

Return to:

Peter Dunbar
Dean Mead Law Firm
106 E College Ave., Suite 1200
Tallahassee, FL 32301
850/999-4100

Cross-Reference: Declaration Book 3513
Page 561
By-Laws Book 3978
Page 0846

SEVENTH AMENDMENT TO THE
AMENDED, RESTATED AND INTEGRATED DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS AND COMMUNITY COVENANT
FOR
THE SOUTHWOOD RESIDENTIAL COMMUNITY
AND
SECOND AMENDMENT TO AMENDED AND RESTATED
BY-LAWS
OF
SOUTHWOOD RESIDENTIAL COMMUNITY ASSOCIATION, INC.

THIS SEVENTH AMENDMENT TO THE AMENDED, RESTATED AND INTEGRATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND COMMUNITY COVENANT FOR THE SOUTHWOOD RESIDENTIAL COMMUNITY ("Seventh Declaration Amendment") and SECOND AMENDMENT TO AMENDED AND RESTATED BY-LAWS OF SOUTHWOOD RESIDENTIAL COMMUNITY ASSOCIATION, INC. ("Second Bylaws Amendment") are made as of the date set forth below by the St. Joe Company, a Florida Corporation ("Declarant").

WITNESSETH

WHEREAS, on May 25, 2006, Declarant recorded that certain Amended, Restated and Integrated Declaration of Covenants, Conditions, and Restrictions and Community Covenant for the Southwood Residential Community in Deed Book 3513, Page 561, *et seq.*, of the Official Records of Leon County, Florida (as amended and supplemented from time to time, the "Declaration") and on May 1, 2009, Declarant recorded that certain Amended and Restated By-Laws of Southwood Residential Community Association, Inc., in Deed Book 3978, Page 846, *et seq.*, of the Official Records of Leon County, Florida (as amended and supplemented from time to time, the "By-Laws") ; and

WHEREAS, pursuant to Section 22.1 of the Declaration, during the Class "B" Control Period, Declarant may unilaterally amend the Declaration for any purpose;

WHEREAS, pursuant to Section 6.6(a) of the By-Laws, during the Class "B" Control Period, Declarant may unilaterally amend the By-Laws for any purpose;

WHEREAS, the Class "B" Control Period has not expired or been terminated and at such time as Declarant shall terminate its Class "B" membership, the Declarant shall retain all Declarant

rights, including rights described in Article XI to continue to annex property described in Exhibit "B" to the Declaration;

WHEREAS, at the request of the Non-Declarant Board representatives and the Association's legal counsel, Declarant agrees to amend the Declaration and By-Laws in the manner set forth herein; and

WHEREAS, these proposed amendments to the Declaration and By-Laws in no manner eliminate or otherwise impact the Declarant's ability to add property to the subdivision.

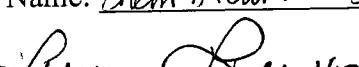
NOW, THEREFORE, pursuant to Declarant's reserved authority, Declarant hereby amends the Declaration and By-Laws as set forth herein below:

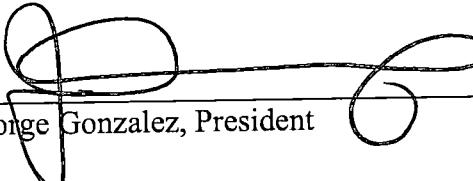
This 9 day of Aug, 2021.

DECLARANT/CLASS "B" MEMBER:
THE ST. JOE COMPANY, a Florida corporation

Witnessed By:

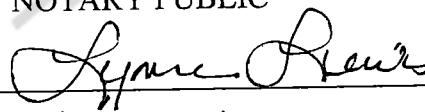
By: 
Print Name: Shem A. Janikowski

By: 
Print Name: LYNNE LEWIS
State of Florida
County of BAY

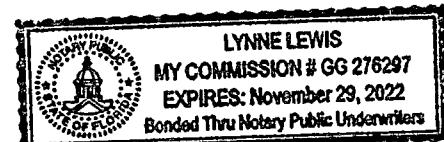
By: 
Jorge Gonzalez, President

The foregoing instrument was acknowledged before me, by means of physical presence or mobile notarization, this 9 day of August, 2021, by Jorge Gonzalez as President of The St. Joe Company. He is personally known to me or has produced as identification.

NOTARY PUBLIC

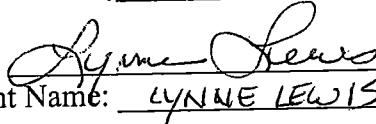
sign 
print LYNNE LEWIS

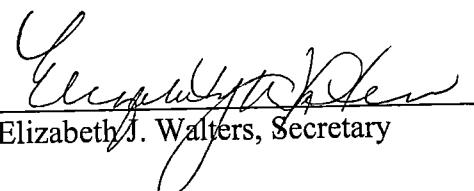
State of Florida at Large (Seal)
My Commission expires:



Witnessed By:

By: 
Print Name: Sherri A. Jankowski

By: 
Print Name: LYNNE LEWIS

By: 
Elizabeth J. Walters, Secretary

[seal]

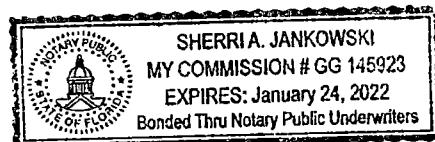
State of Florida
County of Bay

The foregoing instrument was acknowledged before me, by means of physical presence or mobile notarization, this 6th day of August, 2021, by Elizabeth J. Walters as Secretary of The St. Joe Company. She is personally known to me, or has produced _____ as identification.

NOTARY PUBLIC

sign 
Sherri A. Jankowski

print Sherri A. Jankowski
State of Florida at Large (Seal)
My Commission expires:



SEVENTH AMENDMENT
TO
AMENDED, RESTATED AND INTEGRATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE SOUTH RESIDENTIAL COMMUNITY

[Proposed New Language is underlined. Proposed Deleted Language is ~~stricken~~.]

