EXHIBIT "C"

Initial Rules

The following initial Rules are subject to amendment or modification in accordance with the procedures set forth in the Charter.

1. **Restricted Activities**. Unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board or the Charter, the following activities are prohibited within the Community, except to the extent undertaken by the Founder or its designees in the course of development, marketing and sale of property in Babcock Ranch:

(a) Parking any vehicles on Units in places other than garages or driveways; parking vehicles on streets or alleys within the Community except in on-street parking spaces specifically designed for vehicular parking or parallel to the curb of a street adjacent to the Unit owned, occupied or being visited by the vehicle owner, in the direction of traffic flow, and then only between the hours of 6:00 a.m. and 1:00 a.m.; parking on sidewalks or landscaped areas or in a manner that blocks access to any driveway; parking on a street opposite another vehicle in a manner that restricts emergency vehicle access; or parking commercial vehicles or equipment, motor homes, recreational vehicles, golf carts, boats, jet skis and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, construction, service, and delivery vehicles may be parked on a street adjacent to a Unit or Common Area, or in the driveway of a Unit or on Common Area, during daylight hours only, while construction activity is underway on the Unit or for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Area. For purposes of this subsection (a), the term "commercial vehicle" shall refer to any vehicle weighing more than 3/4 ton, vehicles outfitted with ladder or equipment racks or containing visible tools, equipment or inventory; any vehicle on which a sign or other object is mounted for advertising purposes; or any vehicle displaying a name, logo, graphics, symbol, or message for purposes of advertising a commercial brand, goods, or services, if the area devoted thereto exceeds 1 square foot in any location or 2 square feet in total, but shall not include official public safety vehicles owned by governmental or quasi-governmental bodies. For purposes of this subsection (a), a vehicle shall be considered "stored " or "inoperable" if it has been parked outside of a garage without being driven for a continuous period of 30 days or longer, or has been parked outside of a garage for more than 14 days with a flat tire, partially dismantled, or wrecked so as to be unable to be driven.

(b) Raising, breeding, capturing, trapping, keeping, or killing animals or wildlife, except that (i) a maximum of three dogs, three cats, and a reasonable number of birds, reptiles or other common pets kept in cages may be permitted in a Unit, and (ii) the Association, its contractors, agents, and employees may engage in such activities as permitted by law and consistent with wildlife management plans approved by applicable governmental officials as part of a continuing resource management plan for the Community. Pets that are permitted to roam free or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed from the Community upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed, and inoculated as required by law;

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Initial Rules
(continued)

(c) Any activity that emits foul or obnoxious odors outside the Unit or creates noise or other conditions that, in the Board's reasonable discretion, tend to disturb the peace or threaten the safety of or cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other Units or persons using the Common Area, except that this Rule shall not restrict the ability of the Association and its contractors, agents, or employees to engage in such activities as part of a continuing resource management plan for the Community;

(d) Any activity that violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take action to enforce such laws or regulations or to prevent a violation;

(e) Pursuing hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit;

(f) Storage or use of barbecue grills, fire pits, fire bowls, chimineas, freestanding outdoor fireplaces, or outdoor heaters of any kind on front porches or in front yards of Units, or outside burning of trash, leaves, debris, or other materials, except that (i) charcoal, wood and natural gas may be burned in grills and other devices intended for burning of such materials, provided they are not used in front porches or front yards; and (ii) the Founder, the ISD, the Association, and their respective contractors or agents may engage in ecological burning as part of a continuing resource management plan;

(g) Using or discharging any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except fire and security alarm devices used exclusively for such purposes;

(h) Using or discharging firecrackers and other fireworks except on Independence Day and New Years Eve;

(i) Accumulating rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers which, for Units located in Lee County, must be bear-proof if placed outdoors for collection, as provided in Section 15.17 of the Charter. Waste containers may be placed facing the curb no earlier than 8:00 p.m. the evening before a scheduled pick up and shall be removed and stored out of sight no later than 8:00 p.m. on the day of service. To avoid animals and pests getting into trash, trash containers shall have secure lids and any trash that does not fit in a container shall not be placed outside before 4:30 a.m. on day of service. Trash containers shall be stored so as not to be visible from either the front or side of any dwelling except while placed at the curb for pickup and then only during the times set forth herein;

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

(k) On-site storage of fuel, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of grills, mowers and similar tools or equipment, and the Association shall be permitted to store and sell fuel for refueling of boats, operation of maintenance vehicles, genera-

tors, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Chapter 5;

(l) Dumping, pumping out, or discharging fuel, gray water, pesticides, or toxic substances onto the land or into bodies of water within or adjacent to the Community;

(m) Any activities that materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Community, that use excessive amounts of water, or that result in unreasonable levels of sound or light pollution;

(n) Operating any mini-bike, motorbike, "all-terrain vehicle" or other fossil fuel-powered vehicle with an internal combustion engine, other than a licensed automobile, or any golf cart or unlicensed motor vehicle of any kind, anywhere in the Community, on or off roadways, except that this shall not apply:

