notice of Claim Form, we will review the information you provided and investigate your claims, which may include sending employees or consultants to your home to conduct inspections, tests or other analysis. In order to ensure proper handling of the investigation, your cooperation is expected and required. We will contact you to coordinate any inspection, test or other analysis of your home and schedule an appointment with you to occur during normal business hours (Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m.). You may also be asked to provide us with any information supporting your claim, along with any inspectors' and experts' reports, photographs and/or videotapes, if any. If you fail to cooperate or provide prompt and complete access to the home as we deem necessary to investigate your claim, Seller shall be excused from any liability or obligation to perform under this Limited Warranty.

STEP 3 – WAIT FOR SELLER'S RESPONSE AND DO NOT ENGAGE THIRD PARTY

Upon completion of our investigation, we will advise you to inform you of whether your claim qualifies as a Covered Defect and is covered by this Limited Warranty. If it is a Covered Defect, we will advise you whether we elect to repair, or replace the Covered Defect or pay you the reasonable cost of repair or replacement.

If you engage any third party to make repairs to a Covered Defect that would otherwise be covered under this Limited Warranty without prior written consent from us, Seller will not be obligated to reimburse you. However, you may incur reasonable expenses in making repairs without our prior written approval, only in the event of an emergency, provided such repairs are solely for the protection of the home from further damage or to prevent an unsafe living condition, and provided you notify us in writing immediately of any such action. In order to be considered for reimbursement of emergency repairs, you must provide us with an accurate written record of the repair costs and proof of payment for any work performed that would otherwise be covered under this Limited Warranty.

STEP 4 – SELLER'S REPAIR PROCESS/RIGHT TO CURE

To expedite the repair of a Covered Defect, we expect mutual cooperation in scheduling our access to your home during normal business hours. We will coordinate the timing with you which will also be based on the availability of necessary contractors and/or materials needed in connection with the repair. We ask that you remain flexible in order for us to complete the repair as soon as possible. We kindly request, and it is required, that you, or another adult 18 years of age or older, be present while we are completing any repairs inside of your home.

After completing our review and inspection of the issues reported in the Notice of Claim Form, if we determine there is a Covered Defect, Seller will repair the Covered Defect within a reasonable amount of time unless Seller elects to pay you the

reasonable cost of the repair instead of performing the work. The reasonableness of the cure period to effectuate repair of a Covered Defect shall be determined based on all of the circumstances surrounding such Covered Defect. Correct diagnosis of the cause or source of an alleged Covered Defect may involve a level of trial-and-error, which may extend the length of the cure period necessary to effectuate a repair. The Seller shall not be deemed to be in violation of this Limited Warranty as long as, upon receiving your completed Notice of Claim Form, the Seller proceeds diligently to investigate the issue and proceeds to address any Covered Defects in due course. All work, methods and materials necessary to repair a Covered Defect shall be performed or supplied by employees, contractors, laborers and materialmen chosen solely at the Seller's discretion, as long as the resulting repair is within the appropriate Performance Guidelines. The direction and supervision of the Seller's employees, contractors, laborers and materialmen rests exclusively with the Seller, and if you issue any instruction to anyone performing the repairs of a Covered Defect, or otherwise interfere with the Seller's efforts to repair a Covered Defect, this Limited Warranty's coverage of the Covered Defect shall be void.

STEP 5 ASSIGNMENT OF CLAIM; ACKNOWLEDGMENT OF WORK PERFORMED OR RELEASE FOR PAYMENTS MADE IN LIEU OF REPAIR

Prior to our undertaking any repair or payment for any Covered Defect, you agree to assign to us all claims you may have against any other person or entity who we or you believe may have any responsibilities associated with the Covered Defect. When we complete the repair of any Covered Defect, you will also be asked to sign an acknowledgment of all work completed. If we make a cash payment to you in lieu of repairing a Covered Defect, you will be required to sign a full release of our liability for such Covered Defect as a condition of receiving the cash payment.

STEP 6 – IF YOU DISAGREE WITH US

We trust we will be able to amicably resolve any issues you may have. However, if you believe we have not met our obligations to you under this Limited Warranty, and you contend you have a claim for a construction defect against Seller, then before filing any arbitration or legal action against Seller, you must first follow and satisfy all of the requirements of Chapter 558, Florida Statutes. In the event you are still dissatisfied after complying with Chapter 558, then you may proceed with the binding arbitration proceedings as set forth below.

I. BINDING ARBITRATION AND DISPUTE PROCEDURES

DISPUTES, CONTROVERSIES AND CLAIMS (HEREINAFTER COLLECTIVELY, "CLAIMS") REGARDING THIS LIMITED WARRANTY SHALL BE RESOLVED SOLELY AND EXCLUSIVELY THROUGH FINAL AND BINDING ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT (9 U.S.C. §§1 *ET. SEQ.*).

WHEN A CLAIM IS SUBJECT TO BINDING ARBITRATION PURSUANT TO THIS SECTION I, THAT MEANS YOU AND SELLER HAVE GIVEN UP THEIR RIGHTS TO GO TO COURT TO LITIGATE AND RESOLVE THE CLAIM. IN THAT REGARD, YOU AND SELLER HAVE MUTUALLY, KNOWINGLY AND VOLUNTARILY AGREED THAT ANY AND ALL CLAIMS UNDER THIS LIMITED WARRANTY BY OR BETWEEN YOU AND SELLER SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION FOR RESOLUTION. SUCH CLAIMS INCLUDE ALL CLAIMS THAT ARISE FROM OR IN CONNECTION WITH, OR WHICH RELATE TO THIS LIMITED WARRANTY AND/OR ANY DISPUTES CONCERNING THE

INTERPRETATION OR ENFORCEABILITY OF THE BINDING ARBITRATION AND DISPUTE PROCEDURES SET FORTH IN THIS SECTION I, INCLUDING WITHOUT LIMITATION, ITS VALIDITY, REVOCABILITY OR VOIDABILITY FOR ANY CAUSE, THE SCOPE OF ARBITRABLE ISSUES, AND ANY DEFENSE BASED UPON WAIVER, ESTOPPEL OR LACHES. THIS PROVISION SHALL APPLY TO ALL CLAIMS REGARDLESS OF THE LEGAL THEORY ALLEGED (INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, TORT, VIOLATION OF STATUTE, CODE, RULE OR REGULATION, OR BREACH OF ANY IMPLIED COVENANT OR DUTY), THE TYPE OF INJURY ALLEGED (INCLUDING, WITHOUT LIMITATION, MONETARY, PROPERTY DAMAGE, PERSONAL INJURY, EMOTIONAL INJURY, AND/OR DEATH) THE TYPE OF RELIEF SOUGHT (LEGAL OR EQUITABLE), OR THE TYPE OR AMOUNT OF DAMAGES SOUGHT (COMPENSATORY, PUNITIVE, CONSEQUENTIAL, SPECIAL, INCIDENTAL, AND/OR OTHERWISE).

Arbitration pursuant to this Section I shall be conducted by a single arbitrator of the American Arbitration Association (the "AAA") pursuant to the AAA's Construction Industry Arbitration Rules in effect at the time the request for arbitration is submitted. If those rules have been repealed or replaced at the time the arbitration claim is filed, the AAA's rules then most applicable to residential construction will apply. However, Seller shall be entitled to visually inspect and perform testing on any component claimed to have a construction defect and no AAA rule shall apply if it is inconsistent with the provisions of this Limited Warranty.

In the event the AAA is unable or unwilling to serve, then you and Seller shall select another reputable arbitration service having significant construction arbitration experience. If the parties are unable to agree on any such alternative arbitration service, then either party may petition any court of competent jurisdiction in Broward County, Florida, to appoint such alternative arbitration service, which shall be binding on the parties. The rules and procedures of such alternative arbitration services in effect at the time the request for arbitration is submitted shall be followed. Subject to the terms of this Limited Warranty, the arbitrator shall be authorized to provide all recognized remedies available at law or in equity for any claim that is the basis of the arbitration utilizing the substantive laws of the State of Florida. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction.