Article I **Creation of the Community**

1.3 **Governing Documents.**

The Residential Community's Governing Documents consist of the following, as each may be amended:

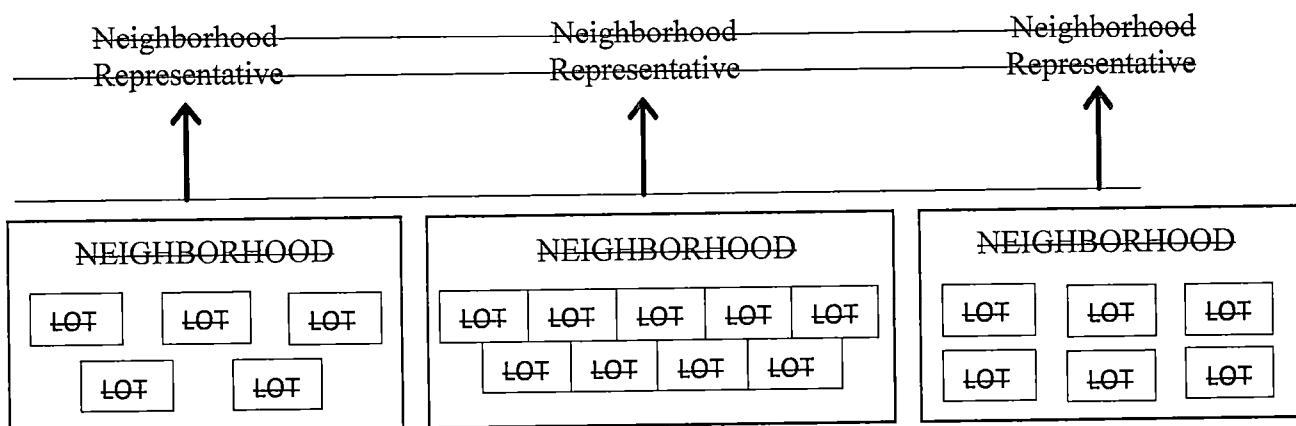
Additional restrictions or provisions which are more restrictive than the provisions of this Declaration may be imposed on any portion of the Residential Community, in which case, the more restrictive provisions will be controlling. However, no Person shall Record any additional covenants, conditions, or restrictions affecting any portion of the Residential Community without Declarant's written consent, so long as Declarant or any Affiliate of Declarant owns any property described in Exhibit "A" or "B". Thereafter, Members ~~Neighborhood Representatives~~ representing at least 75% of the Association's total Class "A" votes must consent. Any instrument Recorded without the required consent is void and of no force and effect.

Article II **Concepts and Definitions**

"Community Enhancement Fee": A fee levied by the Association upon certain real property transfers, as provided for in Article IX ~~VII~~.

"Limited Common Area": A portion of the Common Area primarily benefiting one or more, but less than all, Neighborhoods or Owners, as more particularly described in Article XIV ~~XII~~.

"Neighborhood Representative": The individual selected by the Class "A" Members within a Neighborhood to cast their votes on Association matters (except where Members are required to cast their own votes).



[Note: Number of Lots shown in each Neighborhood is for demonstrative purposes only. Actual numbers may vary from one Neighborhood to another and could be substantially more or less than number of Lots shown. Refer to Section 6.4(b) and 6.5 for more detailed explanation of representative voting.]

...

"Residential Community": The real property described in Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article XI IX.

...

"Neighborhood Voting Group": One or more Neighborhood Representatives, or a groups of Members, who are eligible to run for particular Board seats vote on a common slate for electing directors, as described in Section 6.5 and as provided in the By-Laws.

Article III Use and Conduct

3.1 Restrictions on Use, Occupancy, and Alienation.

The restrictions set forth in this Section may be amended only in accordance with Article XXII.

...

3.4 Rule Making Authority.

(a) Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and the Members, the Board may change (*i.e.*, modify, cancel, limit, create exceptions to, or add to) the Use Restrictions. ~~The Board shall send the Neighborhood Representatives notice of any proposed change at least five business days before the Board meeting to consider the change. The Neighborhood Representatives shall have a reasonable opportunity to be heard at such Board meeting.~~

(b) Alternatively, the Members Neighborhood Representatives, representing a majority of the Class "A" votes in the Association, at an Association meeting duly called for such purpose, may vote to change the Use Restrictions then in effect. Any such change shall require approval of the Class "B" Member, if any.

(c) Before any Use Restriction change becomes effective, the Board shall send a copy of the new or changed Use Restriction to each Owner. The change does not become effective until 30 days following distribution to the Owners. The Association shall provide to any requesting Member or Mortgage, without cost, a copy of the Use Restrictions then in effect.

The proposed change shall be approved unless disapproved by Members Neighborhood Representatives representing a majority of the Association's Class "A" votes, or by the Class "B" Member, if any. The Board is not obligated to call a meeting of the Members Neighborhood Representatives to consider disapproval unless it receives a petition which meets the By-Law's requirements for special meetings. If the Board receives such a petition before the change's effective date, the change shall not become effective until after a meeting is held, and then subject to the outcome of the meeting.

3.5 Protection of Owners and Others.

...
(b) Displays. Owners' right to display religious signs, symbols, and decorations on their Lots of the kinds normally displayed in single-family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to such displays.

The Association shall not regulate the content of political signs' however, it may regulate the time, place, number, and manner of posting such signs (including design criteria).

...
The limitations in Sections 3.5(a) through (f) shall not apply to amendments to this Declaration adopted in accordance with Article XXII.

Article IV Architecture and Landscaping

4.2 Architectural Review.

(a) By Declarant. Declarant shall have exclusive authority to administer and enforce architectural controls and to review and act upon all applications for architectural and other improvements within the Residential Community. Declarant's rights under this Article shall continue for as long as Declarant or any Affiliate of Declarant owns any portion of the Residential Community or has a unilateral right to annex property under Section 11.1 9.1, unless Declarant earlier terminates its rights in a Recorded instrument. Declarant may designate one or more Persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, Declarant or its designee acts solely in Declarant's interest and owes no duty to any other Person.

...