(i) to restrict use of golf carts on private streets solely within any portion of the Community which is subject to the jurisdiction of an Additional Association, to the extent permitted by and in accordance with applicable covenants and rules of such Additional Association; or

(ii) to restrict use of motorcycles or golf carts on public streets for transportation purposes by persons holding a valid license to operate motor vehicles, provided they comply with applicable state and local requirements for operation on public streets and, in the case of golf carts, are registered with the Association and insured against liabilities, such registration and operation to be subject to such additional requirements and policies as the Board may establish from time to time and set forth in a private golf cart agreement to be executed by the golf cart owner and/or operator as a condition of such registration and operation);

(o) Operating motorized boats on lakes or ponds within the Community, except that the Association, the ISD, and their respective agents and contractors shall not be subject to this Rule;

(p) Converting any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit without prior approval pursuant to Chapter 5;

(q) Excavation into or through the Florida aquifer's confining layers, or any activity interfering with the integrity of wetlands, such as clearing, excavating, draining or filling, without written authorization from appropriate federal, state and local agencies, including the Director of the Environmental Protection Commission or his designated agent, as required by applicable law or conditions of any development approvals affecting the property;

(r) Constructing or modifying any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, or on or over any marsh, wetland, creek, pond, or waterway within or abutting any portion of the Community, except in strict compliance with the provisions of Chapter 5. This shall include, without limitation, signs, basketball hoops, and swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools;

docks, piers, and similar structures; hedges, walls, dog runs, animal pens, or fences of any kind; and satellite dishes and antennas, except that:

(i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter;

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

(iii) an antenna that is designed to receive television broadcast signals;

shall be permitted on Units, subject to such reasonable requirements as to location and screening as may be set forth in the Design Guidelines, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. The Founder and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Community, should any master system or systems be utilized by the Association and require such exterior apparatus; and

(s) Operating any model aircraft, drone, or other unmanned device capable of navigation through the air ("Unmanned Device"):

(i) outside the boundaries of a Unit occupied by the owner or operator of such Unmanned Device, except that this clause (i) shall not prohibit operation of an Unmanned Device within the Community (A) by the Founder or its designees in connection with the development, marketing, or sale of any portion of the Community during the Development and Sale Period; or (B) for legitimate governmental or commercial purposes by law enforcement or other public safety personnel acting in their official capacities, or (C) by any governmental agency or utility provider or their employees or contractors in the performance of their duties, or (D) by any person or entity engaged in a business or profession licensed by the State, provided that the Unmanned Device is used only to perform tasks within the scope of the operator's official capacity, duties, or license, is operated in full compliance with all applicable laws and regulations, and is not operated in the a manner described in subclauses (A) or (B) of clause (ii) or (iii) below. The Board may, in its discretion, grant exemptions for other categories of use subject to such conditions as the Board deems appropriate, provided that such exemptions are based on the nature of the drone use and operation within the Community and do not give preferential treatment to any particular business over its competitors; or

(ii) on or above the Unit occupied by the owner or operator of such Unmanned Device, in any manner which:

(A) allows the gathering of information about the identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation, or character of any person or persons located outside the boundaries of the Owner or operator's Unit, without the consent of such person(s);

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(B) allows the capture of photographs or video or audio recordings of any person or property located outside the boundaries of the operator's Unit without the consent of such person or the owner of such property, if such images or sounds would not be readily observable or detectable by the Owner or operator of the device from ground level at places where such Owner or operator has a legal right to be; or

(iii) in any manner which, in the Board's judgment, is intended to or does harass or invade the privacy of persons on other Units or the Common Area, or interferes with any person's right to quiet enjoyment of their Unit;Except as specifically authorized pursuant clause (i) above, operation of any Unmanned Device shall:

(i) be for recreational or hobby purposes only (no commercial purposes);

(ii) occur only between dawn and dusk; and

(iii) comply with Section 336 of the FAA Modernization and Reform Act of 2012, as it may be amended, and all applicable Federal Aviation Administration rules, including such registration as may be required thereunder.

In addition, the Board may require that Owners and occupants of Units register any Unmanned Device with the Association prior to operation within the Community and may impose such additional requirements and policies as the Board may establish from time to time and set forth in a written agreement to be executed by the owner of the Unmanned Device as a condition of such registration, including proof of insurance and indemnification of the Association.

2. **Prohibited Conditions**. The following shall be prohibited in the Community:

(a) Accumulation or storage of combustible materials or debris on Units, except to the extent reasonably necessary during construction of a dwelling on the Unit. This Rule shall not preclude storage of a reasonable amount of firewood on a Unit provided it is stacked and stored in a safe manner and location; and

(b) Structures, equipment, or other items on the exterior portions of a Unit that have become rusty, dilapidated, or otherwise fallen into disrepair.