MOREOVER, YOU AND SELLER HEREBY MUTUALLY, KNOWINGLY AND VOLUNTARILY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY CLAIM NOT ARBITRATED FOR WHATEVER REASON. THIS MEANS THAT ANY AND ALL CLAIMS BETWEEN THE PARTIES WHICH ARE BROUGHT IN A COURT OF LAW SHALL BE HEARD AND DECIDED BY A JUDGE AND NOT A JURY REGARDLESS OF THE LEGAL THEORY ALLEGED (INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, TORT, VIOLATION OF STATUTE, CODE, RULE OR REGULATION, AND/OR BREACH OF ANY IMPLIED COVENANT OR DUTY), THE TYPE OF INJURY ALLEGED (INCLUDING, WITHOUT LIMITATION, MONETARY, PROPERTY DAMAGE, PERSONAL INJURY, EMOTIONAL INJURY AND/OR DEATH), THE TYPE OF RELIEF SOUGHT (LEGAL AND/OR EQUITABLE) AND/OR THE TYPE OR AMOUNT OF DAMAGES SOUGHT (COMPENSATORY, PUNITIVE, CONSEQUENTIAL, SPECIAL, INCIDENTAL, AND/OR OTHERWISE). IN SUCH CASES, THE JUDGE, RATHER THAN A JURY, WILL BE THE TRIER OF FACT. IT IS THE CLEAR AND EXPRESS INTENT OF THE PARTIES HERETO THAT NEITHER PARTY SHALL SEEK A TRIAL BY JURY OF ANY CLAIM (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM, CROSSCLAIM, THIRD PARTY CLAIM, AND/OR OTHERWISE). THIS WAIVER APPLIES TO ALL CLAIMS, EVEN THOSE BASED UPON A THEORY NOT RECOGNIZED AT THE TIME THIS CONTRACT IS EXECUTED, THAT ARISE FROM, IN CONNECTION WITH, AND/OR RELATE TO: (A) THIS THIS LIMITED WARRANTY, (B) THE HOME, ITS DESIGN AND/OR ITS CONSTRUCTION, (C) ANY COURSE OF CONDUCT, COURSE OF DEALING, AND/OR STATEMENTS (VERBAL AND/OR WRITTEN) OF THE PARTIES TO THE CLAIM, AND/OR (D) ANY ACTIONS AND/OR INACTIONS OF

THE PARTIES TO THE CLAIM. THIS JURY TRIAL WAIVER IS IRREVOCABLE AND SHALL BE SUBJECT TO NO EXCEPTIONS.

NOTWITHSTANDING ANYTHING TO THE CONTRARY, NO ARBITRATION OR COURT PROCEEDING SHALL INVOLVE MORE THAN ONE SINGLE FAMILY HOME OR MORE THAN ONE UNIT IN A MULTI-FAMILY BUILDING. IN THAT REGARD, YOU AND SELLER HEREBY MUTUALLY, KNOWINGLY AND VOLUNTARILY AGREE THAT ANY DISPUTE RESOLUTION PROCEEDING, WHETHER IN ARBITRATION OR COURT, WILL BE CONDUCTED ONLY ON AN INDIVIDUAL BASIS AND NEITHER PARTY MAY BRING CLAIMS AGAINST THE OTHER AS A CLASS REPRESENTATIVE PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR PROCEEDING, UNLESS BOTH YOU AND SELLER SPECIFICALLY AGREE TO DO SO IN WRITING FOLLOWING INITIATION OF THE DISPUTE RESOLUTION PROCEEDING. IN THAT REGARD, UNLESS BOTH YOU AND SELLER SPECIFICALLY AGREE IN WRITING OTHERWISE, AN ARBITRATOR OR JUDGE MAY NOT CONSOLIDATE OR JOIN CLAIMS INVOLVING MORE THAN ONE SINGLE FAMILY HOME OR MORE THAN ONE UNIT IN A MULTI-FAMILY BUILDING, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ADDITIONALLY, AN ARBITRATOR OR JUDGE MAY AWARD RELIEF (INCLUDING, MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S) AND NO OTHERS.

Seller may, in its sole discretion, join as a party to the arbitration any third party contractor, subcontractor, or supplier involved in the dispute, or any other party who Seller contends may be liable for the damages caused by the alleged Covered Defect.

The prevailing party in any proceeding regarding any claim between the parties shall not be entitled to recover any attorneys' fees or costs whatsoever. Each party shall bear its own attorneys' fees and costs, including all expert costs in connection with the arbitration or otherwise. However, the parties in the arbitration shall bear an equal share of the arbitrator's fees, administrative fees, and filing fees for the arbitration.

YOU AND SELLER HEREBY ACKNOWLEDGE HAVING READ, AND DO HEREBY UNDERSTAND, THE MEANING AND RAMIFICATIONS OF THESE BINDING ARBITRATION AND DISPUTE PROCEDURES AND THE WAIVER OF JURY TRIAL PROVISION SET FORTH IN THIS SECTION I. THIS SECTION I SHALL APPLY TO ALL PERSONS BOUND BY OR MAKING A CLAIM UNDER THIS LIMITED WARRANTY.

YOUR EXECUTION OF THE PURCHASE CONTRACT FOR THE HOME ACKNOWLEDGED YOUR WRITTEN ACCEPTANCE OF AND AGREEMENT TO THIS LIMITED WARRANTY INCLUDING THE BINDING ARBITRATION AND DISPUTE PROCEDURES HEREIN. ACCORDINGLY, THESE BINDING ARBITRATION AND DISPUTE PROCEDURES SHALL BE DEEMED TO BE A SELF-EXECUTING ARBITRATION AGREEMENT. NOTHING IN THIS LIMITED WARRANTY MODIFIES (OR SHALL BE DEEMED TO MODIFY) ANY OF THE TERMS OR CONDITIONS OF THE PURCHASE CONTRACT.



LIMITED WARRANTY PERFORMANCE GUIDELINES

WORKMANSHIP AND MECHANICAL SYSTEMS COVERAGE

These Performance Guidelines apply to the one (1) year limited warranty on workmanship and materials and to the two (2) year limited warranty on systems. As outlined below, the majority of Covered Defects addressed pursuant to these Performance Guidelines have a Warranty Term of one (1) year following the Effective Date, unless otherwise expressly provided herein.

SITE WORK

Drainage

The home is constructed with grades and swales to carry storm water off the lot and maintain a positive drainage away from the home. Seller, under the Limited Warranty, ensures proper drainage within 10 feet from the home and swales within 20 feet from the home. Standing or ponding water shall not be permitted within these areas for a period beyond 24 hours (48 hours for swales) unless the standing or ponding water is due to severe weather, in which case water may remain in excess of the 24 or 48 hours. Seller is responsible for ensuring that proper grades, swales and drainage is established initially, but the Seller shall not be responsible for any drainage deficiencies attributable to grading requirements imposed by state, county or local governing agencies. To establish the proper grades, swales and drainage away from the home, Seller implements the use of sod and landscaping as an integral part of the storm water management practice. The Homeowner is responsible to maintain the existing drainage and swales. Should Homeowner alter the grade, sod, landscaping and/or install fencing or any other improvement, Seller is no longer responsible for drainage under the Limited Warranty. Standing or ponding water outside of the areas described herein, or within 10 feet of the home but caused by retention in landscaped areas containing trees or unusual grading conditions, are not a deficiency under the Limited Warranty.