4.3 Guidelines and Procedures.

(a) Architectural Guidelines. Declarant may prepare the initial Architectural Guidelines, which may contain general provisions applicable to all of the Residential Community as well as specific provisions which vary from Neighborhood to Neighborhood. The Architectural Guidelines are intended provide guidance to owners and builders regarding matters of particular concern to the reviewer. The architectural guidelines are not exclusive basis for the Reviewer's decisions, and compliance Architectural Guidelines is not guaranteeing applicant's approval.

Declarant shall have sole and full authority to amend the Architectural Guidelines as long as it or any Affiliate of Declarant owns any portion of the Residential Community or has a unilateral right to annex property under Section 11.1 9.1. Declarant's right to amend shall continue even if its reviewing authority is delegated to the ARC, unless Declarant also delegates the power to amend to the ARC. Upon termination or delegation of Declarant's right to amend, the Board may amend the Architectural Guidelines.

...

(b) Procedures. Unless the Architectural Guidelines provide otherwise, no construction activities or other activities described in Section 4.1 may begin until a request is submitted to and approved by the Reviewer. The request must be in writing and be accompanied by plans and specifications and other information the Reviewer or the Architectural Guidelines require. Plans and specifications shall show, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features or proposed construction.

...

As long as Declarant or any Affiliate of Declarant owns any portion of the Residential Community or has the unilateral right to annex property under Section 11.1 9.1, the ARC shall notify Declarant in writing within three business days of any action (*i.e.*, approval, partial approval, or disapproval) it intends to take under this Article. A copy of the application and any additional

information that Declarant may require shall accompany the notice. During such time, Declarant shall have the right, in its sole and absolute discretion, to veto any ARC action; provided, Declarant's right to veto must be exercised within 10 business days after it receives notice of the ARC's action. The party submitting the plans for approval shall not be notified of the ARC's action until after Declarant's right to veto has been exercised or has expired.

~~If the Reviewer fails to respond in a timely manner, approval shall be deemed given, subject to Declarant's veto right. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Architectural Guidelines unless a written variance has been granted pursuant to Section 4.5.~~

...

4.6 Limitation of Liability.

...

Declarant, Declarant's Affiliates, the Association, its officers, the Board, the ARC, the Association's management agent, any committee, or any member of any of the foregoing shall not be held liable for (a) the approval of, disapproval of, or failure to approve or disapprove any plans; (b) soil conditions, drainage, or other general site work; (c) any defects in plans revised or approved hereunder; (d) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a Builder within Southwood; or (e) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Association shall defend and indemnify the Board, the ARC, the members of each, and the Association officers as provided in Section 7.10 ~~7.6~~.

4.8 Enforcement.

...

The Association shall be primarily responsible for enforcing this Article. If, however, in Declarant's discretion, the Association fails to take appropriate enforcement action within a reasonable time period, Declarant, for so long as it or any Affiliate of Declarant owns any portion of the Residential Community or has the unilateral right to annex property into the Residential Community under Section 9.1, may, but shall not be obligated to, exercise the enforcement rights set forth above. In such event, Declarant may assess and collect Benefited Assessments against the violating Owner and assert the Association's lien rights pursuant to Article VIII. The Association hereby assigns to Declarant such rights and authority, including the right to all funds collected, and no further assignments shall be required.

In addition to the foregoing, the Association and Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the Reviewer's decisions. ~~The alternative dispute resolution provisions set out in~~

~~Article XIV shall not apply to actions by Declarant or the Association to enforce the provisions of this Article of the Reviewer's decisions.~~

Article V. Maintenance and Repair

5.1 Maintenance of Lots.

Each owner must maintain his or her Lot, including all structures, landscaping, and other improvements comprising the Lot, in a manner consistent with the Governing Documents, the Community-Wide Standard, and any other applicable covenants, unless such maintenance responsibility is otherwise assumed or assigned to (and accepted by, if appropriate) the Association, a Neighborhood Association, or a CDD under this Declaration or any Supplemental Declaration, additional covenants applicable to such Lot, or by law.

Each owner is also responsible for maintaining irrigating landscaping located in the public right-of-way adjacent to his or her Lot. The Board of Directors has the authority adopt rules and regulations regarding the routine cleaning and pressure washing of any sidewalks located on a Lot or in the public right-of-way adjacent to a Lot or abutting any landscaping area for which a Lot Owner is responsible for maintaining. Prior to the issuance of the certificate of occupancy for, and the actual occupying of, a dwelling on a Lot, and the Association shall provide for such maintenance and irrigation and assess its costs against the benefited Lot owner and Owner as a Benefited Assessment. After issuance of a certificate of occupancy for, and the actual occupying of, a dwelling on the Lot, the Owner shall maintain and irrigate such landscaping at his or her own expense.

5.4 Association As Authorized Agent and Attorney-In-Fact.

If the Association is obligated in this Declaration or any Supplemental Declaration to undertake the maintenance, repair, or replacement of a portion of a Lot or any improvements thereon, the Association and any Association vendor or contractor shall be deemed to be the agent and attorney-in-fact for the record owners of the Lot to secure any required permits and governmental approvals required for such maintenance, repair, or replacement and for executing any associated documents required by law or by the local government including, but not limited to, the Notice of Commencement required by Section 713.13, Florida Statutes.

Article VI The Association and its Members

6.3 Voting.

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

(e) ~~Exercise of Voting Rights. Except as otherwise specified in this Declaration or the By-Laws, Neighborhood Representatives shall exercise the vote for each Lot a Class "A" Member owns; provided, until a Neighborhood Representative is first elected for a Neighborhood, each Owner within such Neighborhood may personally to cast the vote attributable to his or her Lot on any issue requiring a membership vote under the Governing Documents. A Neighborhood Representative may cast the number of votes corresponding to the number of eligible Class "A" votes within his or her Neighborhood.~~

~~Prior to any scheduled vote, a Neighborhood Representative shall poll the Owners within the Neighborhood and allow a reasonable time for response. Polling may be done through posting notice of the vote in a conspicuous, prominent place within Southwood, by publication in a newsletter circulated to eligible voters, via the Residential Community's intranet site, or such other method as the Neighborhood Representative deems, in its discretion, reasonably calculated to provide notice to such Owners. Any notice shall provide specific instructions on how voting direction may be conveyed to the Neighborhood Representative. For each Lot for which specific voting direction is given, the Neighborhood Representative shall vote as directed. For each Lot from which no direction or conflicting direction is given, the Neighborhood Representative may cast the vote for such Lot as he or she, in his or her discretion, deems appropriate.~~

6.4 Neighborhoods.

(a) Every Lot shall be located within a Neighborhood. Lots within a particular Neighborhood may be subject to covenants in addition to those contained in this Declaration and, if required by law or if Declarant otherwise approves, the Owners within the Neighborhood may be members of a Neighborhood Association in addition to the Association.

