Administration and which holds, guarantees or insures a first mortgage upon a Lot or Living Unit; or

(C) the Developer, and any and all investors or lenders, or the successors and assigns of such investors or lenders which have loaned money to Developer to acquire, develop, or construct improvements upon, the Community and who have a mortgage lien on all or a portion of the Community securing such loan. An Institutional Mortgage" is a mortgage held by an Institutional Mortgagee encumbering a Lot or Living Unit.

1.16 "Lands" means the land described in Exhibit "A" to this Declaration, as it may be amended from time to time.

1.17 "Living Unit" or **"Unit"** means any residential structure, including a single family detached or attached dwelling unit(s), condominium unit(s) or apartment unit(s), located within the Community and intended for occupancy by one family or household. If a Living Unit is a free-standing or attached single family home or villa located on a Lot, the use of the term "Living Unit" or "Unit" shall be interpreted as if the term was followed immediately by the words "and the Lot on which it is located."

1.19 "Lot"shall mean and refer to any Lot on any plat of all or a portion of The Lands, which plat is designated by Declarant hereby or by any other recorded instrument to be subject to these covenants and restrictions; any Lot shown upon any re-subdivision of any such plat; any individual Unit in a condominium or cooperative regime; for purposes of voting and assessment, an allocation thereof to a Tract; and any other property hereafter declared as a Lot by Declarant and thereby made subject to this Declaration; provided, however, that no portion of any Community System shall be deemed to be part of a Lot. Notwithstanding the foregoing, the portions of the Common Elements of a condominium or cooperative which are outside of its building(s) may be deemed a Lot for purposes of maintenance duties, the granting and use of easements and in the case of any other provision of this Declaration which effects a Lot in the physical sense of rights of entry and the like.

1.20 "Master Association" means Bella Terra of Southwest Florida, Inc., a Florida corporation not for profit, which has its principal place of business in Lee County, Florida, and its successors and assigns.

1.21 "Member" means any or all of those persons who are entitled to membership in the Master Association, as provided in the Governing Documents.

1.22 "Bella Terra" is the name of the Community.

1.23 "Neighborhood" means a condominium, a group of single family homes, villas or apartment units, or any other residential sub-area development within the Community, where all the Lots and Living Units are subject to a single common recorded declaration of neighborhood covenants.

NOW THEREFORE the Declarant, and any other person owning an interest in the subject property who consents to or joins in the making of this Declaration, hereby declares that the Lands described in Exhibit "A" hereto, as it may be amended from time to time, are and shall be owned, used, sold, conveyed, encumbered, demised and occupied subject to the provisions of this Declaration, which shall run with the Lands and be binding on all parties having any right, title or interest in the Lands or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof. Additional real property may be added to the Lands by an amendment to Exhibit "A,"consented to or joined in by the Declarant and all persons having a record ownership interest in the property being added. Nothing herein contained, and no violation of these covenants, conditions and restrictions shall invalidate or impair the lien of any mortgage or deed of trust given in good faith and for value. Further, the express intent of Declarant is that substantive contract rights created hereunder shall not be retroactively offered by legislation enacted subsequent to the recording of this Declaration.

1. DEFINITIONS. The following definitions shall apply to the terms used in this Declaration and its recorded exhibits, or if not defined below unless the context clearly requires another meaning.

1.1 "Architectural Review Committee" ("ARC") means the Architectural Review Committee as established and empowered in Section 6 of this Declaration.

1.2 "Assessment" or **"Assessments"** means a share of the funds required for the payment of the expenses of the Master Association which from time to time is assessed against the members, including without limitation annual assessments and special assessments, as authorized by Section 9 of this Declaration.

1.3 "Board" means the Board of Directors of Bella Terra of Southwest Florida, Inc.

1.4 "Builder" means any or all of the following: the Declarant, Habitat Lakes, L.L.C., a Florida Limited Liability Company, or any of their successors or assigns, and any other person or entity that acquires land in Bella Terra for the purpose of development or to whom the Declarant sells land within Bella Terra and specifically assigns, in writing, any development rights it may have under this Declaration. The owner of a lot shall not, solely by virtue of having purchased a lot, be deemed a builder or a successor or assignee of the development rights of a builder, or of the Declarant for the purposes of this paragraph, unless an instrument of assignment or conveyance expressly so states.

1.5 "CDD" means and refers to any Community Development District, as defined in Chapter 190, Florida Statutes, established for the purpose of owning and maintaining property or facilities in the Community.

1.6 "CDD Property" means any and all real property and improvements which the CDD now or hereafter either owns, contracts, operates or any combination of the foregoing or otherwise administers pursuant to its responsibilities under Chapter 190, Florida Statutes, and the documents establishing the CDD.

time to time, or any other incorporated mandatory membership property owners association operating a Neighborhood, or operating facilities or property serving two or more Neighborhoods.

1.24 "Neighborhood Common Area" means that real property, including any improvements and fixtures thereon, which is owned or leased by, or dedicated to, a Neighborhood Association for the common use and enjoyment of its members. If the Neighborhood is a condominium, the term includes the common elements of the condominium and any real property owned by the condominium association.

1.25 "Neighborhood Covenants" means any and all covenants, conditions, restrictions, and other provisions imposed by recorded declaration or other instrument, applicable to one or more specific Neighborhoods, including the recorded Articles of Incorporation and Bylaws of the Neighborhood Association.

1.26 "Owner" means the record owner of legal title to any Lot, Living Unit, Tract or Parcel.

1.27 "Parcel" means any and all unplatted portions of the Community.

1.28 "RPD" means and refers to residential planned development project, created by Lee County Resolution 2-01-018A as adopted by the Board of County Commissioners of Lee County, Florida, on November 19, 2001, and as amended from time to time.

1.29 "Rules and Regulations" means the administrative regulations governing use of the Common Areas (including lands owned by the CDD over which the Master Association has jurisdiction, including but not limited to the streets and roads within the Community) and procedures for administering the Master Association, together with those rules and regulations the Board of Directors is specifically authorized to adopt pursuant to the terms of the Governing Documents and applicable law, as adopted, and amended from time to time by resolution of the Board of Directors.

1.30 "SFWMD" means South Florida Water Management District.

1.31 "Service Assessment" means a charge against one or more Lots or Living Units for any service, material or combination thereof which may be provided by the Master Association for the use and benefit of the owner(s) on a voluntary basis, such as contracting in bulk for repairs, services, materials or maintenance. The amount paid or incurred by the Master Association on behalf of the owners accepting or receiving such material or service shall be a service assessment against the Lots or Living Units so benefitted. An owner is deemed to have agreed to such assessment by the act of subscribing to, requesting, or accepting the material or service.