Ground Settlement

Settlement of the ground around foundation walls, utility trenches, or other filled areas shall not interfere with the water drainage from the home. Should the settlement of the ground around the foundation walls, utility trenches, or other filled areas exceed 6 inches, Seller will fill the areas which affect proper drainage one-time only within 1 year following the Effective Date. The Homeowner is responsible for the removal and replacement of landscaping, additional grading, or other improvements affected by the placement of such fill. Any landscape altered by Homeowner voids the Limited Warranty on ground settlement.

Soil Erosion

Soil erosion is a normal occurrence and is not covered under the Limited Warranty. It is the responsibility of the

Homeowner to perform the necessary maintenance to reduce soil erosion.

FOUNDATION AND CONCRETE

Cracks in Concrete Footing or Foundation Walls

Concrete footings and foundation walls should be free of cracks that exceed ¼ inch in width. If a crack is greater than the acceptable width described herein, Seller will take the necessary action to make repairs, which may include, but is not limited to, using a material designed to fill cracks in concrete.

Cracks in Patio Slab and Sidewalks

Cracks in patio slabs and sidewalks are a common occurrence caused by environmental conditions which are outside the Seller's control and are not covered under the Limited Warranty.

Separation or Movement at Control Joints

Concrete slabs are specifically constructed with control joints to encourage expansion, contraction, movement and cracking at the joint areas rather than other areas of the slab. Therefore, separation and/or movement is a normal occurrence, should be expected and is not covered under the Limited Warranty.

Uneven Concrete Floor or Slab

Concrete floors in the living areas are to be free of variances and should not have uneven areas exceeding 3/8 inch in 32 inches. An exception is provided for floors that have been designed for specific drainage purposes. If a floor is not level and exceeds the tolerable dimensions, Seller will take necessary action to repair the floor, which may include, but is not limited to, leveling the surface with a material designed to repair uneven concrete.

Concrete Slab Cracks

Minor cracks in the concrete slabs can be expected and are considered normal. Under the Limited Warranty, Seller will repair cracks that exceed 3/16 inch in width or 3/16 inch in vertical displacement if the slab is in conditioned space or the crack interferes with the installation of finish flooring. Appropriate repair by Seller may include, but is not limited to,

using a material designed to fill cracks in concrete. This Limited Warranty shall not apply if Homeowner elects to install flooring after closing.

Cracks in Garage Floor

The concrete garage floor should be free of cracks in excess of 3/16 inch in width or 3/16 inch in vertical displacement. If the garage floor has cracks exceeding these dimensions, Seller will take corrective action to make the appropriate repairs using material designed to fill cracks in the concrete slab. The repair area may not match the existing floor exactly. The Limited Warranty does not apply towards chipping or spalling of concrete floors.

INTERIOR FLOOR CONSTRUCTION

SUBFLOOR AND JOISTS

Squeaky or Loose Flooring on Second Floor

Due to the nature of flooring materials, construction methods and changes in temperature and humidity, it is practically impossible to eliminate all flooring squeaks. Seller will take corrective action one-time only within 1 year following the Effective Date in attempt to reduce squeaking and/or loose flooring without mandating removal of the flooring. Seller does not guarantee or warrant your floor will be completely free of squeaks.

A Wood Subfloor is Uneven

Seller will take corrective action for floors that have uneven subflooring when the ridge or depression exceeds ¼ of an inch within any 32-inch measurement that is not at a transitional point between materials.

Flexure of Second Story Acoustical Concrete Subflooring

If the home has a second floor acoustical concrete subflooring, the second floor will exhibit flexure in the flooring system because acoustical concrete subflooring is not a poured in place concrete slab floor. Therefore, rigid floor coverings (such as, but not limited to, wood, marble and tile) could become damaged, including without limitation, damages caused by cracking, popping and grout separation. These inherent characteristics are not considered a defect and, therefore, are not covered under the Limited Warranty.

WALLS

WALL FRAMING

A Framed Wall is Not Plumb

Interior framed walls should not be out of plumb more than 3/8 inch per 32 inches in any vertical measurement. In situations where walls exceed these guidelines, Seller will make the necessary repairs.

The Wall is Bowed

Walls should not bow more than ½ inch out of line per 32 inches in any horizontal measurement or ½ inch out of line

within 8 foot vertical measurement. The Seller will make the necessary corrections for walls that exceed the acceptable measurements.

MOISTURE BARRIERS AND AIR INFILTRATION

EXTERIOR WALL LEAK

Exterior Wall Leaks Due to Failure of Caulking

Homeowner is responsible for maintenance of the caulking in all areas inside and outside the home. However, one-time only within 1 year following the Effective Date, Seller will take necessary action to repair an exterior wall that leaks due to failure of caulking material or improper caulking installation.

INSULATION

Insufficient or Missing Insulation

Seller will install insulation according to the R-values designated in the Purchase Contract or as required by the building code that was applicable at the time the home was constructed.

WINDOWS, GLASS AND EXTERIOR DOORS

WINDOWS AND GLASS

Glass Surfaces and Imperfections

Glass surfaces should not have scratches visible from 10 feet when looking through the glass during daylight and standing perpendicular to the glass without direct sunlight in accordance with the specifications outlined per the American Society for Testing Materials ASTM Standard Specification for Flat Glass C 1036. The scratch or imperfection must be in the view plane 90° to the window surface. Such scratches or imperfections will be repaired by the Seller for a period of 30 days following the Effective Date.

Impact Resistant Glass

Impact resistant glass is susceptible to scratching like any other glass surface and therefore is subject to the same standard set forth above in "Glass Surfaces and Imperfections". Impact resistant glass may also appear hazy and/or slightly distorted as a result of the design, construction and manufacturing process. If the impact resistant glass is not covered during a storm, heavy rain event or act of god, water will have direct contact and may infiltrate the impact resistant glass window. Such water infiltration is not covered by the Limited Warranty. Impact Resistant Glass is not shatterproof. Although Impact Resistant Glass is not intended to shatter, it does and may break and/or scratch in the event of impact which is not a defect. If a window or door with Impact Resistant Glass is broken or scratched, the entire window and frame may need to be removed and replaced by Homeowner. Such removal and replacement may result in damage to the stucco and other portions of the home. Seller shall not be responsible for any damage caused to the home as a result of any repairs to or replacement of the Impact Resistant Glass. These inherent characteristics are not

considered a defect and, therefore, are not covered under the Limited Warranty.

EXTERIOR DOORS

An Exterior Door Sticks or Binds

Exterior doors should operate smoothly. However, most exterior doors can stick due to occasional periods of high humidity or with variations in temperature. If the door is not operating smoothly due to faulty workmanship or materials, then the Seller will corrective action to adjust or replace the door.

Sliding Patio Door Does Not Operate Smoothly

Sliding patio doors should slide smoothly without coming off the track during normal operation. If the sliding door fails to preform to this standard, the Seller will adjust the door one-time only within 1 year following the Effective Date. The Homeowner should perform regular maintenance to keep the tracks, channels and operating mechanisms clean and lubricated.

Door Hardware Does Not Operate Smoothly

A door knob, deadbolt or lockset should not stick or bind during operation. The Seller will adjust, repair or replace the hardware one-time only within 1 year following the Effective Date.

GARAGE DOOR

Garage Door not Operable

Garage Doors should function as designed and operate properly under normal use. Doors that do not comply with the Performance Guidelines will be corrected by the Seller to meet the requirements.

EXTERIOR FINISHES

MASONRY AND VENEER

Crack in Masonry or Veneer Wall

It is common for cracks to develop due to shrinkage and minor settlement in masonry or veneer walls and is considered normal. However, cracks visible from over 20 feet away or larger than ¼ inch in width are covered by the Limited Warranty and will be repaired by the Seller. Some acceptable methods of repair include tuck pointing, patching, and/or painting. Although the Seller will try to match the finish of the repair to the original masonry, variations may occur and are not covered under the Limited Warranty.