Exhibit "A" to this Declaration, any Supplemental Declaration, and any Plat may assign property to a specific new or existing Neighborhood (by name or other identifying designation). So long as it has the right to subject additional property this Declaration pursuant to Section 11.1 9.4, Declarant may unilaterally record a Supplemental Declaration or amend this Declaration or any Supplemental Declaration to create Neighborhoods, re-designate Neighborhood boundaries, or combine two or more existing Neighborhoods. Thereafter, the Board may amend this Declaration or any Supplemental Declaration to re-designate Neighborhood boundaries; provided it may not combine to them our existing Neighborhoods without the consent of Owners of a majority of the Lots in the affected Neighborhoods.

...

6.5 Neighborhood Voting Groups.

~~As provided in the By-Laws, there are two (2) Neighborhood Groups, which are the "At-Large Group" and the "Neighborhood Assessment Group." The "At-Large Group" is comprised of all the Lots not subject to Neighborhood Assessments. The "Neighborhood Assessment Group" is comprised of all the Lots subject to Neighborhood Assessments. Before the Class "B" Control Period expires, Declarant, in its sole discretion, may combine different Neighborhoods into Voting~~

Groups for the purpose of electing directors to the Board. The purpose of Neighborhood Voting Groups is to provide for representation on the Board by the groups with dissimilar interest and to avoid particular groups dominating the Board due to the number of votes held by such groups. Declarant shall establish Voting Groups, if at all, by Recording a Supplemental Declaration identifying the Voting Group in any manner by which the Lots within the Voting Group can clearly be determined. Declarant may amend such designations, in its sole discretion, at any time during the Class "B" Control Period. In any event, each Voting Group shall elect an equal number of directors to the Board.

After Declarant's Class "B" Control Period right to appoint Voting Groups expires, the Board, with the approval of a majority of the total Class "A" votes in the Association, may create, eliminate one or more Voting Groups, or change existing Neighborhood Voting Groups, by amending this Recording a Supplemental Declaration or amending a previous Supplemental Declaration and the By-Laws.

Neither Recording nor amending a Supplemental Declaration to create or change Voting Groups shall be an amendment to this Declaration, and no consent or approval of any Person shall be required except as stated in this Section. Until Voting Groups are established, the Residential Community shall be a single Voting Group. After Voting Groups are established, all portions of the Residential Community not assigned to specific Voting Group shall together constitute a single Voting Group. No more than five (5) Neighborhood Voting Groups shall be created.

6.6 At Large Representatives.

"At Large Representatives" shall be designated or elected to serve as directors on the Board. At Large Representatives shall be residents of the Residential Community and, except for Declarant's designee, elected by votes cast by the Class "A" Members within the Residential Community. For each At Large Representative election, the candidate who receives the greatest number of votes shall be elected as the At Large Representative. Except as provided below with respect to the initial terms, each At Large shall serve a two year term. At Large Representatives may serve no more than two consecutive terms.

Declarant shall appoint the initial At Large Representative, along with the initial Neighborhood Representatives, no later than at such time as 25% of the Lots anticipated for the Residential Community under the Master Plan have been conveyed to Class "A" Members other than Builders. Within 30 days after Class "A" Members other than Builders own 50% of the Lots anticipated for the Residential Community under the Master Plan, or whenever Declarant earlier determines, the Board shall call for an election by the Class "A" Members of an additional At Large Representative who shall serve until the mid point of the other At Large Representative's term (provided, if the mid point first occurs within one year of being elected, the additional At Large Representative shall serve until the mid point of the other At Large Representative's next two year term). Thereafter, a new At Large Representative shall be elected annually, and at all times, the Residential Community shall have two At Large Representatives with the two year term of each being staggered.

~~An election for an At Large Representative shall take place annually and, if applicable, at the same time as elections for Neighborhood Representatives. Elections shall be by written ballot without the necessity of a meeting. The person receiving the greatest number of votes shall be elected. A quorum shall not be required to elect an At Large Representative.~~

~~Any At Large Representative (other than Declarant's designee) may be removed, with or without cause, upon the vote or written petition of Owners of a majority of the Lots owned by Class "A" Members.~~

Article VII Association Powers and Responsibilities

...

7.2 Maintenance of Common Maintenance Areas.

The Association shall maintain the Common Maintenance Areas in accordance with the Community-Wide Standard. The Common Maintenance Areas shall include, but are not limited to:

...

(d) Any mailbox kiosks. However, Owners served by the mailbox kiosks shall be responsible for the keys and locks associated with the individual mailbox assigned to the Lot. As may be necessary, the Board may adopt rules regulating the use of the mailbox kiosk mailboxes.

...

The Association shall maintain the facilities equipment within the common maintenance areas in a continuous operation except for any periods necessary, as determined by the Board, to perform required maintenance repairs, unless the Board and Members Neighborhood Representatives representing 75% of the Class "A" votes in the Association agree in writing to discontinue such operation (which may include closing and/or demolishing such facilities or equipment); provided, if the property is Limited Common Area, at least 75% of the Owners to whom such Limited Common Area is assigned (or such higher percentage as a Supplemental Declaration may require) also must agree in writing. Notwithstanding above, the Common Maintenance Areas may not be reduced, nor shall any of its facilities included be discontinued, without Declarant's prior written approval so long as Declarant or any Affiliate of Declarant owns any property described in Exhibit "A" or "B" to this Declaration.

...

7.7 Insurance.

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

policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.1(a) 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or tenants, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as Benefited Assessment.