1.32 "Structure" means something built or constructed, or any piece of work artificially built up or composed of parts joined together in some definite manner, the use of which requires a more or less permanent location on the ground, or which is attached to something having a permanent location on the ground. The term shall be construed as if followed by the words "or part thereof."

Administration and which holds, guarantees or insures a first mortgage upon a Lot or Living Unit; or

(C) the Developer, and any and all investors or lenders, or the successors and assigns of such investors or lenders which have loaned money to Developer to acquire, develop, or construct improvements upon, the Community and who have a mortgage lien on all or a portion of the Community securing such loan. An Institutional Mortgage" is a mortgage held by an Institutional Mortgagee encumbering a Lot or Living Unit.

1.16 "Lands" means the land described in Exhibit "A" to this Declaration, as it may be amended from time to time.

1.17 "Living Unit" or **"Unit"** means any residential structure, including a single family detached or attached dwelling unit(s), condominium unit(s) or apartment unit(s), located within the Community and intended for occupancy by one family or household. If a Living Unit is a free-standing or attached single family home or villa located on a Lot, the use of the term "Living Unit" or "Unit" shall be interpreted as if the term was followed immediately by the words "and the Lot on which it is located."

1.19 "Lot"shall mean and refer to any Lot on any plat of all or a portion of The Lands, which plat is designated by Declarant hereby or by any other recorded instrument to be subject to these covenants and restrictions; any Lot shown upon any re-subdivision of any such plat; any individual Unit in a condominium or cooperative regime; for purposes of voting and assessment, an allocation thereof to a Tract; and any other property hereafter declared as a Lot by Declarant and thereby made subject to this Declaration; provided, however, that no portion of any Community System shall be deemed to be part of a Lot. Notwithstanding the foregoing, the portions of the Common Elements of a condominium or cooperative which are outside of its building(s) may be deemed a Lot for purposes of maintenance duties, the granting and use of easements and in the case of any other provision of this Declaration which effects a Lot in the physical sense of rights of entry and the like.

1.20 "Master Association" means Bella Terra of Southwest Florida, Inc., a Florida corporation not for profit, which has its principal place of business in Lee County, Florida, and its successors and assigns.

1.21 "Member" means any or all of those persons who are entitled to membership in the Master Association, as provided in the Governing Documents.

1.22 "Bella Terra" is the name of the Community.

1.23 "Neighborhood" means a condominium, a group of single family homes, villas or apartment units, or any other residential sub-area development within the Community, where all the Lots and Living Units are subject to a single common recorded declaration of neighborhood covenants.

1.24 "Neighborhood Association" means a condominium association, an incorporated homeowners association as defined in Section 720.301, Florida Statutes (2002), as amended from time to time, or any other incorporated mandatory membership property owners association operating a Neighborhood, or operating facilities or property serving two or more Neighborhoods.

1.25 "Neighborhood Committee" shall mean and refer to a Committee of Owners in a specific Neighborhood elected the participating Owners in such Neighborhood in accordance with the provisions of the Association's Articles of Incorporation and Bylaws. Except as otherwise provided herein, or in the Articles or Bylaws, such Committee shall not exercise any corporate authority on behalf of the Association.

1.26 "Neighborhood Common Area" means that real property, including any improvements and fixtures thereon, which is owned or leased by, or dedicated to, a Neighborhood Association for the common use and enjoyment of its members. If the Neighborhood is a condominium, the term includes the common elements of the condominium and any real property owned by the condominium association.

1.27 "Neighborhood Covenants" means any and all covenants, conditions, restrictions, and other provisions imposed by recorded declaration or other instrument, applicable to one or more specific Neighborhoods, including the recorded Articles of Incorporation and Bylaws of the Neighborhood Association.

1.28 "Owner" means the record owner of legal title to any Lot, Living Unit, Tract or Parcel.

1.29 "Parcel" means any and all unplatted portions of the Community.

1.30 "RPD" means and refers to residential planned development project, created by Lee County Resolution Z-01-018A as adopted by the Board of County Commissioners of Lee County, Florida, on November 19, 2001, and as amended from time to time.

1.31 "Rules and Regulations" means the administrative regulations governing use of the Common Areas and procedures for administering the Master Association, as adopted, and amended from time to time by resolution of the Board of Directors.

1.32 "SFWMD" means South Florida Water Management District.

1.33 "Service Assessment" means a charge against one or more Lots or Living Units for any service, material or combination thereof which may be provided by the Master Association for the use and benefit of the owner(s) on a voluntary basis, such as contracting in bulk for repairs, services, materials or maintenance. The amount paid or incurred by the Master Association on behalf of the owners accepting or receiving such material or service shall be a service assessment against the Lots or Living Units so benefitted. An owner is deemed to have agreed to such assessment by the act of subscribing to, requesting, or accepting the material or service.

1.34 "Structure" means something built or constructed, or any piece of work artificially built up or composed of parts joined together in some definite manner, the use of which requires a more or less permanent location on the ground, or which is attached to something having a permanent location on the ground. The term shall be construed as if followed by the words "or part thereof." The term includes, without limitation, all Living Units, swimming pools, spas, fences, flagpoles, antennas, basketball backboards, skateboard ramps, swing sets or other play equipment, and storage sheds.

1.35 "Tract" means any and all platted portions of the Community other than the Lots.

1.36 "Voting Group" means a group of members who are entitled to vote in the election of one (1) or more Directors of the Association, as more particularly described in Section 11.7 of this Declaration, and in a Supplemental Declaration to be recorded before turnover of control of the Association, as provided in Section 11.7 below.

1.37 "Voting Interests" means the arrangement established in Section 2 of the Bylaws of the Master Association by which certain classes of members are entitled to vote in the affairs of the Master Association.

1.38 "Voting Representative" means the representative selected by the Owners of each Neighborhood to be responsible for casting votes of Units in the Neighborhood in all Association matters other than the election of Directors.

2. GENERAL DEVELOPMENT PLAN. The Community is a Residential Planned Development ("RPD"), comprising initially of 210.24 acres of land which. Under the current site plan, the Developer anticipates the construction and development of single and multi-family units. The site plan has been approved for 2,350 units which are comprised of a mix of single family and multi-family units. Notwithstanding however, Developer has the right to construct more or fewer units of either classification based upon plans as approved and as amended.

Separate special assessment bond(s) may be floated to finance construction of other improvements and to provide other services as delineated in this section, including but not limited to various tracts as depicted on the Subdivision Plat, such as roadway and streets, lakes, wetlands, preserves, conservation areas and easements, flow ways, dry retention, wet retention areas and any recharge wells, as well as to provide everything permitted or allowed under Chapter 190, Florida Statutes. The special assessment bond(s) will be an obligation of each unit owner and each residential property within the CDD has been pledged as collateral security for this obligation.