STUCCO COATINGS

Crack in Exterior Stucco Wall

It is common for hairline cracks to develop in exterior wall stucco or cement plaster surfaces. Cracks that exceed 1/8 inch in width will be repaired by Seller one-time only within 1 year following the Effective Date. Acceptable repair may include

caulking and touch-up paint. An exact color and/or texture match may not be attainable and is not covered under the Limited Warranty.

Stucco Coating Separated

The stucco coating on an exterior wall should not separate from the base stucco layer. Seller will take necessary action to repair the separated stucco. The Seller will try to match the original color and texture but a perfect match is not covered by the Limited Warranty.

EXTERIOR TRIM

Gaps in Exterior Trim

Exterior trim elements, including siding and masonry, should be free of gaps wider than ¼ inch. The Seller will repair trim elements that have gaps which exceed the allotted tolerance. Caulking of the gaps is an acceptable repair by Seller.

EXTERIOR PAINT OR STAIN

Peeled or Flaked Paint

Exterior paints and stains should not peel or flake within 1 year following the Effective Date. For paint or stain that has peeled, flaked, or blistered, the Seller will prepare and refinish the affected area to match the original as close as possible. However, a perfect match is not covered by the Limited Warranty. Seller shall make this repair one-time only within 1 year following the Effective Date.

ROOF

ATTIC VENT AND VENTILATION

Leaks from Attic Vent

Attic vents should not leak. The Seller will repair and/or replace leaky vents as necessary, with the exception of infiltration due to elements such as wind-driven rain which is not covered by the Limited Warranty.

Insufficient Attic Ventilation

The roof vent area is built to meet the requirements of the building code that was applicable at the time the home was constructed and should ventilate accordingly. The Seller will correct any ventilation deficiencies to meet code requirements. Attic ventilation can be corrected in variety of ways which may include the installation of properly sized ridge vents, soffit vents, gable vents, attic fans or any combination thereof. The Homeowner is responsible to keep the vent locations free from obstructions and objects that can inhibit proper ventilation.

ROOF COVERING

Roof or Flashing Leaks

Roof or flashing should not leak under normal conditions. The Seller will repair roof or flashing leaks that occur during normal weather conditions and unrelated to extreme weather

events. The Limited Warranty will not cover leaks due to debris which was caused by lack of maintenance of Homeowner and/or leaks caused by events outside the Seller's control, such as abnormal weather.

Shingles/Roof Tiles Blown Off Roof

Shingles and roof tiles are installed according to the manufacturer's installation instructions and therefore should perform without blowing off under normal weather conditions. Seller shall repair shingles or roof tiles blown off in winds less than the manufacturer's specifications. However, if the shingles or roof tiles were correctly installed by Seller and are blown off in winds less than manufacturer's specifications, the blown off shingles or roof tiles shall be covered under the manufacturer warranty. Shingles or roof tiles that are blown off due to wind velocities exceeding manufacturer's tolerances are not covered by the Limited Warranty.

Cracked or Broken Roof Tile

If a roof tile is cracked or broken, Seller will repair the roof tile to the extent materials are available to make the repair unless the cracked or broken roof tile was due to Homeowner's action or negligence. Broken roof tiles will not be replaced by Seller under the Limited Warranty unless the underlayment is exposed.

Standing Water on Roof

Water should drain properly on a flat roof and should not accumulate more than 3/8 inches in depth for more than 24 hours after rainfall ceases (although minor ponding can be expected). The Seller will make necessary repairs to the roof in such occurrences, unless the ponding is due to debris accumulation, which is a maintenance responsibility of the Homeowner and not covered under the Limited Warranty.

GUTTERS AND DOWNSPOUTS

Gutter or Downspout Leaks

With the proper maintenance and care of Homeowner, the gutters and downspouts should not leak. If gutters or downspouts leak during normal rainfall and are free of debris, the Seller will make the necessary repairs.

Water Collects in Gutter

With the proper maintenance and care of Homeowner, gutters unobstructed by debris should not exceed water levels of 1/2 inch in depth after normal rainfall. If such water ponding occurs, the Seller will take the necessary action to repair.

PLUMBING

WATER SUPPLY SYSTEM

Leaks in a Valve or Fitting

A pipe, valve or fitting should not leak and corrective action will be taken by the Seller for a period of 2 years following the

Effective Date to eliminate such leaks. Condensation on pipes or leakage caused by worn or defective washers or seals are not covered by the Limited Warranty.

Water Freezes in Pipe

Drain, waste, vent and water pipes will be adequately protected to reduce the possibility of freezing at the design temperatures and based on the prevailing building or plumbing codes. Seller will correct conditions which do not meet the prevailing building or plumbing codes for a period of 2 years following the Effective Date. Homeowner is responsible for draining the pipes and exterior faucets exposed to freezing temperatures and to maintain suitable temperatures to prevent burst pipes.

Water Supply System Fails to Deliver Water

Seller shall be responsible for all on-site service connections installed by Seller to the municipal water main or private water supply. Seller will repair the water supply system if the failure results from improper installation or the failure of materials for a period of 2 years following the Effective Date. Conditions which are beyond the control of the Seller that disrupt or eliminate water supply are not covered by the Limited Warranty.

Noisy Pipe

It is normal for a water piping system to emit some noise. This noise is caused by the expansion and contraction of the flow of water and such noises cannot be completely eliminated by Seller. However, the pipes should not make a pounding noise called *water hammer*. Seller will remedy noisy pipes due to *water hammer* to meet the prevailing plumbing code.

PLUMBING FIXTURES

Leak in Faucet, Bathtub or Shower

It is the maintenance responsibility of the Homeowner to maintain caulk seals around the faucets, bathtubs or showers. For leaks that are a result of defects in material or workmanship, Seller will make the necessary repairs and/or replacements to eliminate leakage during the Limited Warranty period.

Defective Plumbing Fixture, Appliance or Trim Fitting

All plumbing fixtures, appliances and trim fittings shall be in good working order at closing. Any subsequent defects in the plumbing fixtures, appliances and trim fittings are covered under the manufacturer's warranty.

SANITARY SEWER OR SEPTIC SYSTEM

Drainage Issues

If wastewater fixtures and pipes frequently clog or drain slowly from improper installation or defective construction, the Seller will make the necessary repairs for a period of 2 years following the Effective Date. The Limited Warranty does not cover drainage clogged by actions or negligence of the

Homeowner. Seller is not responsible for sewer pipes that extend beyond the property lines on which the home is constructed.

ELECTRICAL

FUSES AND CIRCUIT BREAKERS

Frequent Tripping of a Ground Fault Circuit Interrupter (GFCI) or Arc Circuit Interrupter (AFCI)

Ground Fault and Arc Fault Circuit Interrupters are safety devices installed in accordance with applicable electrical codes to protect against electrical shock and should perform as intended. Some tripping is to be expected and is considered normal. Seller will repair or replace components that frequently trip due to improper installation or component failure.

Circuit Breakers Trip (non- GFCI or AFCI) or Fuses Blow

Fuses should not blow and the non-Ground Fault Circuit Interrupter (GFCI) or Arc Circuit Interrupter (AFCI) should not trip excessively with average use. Seller will check wiring, circuits and components for conformity with applicable electrical code requirements and correct noncompliant elements.

OUTLETS AND FIXTURES

Malfunction of Outlets or Fixtures

Electrical outlets, switches and fixtures in the home are to operate as designed. If malfunctions occur, the Seller will repair or replace the defective electrical outlets, switches or fixtures.

Failure of Wiring to Carry the Designed Load

The wiring in the home was constructed according to applicable electrical code requirements and will be capable of carrying the designed load for normal residential use. If the wiring fails to carry the designed load for normal residential use, Seller will make the corrections to have the wiring conform to code for a period of 2 years following the Effective Date.