...

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the Members Neighborhood Representatives representing at least 75% of the total Class "A" votes in the Association and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. If the damage is to Limited Common Area, repairs shall be made unless at least 75% of the Owners to whom such Limited Common Area is assigned vote not to repair or reconstruct and the Class "B" Member, if any, consents. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period may be extended until such funds or information are available. No Mortgagors shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

7.8 Compliance and Enforcement.

(a) The board may impose sanctions for Governing Document violations, which include those listed below and any others described elsewhere in the Governing Documents. The Board may establish a range of penalties for different violations, with violations of the Declaration, unsafe conduct, and harassment or intentionally malicious conduct treated more severely than other violations. The following sanctions may require prior notice and opportunity for hearing in accordance with the By-laws:

(i) imposing reasonable monetary fines not to exceed \$250 \$100 per violation (or per day in the case of a continual violation, except that in the case of a continuing violation, only a single notice and opportunity for hearing is required). Fines may be imposed within a

graduated range, as may be determined by the Board. There shall be no limit on the aggregate amount of any fine for a continuing violation shall not exceed \$10,000;

(ii) suspending any Person's right to use the Common Area amenities (except that no notice or hearing is required if the Owner is more than 90 60 days delinquent in paying any assessment or other charge owed to the Association); provided, nothing shall authorize the Board to impair an Owner or occupant's access to his or her Lot.

Article VIII Association Finances

8.2 Budgeting and Allocating Neighborhood Expenses.

If the proposed budget for any Neighborhood is disapproved under Section 8.9 8.10, or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the year before shall continue for the current year.

8.4 Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Special Assessments may be levied against the entire membership, if the Special Assessment is for Common Expenses, or against the Lots within any Neighborhood, if the Special Assessment is for Neighborhood Expenses. Except for expenses related to maintenance, repair, or replacement or as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of all Members Neighborhood Representatives (if a Common Expense) or Members (if a Neighborhood Expense) representing at least a majority of the total votes allocated to Lots which will be subject to the Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if any. Special Assessments shall be payable in such manner and at such times as the Board determines, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.7 Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any Lot, covenants and agrees to pay all assessments authorized in the Governing Documents for each Lot owned. All assessments, together with interest (computed from the assessment's due date at a rate of at least 18% 12% per annum or such higher rate as the Board may establish, subject to Florida law), late charges on delinquent installments in an amount equaling the greater of \$25 or 5% of the late installment or such higher amount as the Board may establish, subject to Florida law as determined by Board resolution, costs and reasonable attorney's

fees, shall be personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

...

8.9 Limitation on Assessment Increases.

Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations or necessary to pay expenses related to maintenance, repair, or replacement obligations of the Association under this Declaration, after termination of the Class "B" Control Period, any Regular Assessment that is more than 10% greater than such assessments for the immediately preceding fiscal year is subject to disapproval at a Membership meeting by ~~Neighborhood Representatives~~ representing 75% of the Class "A" Members subject to such assessment. Except for increases necessary for emergency situations or necessary to pay expenses related to maintenance, repair, or replacement obligations of the Association, after termination of the Class "B" Control period, any Neighborhood Assessment that is more than 10% greater than such assessment for the immediately preceding fiscal year is subject to disapproval at a meeting by Members representing a majority of the Class "A" votes within the Neighborhood subject to such assessment. There shall be no obligation to call a meeting for the purpose of considering the disapproval of any budget except on petition of the Members subject to assessment under the budget, as provided for special meetings in the By-Laws. Any such petition must be presented to the Board within 10 days after delivery of the budget and notice of any assessment.

8.11 Use and Consumption Fees; Licenses and Royalties.

As set forth in Section 12.6 ~~10.6~~, the Association may enter into license agreements with Declarant or other parties which permit the Association's use of trade names or service marks (e.g., use of the name Southwood). To the extent permitted by such license agreements, the Board may enter into sub-license agreements, under negotiated terms, which permit others within the Residential Community to use such trade names and/or service marks. The Association may charge fees and collect royalties in connection with such sub-license agreements; provided, Declarant and any Affiliate of Declarant shall be exempt from payment of such license fees.

Article XI Expansion of the Community

...

11.2 Annexation by the Association.

The Association also may annex property to the provisions of this Declaration by a Recorded Supplemental Declaration which describes the additional property. Annexation by the Association shall require the affirmative vote or written consent of Members ~~Neighborhood Representatives~~ representing more than 50% of the Class "A" votes and the consent of the property owner. In addition, so long as Declarant or any Affiliate of Declarant owns property subject to this

Declaration or which may become subject to this Declaration in accordance with Section 11.1, Declarant's consent is required. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the owner of the property, and by Declarant, if Declarant's consent is required.

...

Article XIII Easements

13.1 Easements in Common Area.

Declarant grants to each Owner a right and easement of use, access, and enjoyment in and to the Common Area, subject to:

...

(d) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Limited Common Areas," as described in Article XIV XII.

...

13.3 Easements for Utilities, Etc.

...

(c) Minimal Interference. All works associated with the exercise of the easements described in Sections 13.3 11.3(a) and (b) shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

Article XIV Limited Common Areas

14.2 Designation.

Initially, any Limited Common Area shall be designated as such in a Supplemental Declaration, the deed conveying such area to the Association, or on a Plat; provided, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common

Area to additional Lots and/or Neighborhoods, so long as Declarant has a right to annex property pursuant to Section 11.1 9.1.

In addition, the Board may assign or reassign Limited Common Area upon the vote of Members Neighborhood Representatives representing a majority of the total Class "A" votes in the Association, and of Members representing a majority of the Class "A" votes within the Neighborhood(s) affected by the proposed assignment or reassignment. As long as Declarant or any Affiliate of Declarant owns any property subject to this Declaration or has a right to annex property pursuant to Section 11.1, Declarant's written consent also is required.

Article XV Party Walls and Other Shared Structures

15.1 General Rules of Law to Apply.

Each wall, fence, driveway, or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to party structures. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XVI XIV.