The CDD will own the submerged or lake bottoms for each lake and all areas designated as dry retention areas and preserves in the Community. Additionally, either the CDD or the Master Association shall own the water irrigation utility system and utility lines with the exception of the individual sprinkler heads. The water irrigation system will be operated by the Master Association and is designed to follow and adhere to the Phase I Restrictions of the South Florida Water

Management District and it is anticipated that irrigation and irrigation water will be withdrawn from the lakes.

The CDD may enter into an Agreement with Bella Terra of Southwest Florida, Inc., ("Master Association") which may require the Master Association to operate and perform some, if not all, of the CDD duties relating to maintaining the lakes and the general aesthetic condition of the lakes within the Community.

The Declarant may transfer all of its interest in those certain Development of Regional Impact ("DRI") permits to the CDD. If transferred, the CDD shall then accept and fulfill all obligations and responsibilities of and under the DRI permits, including, but not limited to, monitoring of traffic.

The development is located within the Corkscrew Road Service Area (CRSA). A Municipal Service Benefit Unit ("MSBU") has been created to collect and pay assessments for the road widening and other road improvements of Corkscrew Road.
The Declarant may, or will, grant to the owner(s) of an adjacent commercial tract lying northwest of the Community and abutting the south side of Corkscrew Road and an intended commercial tract lying and abutting the south side of Corkscrew Road and situated west of Bella Terra, certain drainage, maintenance, irrigation and access easements intended to benefit this commercial tract.

The Declarant may enter into a Cost Sharing Agreement under the DRI with the owners of these tract(s) referenced hereinabove. The Declarant's rights, duties and obligations under this Cost Sharing Agreement may be later assigned to the CDD.

The Declarant has the right, but not the obligation in its sole and unbridled discretion, to further expand the Community by adding additional land, or units, or lots, or recreational amenities or memberships that are compatible with the overall Community.

The Declarant reserves the right to add, annex or enlarge the boundaries of the CDD so as to add additional lands which may be submitted within the CDD's jurisdiction and governance, regardless of whether or not these lands become a part of Bella Terra or Bella Terra Master Association.

2.1 Community Development District. A Community Development District, as defined in Chapter 190, Florida Statutes (2003), which includes all or a portion of Bella Terra, and may also include property in addition to Bella Terra, has been created. The CDD would manage and provide certain urban infrastructure facilities and services, and would have the authority to levy and collect fees, rates, charges, taxes and assessments to pay for, finance and provide said facilities and services. The term "assessment" as used in this Section refers to assessments as defined in Chapter 190, Florida Statutes, not as defined in this Declaration. The CDD would be empowered to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain systems and facilities for basic infrastructure which could include without limitation: water management and control lands within the CDD and the connection of some or any of such facilities with potable water distribution systems; sewage collection and transmission systems; and waste water management

facilities. The Declarant reserves the right to amend the governing documents in any way convenient or necessary to create or structure the CDD if one is created.

2.2 Scope of CDD Responsibility. The CDD is empowered to plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities, including, without limitation, roads, water and sewer, irrigation, water management, street lighting, parks and facilities for indoor and outdoor recreation, cultural and educational uses, and limited access assurances services.

2.3 Taxes and Assessments. THE CDD IS A SPECIAL TAXING DISTRICT WITH AUTHORITY TO FUND ITS OPERATIONS BY IMPOSING TAXES OR ASSESSMENTS, OR BOTH, ON THE PROPERTY WITHIN THE CDD. THE TAXES AND ASSESSMENTS PAY FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES OF THE CDD AND ARE SET ANNUALLY BY A GOVERNING BOARD OF SUPERVISORS OF THE CDD. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO THE COUNTY AND OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW. THESE TAXES AND ASSESSMENTS MAY APPEAR ON THE ANNUAL REAL ESTATE TAX BILL FOR EACH OWNER AS A SEPARATE TAX OR ASSESSMENT AND MAY BE PAYABLE DIRECTLY TO THE LEE COUNTY TAX COLLECTOR. THE TAXES AND ASSESSMENTS OF THE CDD CONSTITUTE A LIEN UPON THE PROPERTY THAT IS WITHIN THE CDD. "Assessments" as used in this paragraph refers to "Assessments" as defined in Chapter 190, Florida Statutes and not as defined in Section 1 of this Declaration.

2.4 Issuance of Revenue Bonds. The CDD has the power to issue general obligation bonds, revenue bonds, refunding bonds and any other type of bond permitted by Chapter 190, Florida Statutes. Repayment of any such bond will be funded by ad valorem taxes on all non-exempt property within the CDD, or by the imposition of rates, user fees, special assessments or other charges. The CDD is empowered to pledge its full faith and credit for the purpose of securing the repayment of the bonds its issues. In addition, the CDD may secure revenue bonds by pledging the rates, fees or charges collected or to be collected by any revenue producing project. Bonds have been issued for the purpose of financing or refinancing, capital improvements, to pay off existing bonds or any other permitted use.

2.5 CDD Property Becoming Common Areas. If the Declarant determines that it is in the best interest of Bella Terra for any of the CDD property to become common areas, the CDD shall convey to the Association, fee simple title, easements, use rights and/or maintenance obligations to those portions of the CDD property which are to become common areas. The Master Association and the members are obligated to accept title to the CDD property, subject to taxes for the year of conveyance, and to restrictions, limitations, conditions, obligations, reservations, duties and easements of record.

2.6 Common Areas Becoming CDD Property. If the Declarant determines, subject to any governmental requirements, that it is in the best interest of Bella Terra for any portions of the common areas to be owned and administered by the CDD rather than the Association, such portions

of the common areas shall cease to be common areas, even if they have already been conveyed to the Association, and shall thereafter, be considered CDD property, even if legal title has not been formally transferred to the CDD. When a part of the Community becomes CDD property, the expenses in the administration and the maintenance shall be common expenses, unless the expenses are the responsibility of the CDD. If required by law, or if deemed by the Declarant to be in the best interest of Bella Terra, the Association shall convey to the CDD, the legal title to any common area which becomes CDD property. The surface water management system of the Community shall be an area of common responsibility. The CDD may be obligated to assume responsibility for maintenance and monitoring of on-site wetland preserve areas pursuant to Conservation Easement recorded at Official Records Book 00077, Pages 84 - 99, Public Records of Lee County, Florida.

2.7 Board of Supervisors. The functions, duties and powers of the CDD shall be managed and exercised by a Board of Supervisors consisting of at least five (5) supervisors.