Tarnished Light Fixture

Discoloration may occur due to the elements and the normal operation of the fixture. Although the finishes on light fixtures are not covered under the Limited Warranty, it may be covered under the manufacturer's warranty. Homeowner should reach out to the manufacturer directly.

INTERIOR CLIMATE CONTROL

AIR INFILTRATION AND DRAFTS

Drafts from Doors or Windows

Doors are installed in a specific manner so that gaps at the perimeter can accommodate the expansion and contraction of the materials caused by variations in temperature and

humidity. Weather stripping seals the gaps and provides the door to operate properly while eliminating excessive air infiltration. Some infiltration around doors and windows is normal and can be more noticeable in high wind. Seller will repair if daylight is visible around frame when exterior door or window is closed.

HUMIDITY CONTROL AND CONDENSATION

Water, Ice or Frost is Visible on Window

Condensation is a normal occurrence and is a result of moisture collecting on the surface during changes in temperature or humidity. Due to the nature of such condensation being outside the Seller's control, it is not covered under the Limited Warranty. If the issue is directly attributed to faulty installation, then the Seller will take the necessary corrective action.

DUCTS AND AIRFLOW

Noisy Ductwork

The ductwork in the home is constructed and installed in accordance with the building code that was applicable at the time the home was constructed. Ticking or crackling sounds from the ductwork is considered normal and is caused by the expansion or contraction of the metal during various changes in temperature. Booming noises caused by *oil canning*, which is the result of sheet metal billowing in or out, is considered excessive. Seller will take corrective action for *oil canning* and will repair any ductwork that does not comply with the building code that was applicable at the time the home was constructed.

Separated or Detached Ductwork

The ductwork in the home should remain intact and securely fastened. Seller will reattach and secure any ductwork that has detached or separated for reasons not caused by Homeowner for a period of 2 years following the Effective Date.

HEATING AND COOLING SYSTEMS

Heating System is Inadequate

The heating system has been installed in accordance with the building code that was applicable at the time the home was constructed and will be capable of producing an inside temperature of at least 72 degrees Fahrenheit as measured in the center of each room at a height of 5 feet above the floor based upon local outdoor winter design conditions. In the case of outside temperatures below 43-48 degrees Fahrenheit the system should keep the inside temperature 24-29 degrees Fahrenheit warmer than the outside temperature in accordance with the ACCA Manual J Table 1A (a published set of industry standards relating to heating and cooling system designs) in effect as of the Effective Date. Homeowner is responsible for maintaining and adjusting the system according to manufacturer recommendations, which includes balancing dampers and registers. The system's performance

may be affected due to closed interior doors, closed registers, and dirty filters restricting airflow. Seller will make the necessary corrections to the heating system to meet the designed temperature described above.

Cooling System is Inadequate

The cooling system has been designed and installed in accordance with the building code that was applicable at the time the home was constructed and will be capable of maintaining a minimum temperature of 75 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor based upon outside temperatures of 90-93 degrees Fahrenheit. Homeowner is responsible for maintaining and adjusting the system according to manufacturer recommendations, which includes balancing dampers and registers. The system's performance may be affected due to closed interior doors, closed registers, and dirty filters restricting airflow. Seller will make the necessary corrections to the cooling system to meet the designed temperature described above. Consistently running your cooling system below the designed temperature may result in excessive condensation and mold. If any claim under this section is due to the Homeowner's failure to maintain the designed temperature, such claim is not covered under the Limited Warranty.

Condensate Line Clog

Condensate lines will eventually clog under normal use. It is the Homeowner's responsibility to clean and maintain the condensate lines that extend from the air conditioning coil. A blockage of the condensate line is not covered under the Limited Warranty.

Leak in Refrigerant Line

Refrigerant lines and fittings should not leak under normal operation. Unless the damage is caused by the Homeowner's actions, improper maintenance or negligence, Seller will repair the leaking lines and recharge the air-conditioning unit as required for a period of 2 years following the Effective Date.

Condensation on AC Components

Condensation on the outside of the air handlers, registers, grills, plenum, refrigerant lines or ducts is often caused by changes in temperature and humidity, in which event, condensation is expected. Such condensation is not covered under the Limited Warranty. If however, condensation is directly attributed to faulty installation, Seller will take the necessary corrective action.

INTERIOR FINISHES

INTERIOR DOORS

Warped Interior Door

Interior Doors should be operable and should not be warped more than ¼ inch as measured diagonally from corner to corner. Seller will repair or replace an interior door that

exceeds the acceptable tolerance with a comparable product. Seller is not responsible for refinishing doors which have been finished by the Homeowner or improperly maintained by Homeowner.

Bifold and Bypass Doors off Track

As of the Effective Date, all bifold and bypass doors will be operational and slide properly in their tracks. Seller will adjust bifold and bypass doors which do not stay on its track during normal operation one-time only within 1 year following the Effective Date. It is the responsibility of the Homeowner to perform routine maintenance in keeping the tracks clean and the mechanism components lubricated.

Door Rubs Against Floor

Doors should operate smoothly and should not rub or stick on the floor. Seller will adjust the doors that fail to operate smoothly one-time only within 1 year following the Effective Date. Such repair may include, but is not limited to, undercutting the bottom of doors with carpet flooring as required to prevent dragging on the floor. If flooring was not installed by Seller, this one-time door adjustment is excluded from the Limited Warranty.

Squeaky Door Hinge

If a door hinge squeaks, Seller will do an adjustment one-time only within 1 year following the Effective Date to correct the squeaky hinge.

Door Knob or Latch Does Not Operate Smoothly

One-time only within 1 year following the Effective Date, Seller will make necessary corrections to doors knobs or latches that stick or do not operate as intended by manufacturer, unless such conditions occur due to improper physical damage or improper handling by the Homeowner.

INTERIOR STAIRS

Stair Riser or Tread Squeaks

Stair squeaks may not be avoided completely; however, load squeaks caused by loose stair raisers or treads are considered excessive and will be repaired by Seller one-time only within 1 year following the Effective Date.

Loose Stair Railing

Stair railings have been securely constructed to meet the requirements of the building code that was applicable at the time the home was constructed. Even so, slight movement may occur under normal use. If a stair railing loses rigidity due to reasons other than damaging actions by the Homeowner, Seller will secure any loose stair railing under the Limited Warranty.

TRIM AND MOLDINGS

Gaps in Non-Mitered Trim and Molding Joints

There should be no gaps larger than 1/8 inch in width at the joints in trim, molding, or between moldings and adjacent surfaces. Gaps exceeding the allowed measurement will be repaired by Seller. Joints in trim or molding that separate due to the Homeowner's lack of temperature and humidity control in the home are excluded from the Limited Warranty.

Nails Not Set or Nail Holes Not Filled

Nails should be set and nail holes should be filled so that neither would be visible from a standing position at a distance of 6 feet under normal conditions. Seller will set nails and fill nail holes in finished areas which do not comply with this standard. A perfect match of the repaired area is not guaranteed. Nail holes in base and trim molding installed in unfinished rooms and areas not exposed to view (such as inside of closets) are excluded from the Limited Warranty.

Trim or Molding Mitered Edges Do Not Meet

There should be no gaps larger than 1/8 inch in width between mitered edges in trim or molding. In cases where such occurs, Seller will take corrective action one-time only within 1 year following the Effective Date. Gaps in trim or molding that separate due to the Homeowner's lack of temperature and humidity control in the home are excluded from the Limited Warranty.

Interior Trim Split

Interior trim should be free of splits, cracks and checking larger than 1/8 inch in width and will be repaired by Seller one-time only within 1 year following the Effective Date. A perfect match of the refinished or replaced area to the existing surface is not guaranteed.

Uneven Wood Trim

Variations and uneven characteristics in natural wood trim are common, not considered defects and are excluded from the Limited Warranty.