ARTICLE XVI Dispute Resolution

16.1 Agreement to Encourage Resolution of Disputes Without Litigation.

(a) Disputes arising out of this Declaration or any Supplemental Declaration between the Association and any Lot Owner, Tenant, or Guest are subject to Sections 720.305 and 720.311, as well as any other applicable law, ordinance, or regulation and shall not be required to follow the procedure set forth in Articles 16.1(b) and 16.2. The prevailing party in any action to enforce the provisions of this Declaration or any Supplemental Declaration that is not subject to Articles 16.1(b) and 16.2 shall be entitled to recovery of reasonable attorneys' fees and costs, including through appeal. Declarant, the Association and its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties"), agree to attempt to resolve disputes involving Declarant Southwood without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to, directly or indirectly, file a law suit for a Claim described in Section 16.1(b), without first submitting the Claim to the alternative dispute resolution procedures described in Section 16.2.

(b) As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

- (i) the interpretation, application, or enforcement of the Governing Documents;
- (ii) the rights, obligations, and duties of any Bound Party under the Governing

Documents:

(iii) the design or construction of improvements within the Residential Community, other than matters of aesthetic judgment under Article IV, which shall not be subject to review; and

(iv) Trespass, nuisance, property damage, and enforcement of laws, codes, or ordinances within Southwood.

Notwithstanding the above, the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 16.214.2:

(i) any Association action to collect assessments or other amounts due from any Owner;

(ii) any Association action to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two of this Declaration (relating to creation and maintenance of community standards);

(iii) any dispute which affects the material rights or obligations of a party who is not a Bound Party and has not agreed to submit to the procedures set forth in Section 16.214.2; and

(iv) any suit as to which the applicable statute of limitations would expire within 180 days of giving the Notice required by Section 16.2(a) 14.2(a), unless the party or parties against whom the Claim is made agree to toll, or extend, the Claim's statute of limitations to comply with this Article.

16.2 Dispute Resolution Procedures.

(a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written ("Notice") by mail or personal delivery to each Respondent, and to the Board, stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

(ii) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);

(iii) the Claimant's proposed resolution or remedy, and

(iv) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) Mediation. If the Bound Parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within such other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Tallahassee area. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the Bound Parties do not settle the Claim within 30 days after submitting the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Except as provided in Section 16.2(e)14.2(e), the Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Bound Parties. If any Bound Party thereafter fails to abide by the terms of such agreement, then any other Bound Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in the Section. In such event, the Bound Party taking action to enforce the agreement shall, upon prevailing, be entitled to recover from the non-complying Bound Party (or each one in equal proportions) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

(e) Actions Involving Declarant – Final and Binding Arbitration. Any dispute between an Owner or the Association and Declarant or any Affiliate of Declarant, including Claims which remain after conclusion of the dispute resolution procedures described in this section, shall be resolved by final and binding arbitration in accordance with this subsection. Such disputes shall not be submitted as a lawsuit or other proceeding in any Florida state court or federal court. Notwithstanding the above, disputes affecting the material rights or obligations of a third party who is not a party to or bound by such arbitration shall not be subject to this subsection.

This subsection is an agreement to arbitrate and is specifically enforceable under Florida law. Judgment may be entered upon the arbitration award in any court of competent jurisdiction to the fullest extent permitted under Florida law.

The Owner, the Association, Declarant, or an Affiliate of Declarant, as applicable, shall have until expiration of the applicable statute of limitations under Florida law (as would apply to the same claim being brought in a Florida or federal court) to submit the dispute to the American Arbitration Association for arbitration in Leon County. The American Arbitration Association shall appoint one neutral arbitrator to conduct the arbitration in accordance with its rules, unless all of the parties to such dispute agree to a greater number of arbitrators. The arbitrator(s) shall render a written judgment accompanied by findings of fact and conclusions of law.

If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and the Respondent shall be released and discharged from any and all liability to the Claimant arising out of the dispute. The parties shall share equally the costs of conducting the arbitration until a prevailing party is determined; provided, the prevailing party shall be entitled to recover all of its costs incurred in the action, including, without limitation, reasonable attorneys' fees.

[Dispute Resolution Timeline Graphic is to be deleted.]

16.3 — Initiation of Litigation by Association.

~~After the Class "B" Control Period, the Association shall need not initiate any judicial or administrative proceeding which is reasonably expected to cost at least \$100,000.00 in legal fees to prosecute to completion without Board approval upon the specific recommendation of the Dispute Resolution Committee (which shall be created as provided in the By Laws. The Dispute Resolution Committee's recommendation must be in writing and must be accompanied by a feasibility analysis including an explanation of the issues, a budget of legal and related expenses, in the amount of controversy, the expectation of success, and a copy of bids from a minimum of three qualified law firms.~~

Article XVIII Mortgagee Provisions

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

18.2 Special FHLMC Provision.

So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least 67% of the first Mortgagees or Members ~~Neighborhood Representatives~~ representing at least 67% of the total Association vote consent, the Association shall not:

- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);
- (b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Lot (a decision, including contracts, by the Board or provisions of any declaration subsequently Recorded on any portion of the Residential Community regarding assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration);
- (c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance, or maintenance of Lots and the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, or Use Restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);
- (d) Fail to maintain insurance, as required by this Declaration; or
- (e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

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

18.4 Amendments to Documents.

The provisions of this Section 18.4 apply only in the event a condominium has been established in the Residential Community and, in any event, do not apply to amendments to the constituent documents or termination of the Association as a result of destruction, damage, or condemnation pursuant to Section 18.3(a) and (b), or to the addition of land in accordance with Article XI.

(a) The consent of Members Neighborhood Representatives representing at least a majority 67% of the Class "A" votes and of Declarant, so long as it owns any land subject to this Declaration, and the approval of the Eligible Holders of first Mortgages on Lots to which at least 67% of the votes of Lots subject to a Mortgage appertain, shall be required to terminate the Association.