2.8 Declarant's Options. The Declarant shall have the right, in its sole discretion, to convey property it owns to the CDD with the joinder of no other person being required, subject to the approval of the CDD and any applicable governmental regulations.

2.9 LONG TERM DEVELOPMENT. SOME AREAS OF BELLA TERRA MAY BE UNDER DEVELOPMENT FOR AN EXTENDED TIME. INCIDENT TO THE DEVELOPMENT PROCESS, THE QUIET ENJOYMENT OF THE Community MAY BE UNAVOIDABLY INTERFERED WITH TO SOME EXTENT BY THE CONSTRUCTION OPERATIONS. FROM TIME TO TIME, DECLARANT, BUILDERS AND OTHERS MAY PRESENT TO THE PUBLIC, CERTAIN RENDERINGS, PLANS AND MODELS SHOWING POSSIBLE FUTURE DEVELOPMENT OF BELLA TERRA. DECLARANT DOES NOT WARRANT IN ANY WAY THE SCHEMES IN THESE RENDERINGS, PLANS OR MODELS OR HOW THE FUTURE IMPROVEMENTS IN BELLA TERRA WILL ACTUALLY BE DEVELOPED. ANY SUCH RENDERINGS, PLANS OR MODELS ARE PRIMARILY THEMATIC AND IN NO WAY REPRESENT A GUARANTEED FINAL DEVELOPMENT PLAN FOR BELLA TERRA.

3. THE MASTER ASSOCIATION'S PURPOSES AND POWERS. The primary purposes of the Master Association are to hold title to, operate and maintain the Common Areas of Bella Terra; to enforce restrictive covenants applicable to the Community; to provide architectural and aesthetic control; and to take such other action as the Master Association is authorized or required to take with regard to the Community pursuant to the Governing documents. The Master Association shall operate, insure, maintain and repair all property and related improvements designated by Declarant as Community Common Areas, regardless of whether legal right to that property has been formally conveyed to the Master Association.

3.1 Community Common Areas. The Master Association shall operate, maintain and, when deeded by the Developer, hold record title to the Community Common Areas. Community Common Areas will include the Community Center containing approximately 4,500 square feet, a multi-purpose playing field and recreation park, which will include a basketball court, volleyball court, inline

skating rink, which will include at least two (2) fenced and lighted tennis courts and at least one (1) junior Olympic swimming pool, as depicted on the Subdivision Plat as Recreation Tracts. The Community Common Area will also include any tract dedicated to the Master Association on the Subdivision Plat. The Board of Directors may promulgate reasonable rules and regulations regarding use of the Community Common Areas consistent with the Governing Documents. Use of Community Common Areas shall be available to all members and their invitees, guests, family members and tenants, subject to the rules and the Governing Documents. The costs of operating, maintaining, repairing, insuring and protecting the Community Common Areas and the facilities located thereon or connected therewith shall be assessed equally against all Lots and Living Units, subject to the provisions of Section 9.2.

3.2 Manager. The Master Association may contract, employ and pay for the services of an entity or person to assist in managing its affairs and carrying out its responsibilities, and may employ other personnel as the Master Association shall determine to be necessary or desirable.

3.3 Personal Property. The Master Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise.

3.4 Insurance. The Master Association at all times shall procure and maintain adequate policies of public liability and other insurance as it deems advisable or necessary and as required in Section 12 below. The Master Association additionally shall cause all persons with access to Master Association funds to be insured or bonded with adequate fidelity insurance or bonds.

3.5 Express and Implied Powers. The Master Association may exercise any rights, power or privilege given to it expressly by the Governing Documents or by the law in effect at the time this Declaration is recorded, and every other right, power or privilege reasonably inferable therefrom.

3.6 Acts of the Master Association. Unless the approval or affirmative vote of the members is specifically made necessary by some provision of applicable law or the Governing Documents, all approvals or actions permitted or required to be given or taken by the Master Association may be given or taken by its Board of Directors, without a vote of the members. The officers and Directors of the Master Association have a fiduciary relationship to the members. A member does not have the authority to act for the Master Association by reason of being a member.

3.7 Articles of Incorporation. The Articles of Incorporation of the Master Association are attached as Exhibit "B."

3.8 Bylaws. The Bylaws of the Master Association shall be the Bylaws attached as Exhibit "C" as they may be amended from time to time.

3.9 Official Records. The official records of the Master Association shall be maintained within the State of Florida and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within ten (10) business days after receipt by the Master Association of a written request for access. This requirement may be complied with by

having a copy of the official records available for inspection or copying within the Community. The Master Association may adopt reasonable written rules governing the frequency, time, location, notice, and manner of inspection, and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Master Association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to members and prospective members, and may charge its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

3.10 Polling Places. Accommodation may be made for the future use of building space within the Common Areas for the purposes of accommodating the function of an electoral polling place.

3.11 Treated Effluent. Although it is intended that all irrigation water needs will be supplied by withdrawing water from the lakes, the Master Association may negotiate an agreement with any effluent supplier for the use of treated sewage of effluent within the project for irrigation purposes throughout the subdivision, including all common areas, neighborhood common areas, lots, units and condominium common element properties. The Master Association would be responsible for providing all on-site piping and pumping facilities from the point of delivery to the project, and negotiate with the effluent supplier to provide full or partial on-site storage facilities, as required by the Florida Department of Environmental Protection consistent with the volume of treated wastewater to be utilized. All owners within Bella Terra, by the act of purchasing, are deemed to have irrevocably consented to the irrigation of the Common Areas and Lots with treated effluent, provided that the effluent emanates from an approved treatment plant with a current operating permit from the State of Florida, Department of Environmental Protection, or other such agency with jurisdiction. The cost of such treated effluent and all administrative, operational, maintenance and support costs related to it, are expenses of the Master Association.

3.12 Hurricane Preparedness. It shall be the responsibility of the Master Association to establish and maintain an educational program for hurricane preparedness. The program must, at a minimum, consist of annually describing to the residents the risks of hurricane hazards and actions to mitigate the dangers that these hazards present.

3.13 Member Approval of Certain Litigation. Notwithstanding any other provisions of the Governing Documents, the Board of Directors shall be required to obtain the prior approval of at least a two-thirds (2/3rds) of all classes of the voting interests of the Master Association prior to the payment of, or contracting for the payment of, legal fees to any person engaged by the Master Association for the purpose of commencing any lawsuit, other than for the following purposes:

(A) the collection of assessments;

(B) the collection of other charges which members are obligated to pay;

(C) the enforcement of the Governing Documents;

(D) the enforcement of the rules and regulations of the Master Association;

(E) in an emergency, when waiting to obtain the approval of the members creates a substantial risk of irreparable injury to the Association or its members; or

(F) filing a compulsory counterclaim.