CABINETS

Cabinets Do Not Meet Ceiling or Wall

Gaps between cabinets and the ceilings or walls should not be larger than ¼ inch in width. Seller will adjust or repair excessive gaps. Acceptable repair may include repositioning or reinstalling cabinets and/or filling the gap with caulk, putty, or scribe molding.

Warped Cabinet Door or Drawer

Seller shall take necessary action to correct cabinet doors or drawer fronts if warpage is more than ¼ inch from the face frame to the furthestmost point of warpage while the door or drawer is in closed position. However, if the warpage occurred due to the Homeowner failing to control the

humidity in the home, the warpage is excluded from the Limited Warranty.

Binding Cabinet Door or Drawer

Cabinet doors and drawers should operate with reasonable ease. For door and drawers that do not open or close easily, Seller will adjust or replace cabinet door hinges or drawer hardware one-time only within 1 year following the Effective Date.

COUNTERTOPS

Crack or Chip in High-Pressure Laminate Countertop

The high pressure laminate countertops should be free of cracks or chips larger than 1/16 inch as of the Effective Date. The Homeowner should carefully inspect the countertops during the final walk through and report defects larger than the tolerated measurement in order for Seller to make necessary repairs. Such cracks or chips will be repaired by the Seller for a period of 30 days following the Effective Date.

Countertop Visibly Scratched

Countertops should be free from scratches visible from 6 feet away under normal lighting conditions. The Homeowner should carefully inspect the countertops during the final walk through and report any scratches in order for Seller to make necessary repairs. Seller will repair such scratches that are visible from further than the allowed distance during the first 30 days following the Effective Date.

Cracked Stone, Quartz or Solid-Surface Countertop

A granite, marble, stone, quartz or solid-surface countertop should not have a crack larger than 1/32 inch in width. If the crack is recognized to be due to faulty installation or defective product, Seller will repair or replace the countertop. An acceptable method of repair by Seller can include patching.

Variations in Stone or Solid-Surface Countertop

Granite, marble, and other natural stone will have variations in color and pattern, which are characteristics of the natural product and are not considered defects and are excluded from the Limited Warranty.

Countertop Does Not Meet Wall

Gaps between the countertop and wall should not be larger than ¼ inch in width. Seller will adjust or repair the excessive gap under the Limited Warranty. Acceptable repair may include repositioning or reinstalling the countertop and/or filling the gap with caulk, putty, or scribe molding.

INTERIOR WALL FINISH

GYPSUM WALLBOARD OR DRYWALL

Nail Pop, Blister, or Other Blemish on Finished Wall or Ceiling

Finished walls should be free from nail pops, blisters, or other blemishes visible from a standing position at a distance of 6

feet under normal lighting conditions. Seller will repair such blemishes that exceed the tolerable specifications one-time only within 1 year following the Effective Date. These conditions should be reported towards the end of such 1 year period to allow for settlement of the home. The texture and paint color will be matched as closely as possible, but may not match the existing finish and color exactly. Seller is not responsible to repair nail pops or blisters that are not visible, such as covered by wallpaper or in a closet.

Drywall Surface Contains Cracked Corner Bead, Excess Joint Compound, Blisters or Trowel Marks

Drywall surfaces should be free of defects such as cracked corner bead, trowel marks, excessive joint compound or blisters in tape. If such defect exists, Seller will repair the affected area of the wall one-time only within 1 year following the Effective Date. These conditions should be reported towards the end of such 1 year period to allow for settlement of the home. The texture and paint color will be matched as closely as possible, but may not match the existing finish and color exactly.

Drywall is Cracked

Drywall cracks greater than 1/16 of an inch is considered excessive. Seller will repair such cracks that exceed the tolerable specifications one-time only within 1 year following the Effective Date. These conditions should be reported towards the end of such 1 year period to allow for settlement of the home. The texture and paint color will be matched as closely as possible, but may not match the existing finish and color exactly.

Uneven Textured Ceilings

Inherent inconsistencies of texture from sprayed or textured ceilings are to be expected. Such variances are intended, and are excluded from the Limited Warranty.

INTERIOR PAINT

Paint Splatters on Interior Surface

An interior surface should be free of paint splatters visible from a standing position at a distance of 6 feet under normal lighting conditions. In the event that such splatters occur, Seller will remove the paint and clean the surface.

Interior Surfaces Not Covered by Paint

The surface being painted shall not show through the new paint from a distance of 6 feet under normal lighting conditions. Seller shall repaint the interior surfaces which do not comply with this standard one-time only within 1 year following the Effective Date.

FLOORING

CARPET FLOORING

Carpet Does Not Meet at the Seams

It is normal for carpet seams to show. However, Seller will correct any gaps in carpet seams which are visible from a standing position.

Carpet is Stretched or Loose

When wall-to-wall carpeting is stretched and secured properly, it should not unfasten, loosen, or separate from the points of attachment. Seller will restretch and/or resecure carpet that is stretched or loosened one-time only within 1 year following the Effective Date.

Carpet is Faded or Discolored

Carpet that has fading, staining, or discoloration due to a carpet defect and not from the Homeowner's actions or improper maintenance should be directed towards the manufacturer's warranty and is excluded from the Limited Warranty.

Carpet appears to be Different Colors

Carpet for a room is ordered and installed from a single manufacturer's dye lot. Variances in shade should be addressed under the manufacturer's warranty and is excluded from the Limited Warranty.

HARDWOOD FLOORING

The following Performance Guidelines standards for hardwood flooring shall not apply if the Homeowner fails to properly maintain the hardwood floors. The Homeowner should use only cleaning products recommended by the manufacturers to prevent damage.

Gaps between Hardwood Floor Boards

While it is common for gaps to appear between hardwood floor boards after installation due to fluctuations in the relative humidity of the house, gaps between hardwood floor boards should not exceed 1/8 inch in width. Gaps exceeding the tolerable width will be repaired by Seller. Seller is not responsible for discontinued patterns or color variations of the floor covering. The Homeowner is responsible for maintaining proper humidity levels in the home to minimize gaps between floor boards.

Cupping or Crowning of Hardwood Floor Boards

Cupping or crowning of hardwood floor boards after installation often results from exposure to moisture, including high humidity levels. Such occurrence is beyond the Seller's control and is excluded from the Limited Warranty. It is the Homeowner's responsibility to maintain proper humidity levels in the home to minimize cupping and crowning. If the cupping or crowning is the result of a deficiency in workmanship or material and the cupping or crowning

exceeds 1/16 inch in height in a 3-inch maximum span measured perpendicular to the long axis of the board, Seller will correct the deficiencies one-time only within 1 year following the Effective Date.

Excessive Lippage along the Joints of Prefinished Wood Flooring Products

There should be no lippage along the joints of prefinished wood flooring products greater than 1/16 inch. Seller will repair the lippage to meet the guidelines if the lippage has been caused by a deficiency in workmanship or material.

Wood Floor is Out of Square

On a wood floor, the diagonal of triangle with the sides of 12 feet and 16 feet along the edges of the floor will be no more than ½ inch more or less than 20 feet. Seller will make the necessary modifications in the most practical manner to any floor that does not comply with the performance guideline for squareness. The modification by Seller will produce a satisfactory appearance and may be either structural or cosmetic.

TILE, BRICK, MARBLE AND STONE FLOORING

Grout Joints

Certain characteristics related to the shape of the tile, such as chiseled, scalloped or micro-beveled edges, may create the appearance of larger grout joints and wider tile spacing. Grout for rectified porcelain tiles with micro-bevel edges is filled to the bottom of the square edge of the tile and grout for rectified porcelain tiles without a beveled edge is filled below the top edge of the tile. Since the edge of the tile is not manufactured with the same finish colors as the top surface of the tile, the edge of the tile will be visible above the grout. These characteristics and conditions of the grout and the grout joints are not defects and are excluded from the Limited Warranty.