(b) The consent of Members Neighborhood Representatives representing at least a majority 67% of the Class "A" votes and of Declarant, so long as it owns any land subject to this Declaration, and the approval of Eligible Holders of first Mortgages on Lots to which more than 50% of the votes of Lots subject to a Mortgage appertain, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation, or to add any material provision thereto which establish, provide for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Common Area;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Area;
- (vi) responsibility for maintenance and repair of Southwood;
- (vii) expansion or contraction of the Residential Community or the addition, annexation, or withdrawal of properties to or from the Association;
- (viii) boundaries of any Lot;
- (ix) leasing of Lots;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Lot;
- (xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder or;
- (xii) any provisions included in the Governing Documents which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Lots.

...

Article XXI Changes in Common Area

21.1 Condemnation.

Whenever any part of the Common Area is taken or conveyed under threat of condemnation by any authority having the power of eminent domain, the Board shall determine, in the exercise of its business judgment, whether each Owner is entitled to notice.

The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

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

...

Article XXII Amendment of Declaration

...

22.2 By the Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by affirmative vote or written consent, or any combination thereof, of Members Neighborhood Representatives representing at least a majority 75% of the Association's total Class "A" votes. In addition, so long as Declarant or any Affiliate of Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 11.1, Declarant's written consent is required for any amendment. The approval requirements set forth in Article XIV XVI also shall be met, if applicable.

22.4 Exhibits.

Exhibits "A" and "B" are incorporated by this reference and this Article shall govern amendment of such exhibits. Exhibit "C" is incorporated by reference and may be amended as provided in Article III or pursuant to Sections 22.1 20.1 and 22.2 20.2. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

SECOND AMENDMENT TO AMENDED AND RESTATED
BY-LAWS
OF
SOUTHWOOD RESIDENTIAL COMMUNITY ASSOCIATION, INC.

[Underlined text is new. Deleted text is stricken.]

Article II: Membership: Meeting, Quorum, Voting, Proxies

...

2.3 Annual Meetings.

The Board shall schedule regular annual meetings to occur within thirteen (13) months of the prior annual meeting ~~120 days after the close of the Association's fiscal year~~, on such date and at such time and place as the Board shall determine. Annual meetings may be conducted electronically (*i.e.*, *via* the Internet, intranet, or teleconference) if, and to the extent, permitted by law.

2.4 Special Meetings.

The President may call a special meeting of the Association. It also shall be the President's duty to call a special meeting if so directed by Board resolution or upon petition of ~~Neighborhood Representative representing at least 10% of the Association's total Class "A" votes; provided, the Neighborhood Representatives must deliver to the Association's Secretary at least one written demand for the meeting, describing the meeting's purpose.~~ It shall also be the President's duty to call a special meeting of the Members within any Neighborhood that is subject to Neighborhood Assessments as provided in the Declaration if so directed by Board resolution or upon a written petition of Members representing at least 30% ~~10%~~ of the total votes in the Neighborhood.

~~If the President does not send notice of a special meeting pursuant to Section 2.5 within 30 days after the date written petition is delivered to the Association's Secretary, any Neighborhood Representative signing the demand may set the time and place of the special meeting and give the Association notice pursuant to Section 2.5.~~

2.5 Notice of Meetings.

The Association's Secretary shall cause written notice stating the place, day, and hour of any Association to be given in any manner permitted by Florida law. If permitted, notice may be posted in a conspicuous, prominent place within Southwood, delivered by hand delivery, or sent by facsimile, electronic mail, or other electronic communication device, or such other manner which is reasonably calculated, as determined in the Board's discretion, to provide personal notice to the ~~Neighborhood Representatives and/or~~ Members entitled to notice. Notice shall be given at least 10 but not less than 50 days before the date of the meeting, by or at the discretion of the President, Secretary, or the officers or Persons calling the meeting.

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

If posted, notice shall be deemed delivered when posted if mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Neighborhood Representative or Member at his or her address as it appears in the Association's records, with postage prepaid. If by facsimile, electronic mail, or other such electronic communication device, notice shall be deemed delivered when transmitted to the Neighborhood Representative or Member at his or her address or number as it appears in the Association's records. Failure to receive actual notice of an annual Association meeting shall not affect the validity of any action taken at such meeting.

...

Article III: Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1 Governing Body; Composition.

The Board of Directors shall govern the Association's affairs. Each director shall have one (1) vote. ~~Except for directors appointed by Declarant, d~~ Directors shall be Members ~~or residents~~ of the Residential Community. A director must be at least 18 years old. In the case of a Member who is not an individual, any officer, director, partner, or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no more than one (1) such representative of any Member, nor more than one (1) owner occupant of a particular Lot, may serve on the Board at any one time, ~~except in the case of directors the Class "B" Member appoints.~~

3.2 Number of Directors.

~~After the Declarant relinquishes control of the Association to the membership, t~~ The Board shall consist of ~~five (5) no more than seven~~ Class "A" Member-elected directors. ~~There shall be four (4) at-large director positions elected by a vote of all Class "A" Members (herein "At-Large Director(s)"). Eligibility for election to the four (4) At-Large Director positions is limited to Class "A" Members who own a Lot that is not subject to Neighborhood Assessments (herein "At-Large Group"). Eligibility for election to the remaining one (1) director position ("Neighborhood Director") is limited to Class "A" Members who own a Lot in a Neighborhood that is subject to Neighborhood Assessments (herein "Neighborhood Assessment Group"). Collectively, the At-Large Group and the Neighborhood Assessment Group are "Neighborhood Groups". Declarant may appoint additional directors. The exact number of directors will depend on the number of Voting Groups created. One director shall be elected from each Voting Group. The initial Board shall consist of the three directors identified in the Articles of Incorporation.~~

3.5 Election and Term of Office.

Notwithstanding any other provision of these By-Laws, one (1) Neighbor Director position is available for election in 2021. The Neighborhood Director candidate receiving the most votes shall be elected to a two (2) year term. Three (3) At-Large Director positions are available for election in 2021. The two (2) At-Large Director candidates receiving the most votes shall each be elected to a two (2) year term. The At-Large Director candidate receiving the third most votes shall be elected to a one (1) year term. At all elections after 2021, each director elected shall be elected to serve a two (2) year term.