4. MASTER ASSOCIATION MEMBERSHIP VOTING RIGHTS. Every owner of record legal title to a Lot or Living Unit within the Community shall be a member of the Master Association as further defined in Section 4.1 below. The Declarant shall hold Declarant membership as provided for in Section 4.1(B) below. Membership is appurtenant to, and may not be separated from, ownership of a Lot or Living Unit. The rights, powers, duties and privileges of members shall be as set forth in this Declaration, and in the Articles of Incorporation and Bylaws of the Master Association.

4.1 Classes of Membership and Voting Rights. The Master Association will initially have three (3) classes of voting membership, as follows:

Class A. Class A Members shall be all those Owners as defined in Article 4(A) above, with the exception of Builders and the Declarant (as to Declarant, as long as the Class B Membership shall exist, and thereafter, the Declarant shall be a Class A Member to the extent it would otherwise qualify). Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership as defined in Article 4 above, which vote shall be cast by a Voting Member on their behalf in accordance with the procedures set forth in the Association's Articles and Bylaws.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to one (1) vote, plus ten (10) votes for each vote entitled to be cast in the aggregate at any time and from time to time on behalf of the Class A and C Members. The Class B Membership shall cease and terminate when all of the Lots ultimately to be included within The Lands have been sold and conveyed by Declarant (or its affiliates) or any Builder to the purchasers of the Units (i.e., Class A Members) located thereon or sooner at the sole election of Declarant, or as required by law, (whereupon the Class A Members, through their Voting Members, shall be obligated to elect the Association's Board of Directors and assume control of the Association).

Class C. Class C Members shall be all Builders, each of which shall have one (1) vote for each Lot owned thereby or which has been allocated to a Tract owned thereby, subject to increase for Lots (actual or allocated) acquired by the Builder and to decrease for those conveyed to Class A Members or others. Class C

Members owning Lots in a Neighborhood in which there are also Class A Members shall participate in Neighborhood Association or Neighborhood Committee elections in the same manner as such Class A Members.

(D) Lender's Membership Voting Rights. In the event that Mortgagee or other party acquires title to a Lot or Tract through foreclosure or deed in lieu of foreclosure, such party shall have the class of membership last held by the Owner of Lot or Tract to which title was so acquired.

(E) General Matters. When reference is made herein, or in the Articles, Bylaws, Rules and Regulations, Management Contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members represented at a duly constituted meeting of their Voting Members voting for them (i.e., one for which proper notice has been given at which a quorum exists) and not of the Members themselves or of their Lots, except where specifically provided to the contrary.

(F) Effect of Dissolution. In the event of the termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water and Stormwater Management System must be transferred to and accepted by an entity which is approved by the South Florida Water Management District and Manatee County prior to such termination, dissolution or liquidation.

4.2 Master Association Rights and Easements. Members in good standing have the non-exclusive right to use the Common Areas subject to:

(A) The right of the Master Association, by and through its Board of Directors, to adopt the annual budget and to determine the annual assessments to be paid by members;

(B) The right of the Master Association, by and through its Board of Directors, to charge any admission, use, or other fees for any Common Areas as the Board may deem appropriate. The fees may be higher for non-owners than for owners;

(C) The right of the Master Association, by and through its Board of Directors, to suspend a member's right to use Common Areas for the period during which any assessment or charge against the member's Lot or Living Unit remains unpaid and past due, and for a reasonable period during or after any infraction of the Master Association's rules and regulations;

(D) The right of the Master Association, by and through its Board of Directors, to dedicate or transfer all or any part of the Common Areas to any governmental agency, public authority, or utility.

(E) The right of the Master Association, by and through its Board of Directors, to grant easements over, across or through the Common Areas;

(F) The right of the Master Association, by and through its Board of Directors, to open the Common Areas for use by non-members of the Master Association, or non-owners.

(G) The right of the Master Association, by and through its Board of Directors, with the prior assent of a two-thirds (2/3rds)of the voting interests, to borrow money for the purpose of improving the Common Areas, and in aid thereof, to mortgage Common Areas;

(H) The right of the Master Association, by and through its Board of Directors, to take such steps as are reasonably necessary to protect the Common Areas;

(I) The right of the Master Association, by and through its Board of Directors, to close or restrict access to the Common Areas for limited periods of time to conduct special events, including those intended primarily to benefit the Developer or its sales efforts;

(J) The right of the Master Association, by and through its Board of Directors, to regulate parking and traffic on the private roads within the Community, including without limitation the use of access gates or speed bumps;

(K) The provisions of this Declaration, the Articles of Incorporation and Bylaws of the Master Association; and any rules and regulations governing use and enjoyment of the Common Areas adopted by the Master Association;
(L) The right of a CDD to exercise and enforce any and all powers authorized by Chapter 190, Florida Statutes; and

(M) The right of the Master Association to dedicate or transfer ownership or control of all or any part of the Common Areas to a CDD or any other governmental agency, public authority, or utility.

So long as there is a Declarant member, any and all rights of members, and any and all restrictions, limitations, conditions and rules and regulations that a member shall be subject to, shall not be amended without the consent of the Declarant.

4.3 Delegation of Use Rights In Common Areas. Guests accompanied by a member shall have the right to use the Common Areas, but only to the extent provided in Section 2.6 of the Bylaws, or in the Master Association's rules and regulations, and subject to the conditions, limitations and restrictions as may be stated therein. If the Bella Terra of Southwest Florida, Inc. permits a member to delegate his/her use rights in Common Areas to his/her guests, then a fee may be imposed, which fee may be charged in an amount which is not necessarily limited by or related to the cost of processing the delegation. Each member shall be financially and legally responsible to the Master Association for the actions and debts to the Master Association of any person to whom the member has delegated his right to use the Common Areas. The member may not delegate the obligation to pay Master Association assessments. Upon the lease of a Lot or Living unit to which a membership is appurtenant, the lessor may retain the right to use the membership, in which case the tenant shall have no such rights. If a member delegates his privileges to a tenant residing in his Living Unit, the member shall not be entitled to use of the facilities, except as a guest of another member, during the period of the delegation.

5.7 Sidewalks. Declarant has constructed sidewalks in various locations within the Community. Driveway cuts and the construction or alteration of the driveways must be done in accordance with plans and specifications approved by the ARC.

5.8 Bike Path. Declarant has constructed a bike path within the Community in accordance with plans and specifications approved by the Declarant.

5.9 Litter. In order to preserve the beauty of the Community, no garbage, trash, refuse or rubbish shall be deposited, dumped or kept within the Community except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the Board, or in proper-sized, closed plastic bags for curbside pickup as required. All containers, dumpsters and other garbage collection facilities shall be screened from view, kept in a clean condition, and without noxious or offensive odors emanating.