Inconsistencies in Porcelain Tile

Actual colors, shades and patterning of tiles can vary. As a result of the kiln firing process, porcelain tiles are not perfectly flat or square. Porcelain tiles can be convex or concave in shape, which is known as warpage. Rectified porcelain tiles have a difference in elevation between the edges of the tiles, which is known as lippage. Polished porcelain tiles are prone to optical hazing which may give the tiles a hazy or cloudy appearance under certain lighting conditions. These color and shade variations, warpage, lippage and/or optical hazing are not defects in the porcelain tiles but are characteristics caused by the manufacturing process beyond Seller's control and are excluded from the Limited Warranty.

Scratches on Tile

Due to the nature of high gloss, polished and/or glazed finished tiles, scratching, curling and waving can be expected and are excluded from the Limited Warranty.

Tile, Brick, Marble or Stone Flooring Loose or Broken

Stone, tile or brick flooring should not be loose or broken. Seller will repair or replace broken or loose stone, brick, marble or tile flooring, unless the damage was due to the Homeowner's actions or negligence. Seller is not responsible for discontinued patterns or color variations when replacing tile, brick, marble, or stone flooring.

Cracks in Tile Grout or at the Junctures with Other Materials

Cracks in the grouting of tile joints are commonly a result of certain shrinkage conditions and are normal. However, gaps that are larger than 1/16 inch or result in loose tiles will be corrected by Seller one-time only within 1 year following the Effective Date. Acceptable repair by Seller may include the use of grout caulk or elastic material in lieu of grout.

Lippage of Adjoining Marble or Ceramic Tile

The separations between tiles is necessary to provide transition between the tile heights of each adjoining tile. Lippage will be more pronounced with offset joint patterns and large format tiles. Seller will take necessary action to repair lippage that is greater than 1/8 inch, except where materials are intended to have irregular height such as tile larger than 13 x 13 inches or irregular/handmade tile.

FIREPLACES

Fireplace or Chimney Does Not Draw Properly

A fireplace or chimney in the home should work according to manufacturer's specifications and should draw correctly. Oftentimes extreme weather conditions such as high winds, or obstructions such as adjoining homes, trees or interior furnaces can cause negative drafts or downdrafts. Seller will make chimney repairs based on manufacturer's specifications, to draw correctly, one-time only within 1 year following the Effective Date.

Masonry Chimney Separated from Structure

Chimneys, even when newly constructed, will often incur slight amounts of separation. The amount of separation from the main structure will not exceed ½ inch in any 10-foot vertical measurements. In the event there are gaps that exceed the allotted measurements, Seller will make the appropriate repairs.

Firebrick or Mortar Joint Cracked

The heat and flames from fires can cause cracking of the firebrick or mortar joint and is typical of normal use. This is excluded from the Limited Warranty.



NOTICE OF CLAIM FORM

Please read Section H.1 of your Limited Warranty before completing this form.

Homeowner Name(s): _____

Address of Home: _____

Best Phone No: _____ E-Mail Address: _____

Closing Date: _____

Nature of Claim (Check One): ☐ Workmanship ☐ Materials ☐ Systems ☐ Structural

Describe the Claim (be as specific as possible): _____

Date Claim First Observed: _____

Date Claim First Reported to Seller: _____

Best days and times for availability: _____

Homeowner Signature: _____ Date: _____

Homeowner Signature: _____ Date: _____

.....
Mail to: Lotus Limited Warranty, 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323



Congratulations on your decision to purchase a home.

As you know, there are a lot of factors to consider before signing on the dotted line. By now, you've probably checked out the location of the home you like the best. You know how much the seller wants, how many bedrooms there are, whether your dining room table will fit, where you'll park your car and lots of other important things.

But wait, there's still one more important thing you really ought to do.

You wouldn't buy a car without asking how many miles-per-gallon it gets, would you? So why would you even think of buying a house without knowing how much the power bills will be? That's why now is the perfect time to get an EnergyGauge® rating on the house.

Since 1994, there has been a voluntary, statewide energy-efficiency rating system for homes in Florida. Prospective homeowners just like you, all around the state, are getting their homes rated before they make their purchase.

There are several very important reasons why:

▲ **Energy ratings give homebuyers a market-place yardstick that measures the benefits of energy-efficiency.** You get detailed estimates of how much your energy use will cost.

▲ **Energy ratings give you clear and specific information that lets you compare similar homes on their energy use.** Two homes might look similar, but one may be efficient and comfortable, and the other an energy-guzzler with a very uncomfortable interior.

Thinking About Buying a Home? Get An EnergyGauge® Rating!

Consider the Benefits:

- ▲ More Home for Less Money
- ▲ Tested Quality Construction
- ▲ Enhanced Indoor Comfort
- ▲ Superior Energy Efficiency
- ▲ More Environmental Sustainability
- ▲ Improved Mortgage Options
- ▲ Greater Resale Value

▲ Maybe most important of all, **the national Home Energy Rating System (HERS) Index on the energy rating can qualify you for a number of special mortgage programs that offer lower interest rates, lower closing costs, and other benefits.** Some lenders may offer special financing.

Before buying your next home, hire a Certified Energy Rater to do a rating.

Your builder or Realtor can help you find a Certified Rater in your area. After the rating, you'll get an easy-to-understand Energy Guide that estimates how much it will cost to pay for energy used in that home.

For many years, buyers have had home inspectors look over a home before making their purchase. This is a great way to find out about potential house problems before you make your purchase. Smart homebuyers around the country are now also asking for a home energy rating to look specifically at the energy-use in a home and determine efficiency. Because energy costs can equal house payments, the relatively small cost of a home energy rating can easily be offset by many years of lower energy payments.

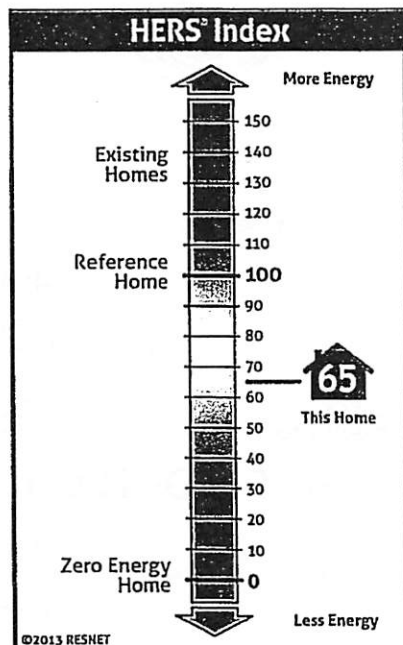
You're already familiar with the miles-per-gallon stickers on new automobiles, and the yellow Energy Guide labels on home appliances. Shoppers use this information to figure out how much that car or appliance is really going to cost them. This information gives the buyer

a good estimate of what it will cost to operate that car or use that appliance, over and above the purchase price. A car or product that is cheaper to buy can often be more expensive to operate, so this information can be very important to assure that you make the best purchase decision.

Here's how the EnergyGauge® program works.

After the rating, you'll get an easy-to-read form like the one on the next page. The Rating Guide has a scale that allows you to compare the specific home you're looking at with the most efficient and the least efficient homes of the same size, with the same number of bedrooms available in your part of the state today.

One of the keys to the success of this program is the uniformity of ratings, made possible by the use of the EnergyGauge® software developed by the Florida Solar Energy Center®. It has been specially designed to let Raters input the key data on the home and obtain accurate information for comparison purposes.



©2013 RESNET

Beyond a home energy rating, how can you reduce your energy use and save money?

That's easy. While the design and construction of your home, and the efficiency of its appliances and equipment, control the most significant portion of its energy use, occupant lifestyle will still have a big effect on exactly how much energy gets used. Your comfort preferences and personal habits - the level at which you set the thermostat, whether or not you turn off lights and fans when leaving a room, how much natural ventilation you use, and other factors - will all affect your home's actual monthly energy use.