(a) As provided in Article VI of the Declaration, Declarant shall appoint an At Large Representative not later than such time as Class "A" Members other than Builders own 25% of the Lots anticipated for the Residential Community under the Master Plan, or whenever the Class "B" Member earlier determines. At such time, one of the Class "B" Member appointed directors shall resign, and the At Large Representative shall serve as a director. The remaining two directors shall be Class "B" Member appointees. Until the happening of the event described below in subsection (b), At Large Representatives shall serve one year terms on the Board and shall be succeeded by the most recently elected At Large Representative.

(b) Within 30 days after Class "A" Members other than Builders own 50% of the Lots anticipated for Southwood under the Master Plan, or whenever the Class "B" Member earlier determines, the Board shall be increased to five directors. At such time, an additional At Large Representative shall be elected, and both At Large Representatives shall serve as directors. Notwithstanding the above, the terms on the Board of the At Large Representatives shall coincide with their two year terms as At Large Representatives. Upon expiration of their respective terms, and if not re-elected, their successors as At Large Representatives shall serve as directors for like terms. The remaining three directors shall be Class "B" Member appointees.

(c) Not later than the first annual meeting after the termination of the Class "B" Control Period, not more than five Voting Groups shall be created in accordance with the Declaration, and the Board shall hold an election at which the Neighborhood Representatives from each Voting Group shall elect a director. In order to establish staggered terms for such directors, at least one-half of the initial directors elected from the Voting Groups shall serve two year terms and the remainder shall serve one year terms, as such directors determine among themselves. In addition, the At Large Representatives shall continue to serve as directors and shall serve two year terms.

In the event the above results in an even number of directors, the Board members, by majority vote, shall elect one additional director. In the event of a tie in such voting, the Board President shall appoint the remaining director from among the candidates under consideration.

For so long as Declarant or any Affiliate of Declarant owns at least five percent of the Lots permitted under the Master Plan for all phases of the development of the Residential Community, the Class "B" Member may appoint one director. Thereafter, the director appointed by the Class "B" Member shall resign.

Upon expiration of the initial and all subsequent terms of the director elected from within a voting Group, the Neighborhood Representatives entitled to elect such directors shall elect

~~successors to serve two year terms. Notwithstanding the stated length of any term, directors shall hold office until their respective successors have been elected. Directors may not serve more than two consecutive two year terms.~~

~~Notwithstanding the above, the Board, as deemed necessary or convenient in the exercise of its reasonable discretion, may adjust the commencement of director terms (as staggered) to begin at the same time each year.~~

The directors which are not appointed by the Class "B" Member are referred to collectively as "Class "A" Directors."

[Diagram located at the end of Article 3.5 is hereby deleted.]

3.6 Removal of Directors and Vacancies.

Any Class "A" Director may be removed, with or without cause, by the vote of Class "a" Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members entitled to elect the director so removed to fill the vacancy for the remainder of such director's term. ~~Class "A" Directors may not be removed by the Class "B" Member.~~

~~In the event of the death, disability, or resignation of a director or if not enough eligible candidates timely file by the close of the candidate filing period, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members entitled to fill such directorship may elect a successor for the remainder of the term.~~

~~Unless after a reasonable search the Board of Directors is unable to find a qualified and willing replacement director from the applicable Voting Group, a Any Board-appointed director shall be selected from within the Voting Group represented by the director who vacated the position or from within the Voting Group having a director vacancy not filled by election, if applicable.~~

C. Powers and Duties.

3.16 Powers.

The Board shall have all of the powers and duties necessary for administering the Association's affairs and for performing all of the Association's responsibilities and exercising all of the Association's rights as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those

which the Governing Documents or Florida law require to be done and exercised exclusively by the Neighborhood Representatives or membership generally.

...

3.22. Borrowing.

The Association may borrow money for any legal purpose; provided, the approval of Neighborhood Representatives representing a majority of the Class "A" votes in the Association is required if the proposed borrowing is (a) for the purpose of making discretionary capital improvements; and (b) the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 20% of the Association's budgeted gross expenses for that fiscal year. If the borrowing of money is only for a Neighborhood that is subject to Neighborhood Assessments, then the approval shall be by a majority of the members in that Neighborhood. The approvals required by this Article 3.22 shall not apply to maintenance, repair, or replacement expenses.

During the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Neighborhood Representatives representing at least 67% of the total Class "A" votes. After the Class "B" Control Period terminates, no Mortgage lien may be placed in the Common Area, nor may assessments be pledged as security for any loan, without such approval as the Declaration may require.

...

3.24. Enforcement.

In addition to any other remedy provided by law or the Declaration, tThe Association may impose sanctions (fines and suspensions) for any violation of the Governing Documents. To the extent the Declaration specifically requires, the Board shall comply with the following procedures prior to imposition of sanctions:

(a) Notice. The Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a period of not less than 15 days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless the alleged violator challenges the violation within the allotted time period. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided, the Board or Covenants Committee may suspend any proposed sanction if the violation is cured, or if a diligent effort is made to cure, within the allotted period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

____ (b) Hearing. If the alleged violator requests a hearing within the allotted time period, the hearing shall be held before the Covenants Committee. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

____ (c) Appeal. Following a hearing before the Covenants Committee, the alleged violator shall have the right to appeal the decision to the Board. To exercise this right, the alleged violator must submit a written notice of appeal to the Association's manager, President, or Secretary within 10 days after being informed of the results of the hearing by the Association's manager or another Board officer or representative.

____ (d) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, if permitted under the Declaration, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the Declaration's dispute resolution procedures, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

Article VI: Miscellaneous

6.5 Notices.

Except as the Declaration or these By-laws otherwise provide, all notices, deletions, bills, statements or other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or by private carrier; if sent by United States mail; or, if the intended recipient has given its prior written authorization to such method of delivery, by facsimile, or electronic mail with written confirmation of transmission. Notice shall be deemed delivered or sent to the intended recipients as follows:

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

6.6 Amendment.

...
(b) By the Board. Except as provided above, these By-Laws may be amended only by a majority vote of the Board of Directors at a duly called Board meeting held for that purpose the affirmative vote or written consent of Neighborhood Representatives representing at least 67% of the Association's total Class "A" votes, and the consent of the Class "B" Member, if such exists. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