5.10 Walls, Fences. Hedges. etc. Unless approved in writing by Declarant, no wall, fence, hedge, or other divider shall be constructed or maintained on any adjoining Lot or Neighborhood Common Area, it being the express intent that no fences, walls or dividers shall be permitted on any Lot or Neighborhood Common Area which abuts lakes, preserve areas, streets or roads unless the Declarant so approves. Hedges, constructed of shrubbery or other suitable vegetation, may be approved but only in those situations where back to back lots or homesites so request and are approved. Any dispute as to height, length, type, design, composition or material shall be resolved by the Master Association's Board of Directors, whose decision shall be final. Approval may not be given for the construction of any wall, fence or hedge which materially interferes with the water view, preserve or wetland view of any Lot or Living Unit.

5.11 Driveways and Parking Areas. Driveways and parking areas must be paved with concrete, paver blocks, or another hard surface approved by the ARC. Maintenance and repair of all driveways, parking and other paved parking facilities (except driveways serving only one single family home) shall be the responsibility of the Master Association (if located in the Common Areas) or the responsibility of the Neighborhood Association (if located in a Neighborhood Common Area). Driveways must be kept clean and free from excessive oil, rust or other unsightly stains.

5.12 Color. No exterior colors on any structure shall be permitted that, in the judgment of the ARC, would be inharmonious, discordant or incongruous with the Community or a particular Neighborhood. The initial exterior color and design of structures shall be as approved by Declarant, and any later changes must be approved by the ARC.

5.13 Underground Utilities. No lines or wires for communication or the transmission of current shall be constructed, or placed, or permitted to be placed within the Common Areas unless the same shall be protected cables; all such lines or wires which are not located in buildings shall be constructed or placed and maintained underground, unless otherwise approved in writing by the Board. No water pipe, gas pipe, sewer pipe, drainage pipe or storage tank shall be installed or

Declarant, the Master Association, the CDD, or any appropriate governmental agency that may reasonably require access. Nonexclusive easements therefor are hereby specifically reserved and created.

(C) No Lot, Tract, Parcel or Neighborhood Common Area shall be increased in size by filling in any lake, pond or other water retention or drainage areas which it abuts. No person shall fill, dike, rip-rap, block, divert or change the established water retention and drainage areas that have been or may be created without the prior written consent of the CDD. No person other than the Declarant or the CDD may draw water for irrigation or other purposes from any lake, pond or other water management area, nor is any boating, swimming, or wading in such areas allowed.

(D) All Stormwater Management Systems and Conservation Areas, excluding those areas (if any) maintained by the County, will be the ultimate responsibility of the CDD. The CDD may enter any Lot, Tract, Parcel or Neighborhood Common Area and make whatever alterations, improvements or repairs are deemed necessary to provide, maintain, or restore proper surface water

management. The cost shall be an expense of the CDD. NO PERSON MAY REMOVE NATIVE VEGETATION THAT MAY BECOME ESTABLISHED WITHIN THE CONSERVATION AREAS. "REMOVAL" INCLUDES DREDGING, APPLICATION OF HERBICIDE, PULLING AND CUTTING.

(E) Nothing in this Section shall be construed to allow any person to construct any new water management facility, or to alter any Stormwater Management Systems or Conservation Areas, without first obtaining the necessary permits from all governmental agencies having jurisdiction, including South Florida Water Management District, and the Developer, its successors and assigns.

LOTS MAY CONTAIN OR ABUT CONSERVATION AREAS, WHICH ARE PROTECTED UNDER RECORDED CONSERVATION EASEMENTS. THESE AREAS MAY NOT BE ALTERED FROM THEIR PRESENT CONDITIONS EXCEPT IN ACCORDANCE WITH THE RESTORATION PROGRAM INCLUDED IN THE CONSERVATION EASEMENT, OR TO REMOVE EXOTIC OR NUISANCE VEGETATION, INCLUDING WITHOUT LIMITATION MELALEUCA, BRAZILIAN PEPPER, AUSTRALIAN PINE, JAPANESE CLIMBING FERN, CATTAILS, PRIMROSE WILLOW, AND GRAPE VINE. PROPERTY OWNERS ARE RESPONSIBLE FOR PERPETUAL MAINTENANCE OF SIGNAGE REQUIRED BY THE PERMIT ISSUED BY SOUTH FLORIDA WATER MANAGEMENT DISTRICT, WHICH MAINTENANCE WILL BE MAINTAINED TO THE GREATEST DEGREE LAWFUL BY THE CDD.

5.3 Conservation Areas. The CDD shall be responsible for the maintenance and regulatory compliance of all Conservation Areas, regardless of where located, in accordance with rules, regulations and permitting requirements set forth by the County and other permitting agencies,

including the South Florida Water Management District. No person shall undertake or perform any activity in Conservation Areas described in the approved permits and Plats of the Community, or remove native vegetation that becomes established within the Conservation Areas. Prohibited activities within Conservation Areas include the removal of native vegetation, excavation, placement or dumping of soil, trash or land clearing debris, and construction or maintenance of any building, Unit or other structure. 'Removal of native vegetation" includes dredging, application of herbicides, and cutting. Nothing in this Section shall be construed to prohibit the CDD from exercising its park, recreational, cultural or educational powers in conservation or preservation areas or easements, subject to other applicable governmental approvals.

5.4 Open Space. Any land subjected to this Declaration and designated as open space, landscape buffer, preserve area, Conservation Area or words of similar import on any plat, declaration of covenants and restrictions, site plan, permit or other document shall be preserved and maintained by the owner of such land as open space. If such land or an easement over such land has been conveyed or dedicated to the Master Association or to a Neighborhood Association, the Master Association or Neighborhood Association shall preserve and maintain such land. No development may occur on such land except structures or improvements which promote the use and enjoyment of the land for open space purposes.

5.5 Lawns, Landscaping; Irrigation Systems. Except for designated Conservation Areas, buffer zones, open space or other similar areas, all areas not covered by structures, walkways or paved parking facilities shall be maintained by their owners as lawn or landscaped areas to the pavement edge of any abutting streets and to the waterline of any abutting lakes, canals or water management areas regardless of ownership of the underlying lands. Stone, gravel, or paving may not be used as a substitute for grass in a lawn. Certain areas as determined by the Developer or the RPD shall remain in a natural or unimproved state. All lawns and landscaping shall be completed at the time of completion of the structure as evidenced by the issuance of a Certificate of Occupancy by the appropriate governmental agency, and shall thereafter be kept in good condition by the owner. Lawns must be regularly cut and mulched areas regularly re-mulched. Maintenance, repair and replacement of the main irrigation line shall be the responsibility of the Master Association. The components of the irrigation system serving each individual Neighborhood Common Area, including but not limited to the tap into the main line, timers and switching devices shall be the responsibility of the Master Association. The maintenance, repair and replacement of irrigation heads shall be the responsibility of the individual parcel owner. Each owner of a Lot shall be required to tap into the Master Association's irrigation system, and the cost of such tap will be at the expense of the Lot owner, payable to the Declarant or its assigns. The Master Association shall have the right, at its sole discretion to adopt a schedule of irrigation times and duration of irrigation, subject to intervention by the SFWMD. The Master Association may also be responsible for irrigation of certain highway medians and road shoulders such as Corkscrew Road, even though this property is public property and not owned by the Master Association, but the cost for this irrigation shall be a valid Master Association expense.