Florida's program parallels national activities.

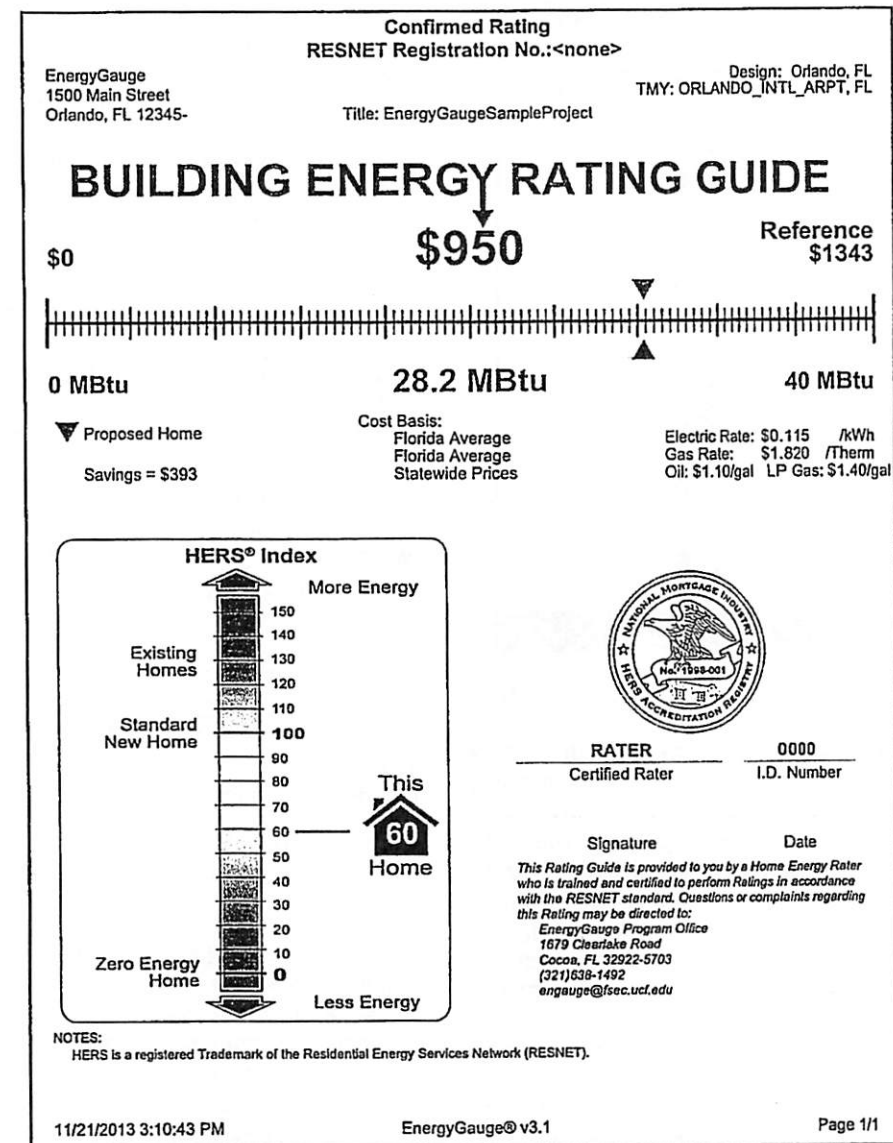
The Residential Energy Services Network (RESNET) sets the national standards for the Home Energy Rating System (HERS), and the Florida Solar Energy Center's Energy Gauge system meets these standards. The Florida Building Energy Rating Guide provides a HERS Index for the home. This national score enables homes to qualify for national mortgage financing options requiring a HERS Index. This index is computed in accordance with national guidelines, considering the heating, cooling, water heating, lighting, appliance, and photovoltaic energy uses. HERS awards stars to the rating.

Tell your Realtor or builder that you want to get the home rated before you buy it.

They can give you the names of Raters in your area. Additional information on the program is available from the Energy Gauge Program Office at 321-638-1422, or visit our Web site at www.floridaenergycenter.org.

Who does Energy Ratings?

It is important to note that only Certified Raters are allowed to perform ratings. These Raters have undergone rigorous training programs and have passed the RESNET National Core exam and the required challenge exams. They are also required to undergo continuing education classes and additional exams to keep their



certifications current. An on-going quality control program also watches over their Ratings and their work. All their Ratings are submitted to a central registry that checks them for accuracy and compiles generic building data.

Energy Ratings in Florida

The Florida Building Energy-Efficiency Rating Act (Florida Statute 553.990) was passed by the State Legislature in 1993 and amended in 1994. It established a voluntary state-wide energy-efficiency rating system for homes. The Rating System has been adopted by DCA Rule 9B-60. Modifications were made by the Legislature in 2013.



The EnergyGauge® Program Building Energy Rating System

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E-Mail: info@energygauge.com
www.floridaenergycenter.org



LOTUS

BOCA RATON

RECEIPT FOR DOCUMENTS

1. Declaration of Covenants, Restrictions and Easements for Lotus recorded October 15, 2019, in Official Records Book 30955, at Page 528 of the Public Records of Palm Beach County, Florida
 - Exhibit A Legal Description of Property
 - Exhibit B Amended and Restated Articles of Incorporation of Lotus Homeowners Association, Inc.
 - Exhibit C Bylaws of Lotus Homeowners Association, Inc.
 - Exhibit D Rules and Regulations of Lotus Homeowners Association, Inc.
2. First Amendment to Declaration of Covenants, Restrictions and Easements for Lotus recorded December 5, 2019 in Official Records Book 31109, Page 576 of the Public Records of Palm Beach County, Florida
3. Second Amendment to the Declaration of Covenants, Restrictions and Easements for Lotus recorded June 30, 2021 in Official Records Book 32642, Page 839 of the Public Records of Palm Beach County, Florida
4. Lotus Recreational Amenities Release and Waiver
5. Adopted Estimated Operating Budget of Lotus Homeowners Association, Inc.
6. Estimated Full Build-Out Operating Budget of Lotus Homeowners Association, Inc.
7. Escrow Agreement
8. Dwelling Warranty
9. Informational Brochure Regarding Energy Efficiency
10. Receipt for Documents

PURCHASER

PURCHASER

Lotus, Lot: _____

Date: _____



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Lotus, Lot: _____

Date: _____

[THIS COPY TO BE SIGNED AND DELIVERED TO DECLARANT]



LOTUS

BOCA RATON

ALTERNATIVE MEDIA DISCLOSURE STATEMENT

The documents listed in the Receipt for Documents for Lotus are alternatively available on a USB Flash Drive in lieu of printed paper copies. The USB Flash Drive contains the documents in PDF file format and requires a computer capable of viewing files on such PDF format, including, without limitation, a PDF viewer such as Adobe Acrobat Reader. The USB Flash Drive has both USB-A and USB-C connectors for compatible computers.

YOU SHOULD NOT SELECT THIS TYPE OF ALTERNATIVE MEDIA UNLESS YOU WILL HAVE THE MEANS TO VIEW AND READ THE DOCUMENTS PRIOR TO EXECUTION OF A PURCHASE CONTRACT FOR THE PURCHASE OF A HOME IN LOTUS.

Having read the foregoing and fully understanding the requirements to viewing files on the USB Flash Drive, the undersigned Purchaser(s) hereby elect to receive all the documents listed in the Receipt for Documents for Lotus as follows (place *initials* next to only one choice below):

_____ Documents in electronic format on USB Flash Drive, OR

_____ Printed hard copies of Lotus documents.

PURCHASER

PURCHASER

Lotus, Lot: _____

Date: _____