5.6 Maintenance of Premises. Except for Conservation Areas and other areas designated by the

Developer or the RPD to remain in a natural state, no high weeds, underbrush, high grass or other unsightly vegetation shall be permitted to grow or remain upon any Lot or Neighborhood Common Area, and no refuse or waste shall be allowed to be placed or suffered to remain upon any Lot or Neighborhood Common Area. If an owner or Neighborhood Association permits such weeds, high grass, underbrush or other unsightly growths, and fails to correct same after five (5) days notice by the Master Association, the Master Association shall have the right to enter upon the premises and make such corrections and shall charge the owner or Master Association for the cost of the corrections. Said charge, until paid, shall be a lien against the offending Lot or Neighborhood Common Area. All lawns, landscaping and sprinkler systems and all structures, improvements and appurtenances shall at all times be kept in safe, and attractive condition, and all structures shall be maintained in a finished, painted and attractive condition. Provisions under section are intended to obligate the Master Association to maintain all streets, roads and thoroughfares and other open areas within the subdivision.

5.7 Sidewalks. Declarant may construct sidewalks in various locations within the Community. Driveway cuts and the construction of the driveways must be done in accordance with plans and specifications approved by Declarant.

5.8 Bike Path. Declarant will construct a bike path within the Community in accordance with plans and specifications approved by the Declarant.

5.9 Litter. In order to preserve the beauty of the Community, no garbage, trash, refuse or rubbish shall be deposited, dumped or kept within the Community except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the Board, or in proper-sized, closed plastic bags for curbside pickup as required. All containers, dumpsters and other garbage collection facilities shall be screened from view, kept in a clean condition, and without noxious or offensive odors emanating.

5.10 Walls, Fences. Hedges. etc. Unless approved in writing by Declarant, no wall, fence, hedge, or other divider shall be constructed or maintained on any adjoining Lot or Neighborhood Common Area, it being the express intent that no fences, walls or dividers shall be permitted on any Lot or Neighborhood Common Area which abuts lakes, preserve areas, streets or roads unless the Declarant so approves. Hedges, constructed of shrubbery or other suitable vegetation, may be approved but only in those situations where back to back lots or homesites so request and are approved. Any dispute as to height, length, type, design, composition or material shall be resolved by the Master Association's Board of Directors, whose decision shall be final. Approval may not be given for the construction of any wall, fence or hedge which materially interferes with the water view, preserve or wetland view of any Lot or Living Unit.

5.11 Driveways and Parking Areas. Driveways and parking areas must be paved with concrete, paver blocks, or another hard surface approved by Declarant. Maintenance and repair of all driveways, parking and other paved parking facilities (except driveways serving only one single family home) shall be the responsibility of the Master Association (if located in the Common Areas)

or the responsibility of the Neighborhood Association (if located in a Neighborhood Common Area). Driveways must be kept clean and free from excessive oil, rust or other unsightly stains.

5.12 Color. No exterior colors on any structure shall be permitted that, in the judgment of the ARC or Declarant, would be inharmonious, discordant or incongruous with the Community or a particular Neighborhood. The initial exterior color and design of structures shall be as approved by Declarant, and any later changes must be approved by the ARC.

5.13 Underground Utilities. No lines or wires for communication or the transmission of current shall be constructed, or placed, or permitted to be placed within the Common Areas unless the same shall be protected cables; all such lines or wires which are not located in buildings shall be constructed or placed and maintained underground, unless otherwise approved in writing by Declarant. No water pipe, gas pipe, sewer pipe, drainage pipe or storage tank shall be installed or maintained above the surface of the ground, except hoses and movable pipes used for irrigation purposes.

5.14 Water Supply; Wells; Water Rights. Each Living Unit shall be equipped with dual water lines, one of which shall be designated to utilize non-potable water. All underground irrigation systems must be connected to the non-potable water line and all outside spigots must be connected to the potable water line. Each owner shall be required to connect the water lines on his Lot to the lines of the Master Association or the utility provider(s) providing service to Bella Terra. It is the Declarant's intention that the Master Association shall operate certain recharge wells within the Community and draw irrigation water from these wells which will be stored in the lakes within the Community. The Master Association will then draw water from the lakes to irrigate the Community. No owner may install or operate a private well. The Declarant, its successors or assigns, shall have the exclusive right to develop and utilize the ground and surface water resources of the Lands for any legal purpose, including the transport and use of such waters beyond the Lands, and the conveyance of any Lot or Living Unit by Declarant does not include the right to develop or utilize any ground water or sub-surface water resources within such Lot or Living Unit.

5.15 Temporary Factory-Built or Existing Structures. No structure of any kind of what is commonly known as "factory-built", "modular", or "mobile home" type construction shall be erected without the prior written permission of Declarant. No tent, trailer or temporary structure other than those used by Declarant for construction and sales activities shall be permitted unless its size, appearance and temporary location on the Lot have first been approved by the ARC.

5.16 Antennas and Flagpoles. No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or device 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 Lot or Tract or upon any improvements thereon, unless expressly approved in writing by the ARC, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000, as amended, promulgated under the federal Telecommunications Act of 1996, as amended from time to time. The Master Association shall be empowered to adopt rules governing the types of antennae,

restrictions relating to safety, location and maintenance of antennae. The Master Association may adopt and enforce reasonable rules limiting installation of permissible dishes or antennae to side or rear yard locations, not visible from the street or neighboring properties, and integrated with the Residence and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules. Antennae shall be installed in compliance with all federal, state and local laws and regulations, including zoning, land-use and building regulations. A flagpole, for display of the American Flag only, may be permitted if its design and location are first approved by the Master Association. An approved flagpole shall not be used to mount an antenna. This provision is intended to protect residents from unreasonable interference with television reception, electronic devices, and the operation of home appliances, which is sometimes caused by the operation of ham radios, CB base stations or other high-powered broadcasting equipment. This Section 5.16 shall not apply to the Declarant.

5.17 Trucks, Commercial Vehicles, Recreational Vehicles, Motor Homes, Mobile Homes, Boats, Campers, Trailers and Other Vehicles.

A. No commercial vehicle of any kind shall be parked in the Community, except for construction or service vehicles temporarily present on business. The term "commercial vehicle" as restricted under this section is defined as meaning all vehicles of every kind whatsoever that show or tend to show any commercial markings, signs, displays, equipment, or otherwise indicate a commercial use on the exterior of the vehicle, or any portion thereof.

B. No boat, trailer, semi-tractor trailers or house trailer of any kind, camper, mobile home, motor home, bus, truck camper, or disabled, inoperative or unlicenced motor vehicle of any kind may be parked or kept in the Community unless it is kept fully enclosed inside a structure. For purposes of this paragraph only, an open carport shall not be deemed a structure. House trailers, semi-tractor trailers, campers, buses, motor homes, mobile homes, truck campers and the like are permitted to be parked in the Community for loading and unloading purposes only, and then for a maximum of twelve (12) hours. Parking for longer periods of time may be permitted only with the approval in writing of the Board of Directors.

C. No motor vehicle shall be parked anywhere on the property, except on an individual driveway or within a garage. Parking on lawns or landscaped areas or in the street is prohibited.

D. No motor vehicle shall be used as a domicile or residence, either permanent or temporary.

E. Passenger automobiles, vans and light pick up trucks with single rear wheels of no more than one (1) ton designation, in a presentable condition and which will fit within an enclosed garage, shall be permitted. The term "vans and light pick up trucks" is defined to mean vehicles of no more than one (1) ton or less rated weight carrying capacity and single axle rear wheels.

F. Paragraphs A through E above shall not be deemed to prohibit any temporary facility used by the Declarant or its assigns in constructing, marketing and developing the Community.

G. Any vehicles parked in violation of this Section shall be subject to being towed at the owner's expense.

5.18 Outdoor Equipment. No above ground swimming pools are permitted. All garbage and trash containers, oil tanks, bottled gas tanks, swimming pool and spa equipment and housing and sprinkler pumps and other such outdoor equipment must be underground, or placed in areas not readily visible from adjacent streets, or adequate landscaping must be used as screening around these facilities and maintained by the owner or Neighborhood Association.

5.19 Clothes Drying Area. No outdoor clothes drying area shall be allowed unless its location and design are approved in writing by the Master Association.

5.20 Lighting. All exterior lighting of structures or landscaping shall be accomplished in accordance with plans approved in writing by Declarant. Except as may be initially installed or approved by Declarant, no spotlights, floodlights or similar high intensity lighting shall be placed or utilized upon any Lot which in any way will allow light to be reflected on any other Lot or the improvements thereon, or upon any Common Areas or any part thereof, without the approval of the Master Association. Other types of low intensity lighting, including normal and customary Christmas or other holiday decorations, which do not unreasonably disturb other owners or occupants of the Community, shall be allowed.

5.21 Air Conditioners. Wall or window air conditioning or heating units are not permitted.

5.22 Solar Collectors; Roof Vents. Solar collectors, roof vents and other installations on the roofs of structures, shall be permitted only at locations approved in writing by Declarant or the ARC, and may be required to be screened from view by landscaping or other suitable visual barrier.

5.23 Signs. No signs may be erected or displayed in or on any Lot, Living Unit, or structure, except that a "For Sale" or "For Rent" sign no larger than ten (10) inches in height and no more than eighteen (18) inches in width is permitted. The sign shall conform to the drawing depicted on the attached sheet. The party seeking to erect or place a sign on their property shall be required to purchase the sign and sign post from a vendor designated by the Association. The vendor so designated by the Association shall be the only party authorized to place or install the sign on the owner's property. Owner's right to install a sign shall be further subjected to the following restrictions and those which may be later promulgated by the Architectural Review Committee:

A. The sign shall only contain the telephone number and the name of either the homeowner or the real estate company listing the property, if any;

B. Telephone number letters shall not exceed four (4) inches in height and the lettering indicating the homeowner or real estate company shall not exceed two (2) inches in height;

C. Color of the lettering shall be white and shall have a dark green background;

D. For single-family homes and villas, one (1) sign may be located in the front of the property, no closer than fifteen (15) feet from the street pavement and another sign may be located along the rear of the house, no farther than three (3) feet from the house;

E. For condominiums, two (2) signs are permitted. One (1) sign may be located in the rear window of the unit;

F. Note: Notwithstanding the foregoing, the individual neighborhood associations may prevent, prohibit, or impose additional restrictions on the placement of signs in their respective neighborhoods;

G. The Architectural Review Committee may require that all signs installed or placed within the Community be constructed or installed by a vendor designated and approved by the Association, in order to insure conformity with these restrictions.

5.24 Living Units; Residential Use. Each Living Unit shall be used as a single family residence and for no other purpose. No business or commercial activity shall be conducted in or from any Living Unit, nor may the address or location of the Unit be publicly advertised as the location of any business or commercial activity. Notwithstanding however, neither the listing on any occupational license or the listing within any telephone directory of the Living Unit serving as a business address shall be dispositive of the property being used as for commercial or business purposes. Any owner may use his/her residence for incidental commercial purposes, so long as (1) property is not used for manufacturing, construction or installation of materials sold or advertised to be sold, whether retail or wholesale customers; (2) the nature of the business activity does not invite or permit suppliers, customers or vendors to visit or frequent the Living Unit, even on isolated occasions; (3) the business activity within the Living Unit is limited to telephone calls and written correspondence in and from the Living Unit; and (4) no employees or contractors, other than those who regularly reside within the Living Unit may perform any work or other services to the business at the Living Unit. This restriction shall further not be construed to prohibit any owner from maintaining a personal or professional library, from keeping personal, business or professional records in his Living Unit, or from handling personal, business or professional telephone calls and written correspondence in and from his Living Unit. Such uses are expressly declared customarily incident to residential use.

5.25 Leasing of Living Units. No Living Unit may be leased or rented for a period of less than thirty (30) consecutive days. Neighborhood Covenants may establish stricter standards for particular Neighborhoods.

THE DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE FINANCIAL FEASIBILITY OF RENTING UNITS OR THE INCOME TO BE DERIVED THEREFROM. ANY OWNER WHO DESIRES OR INTENDS TO RENT A LIVING UNIT MUST INDEPENDENTLY DETERMINE AND ASSUME RESPONSIBILITY FOR THE FEASIBILITY OF RENTING, AND SHOULD CONSULT HIS OR HER OWN

ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES AND ECONOMIC ADVANTAGE OF OWNERSHIP.

5.26 Pets and Animals. Not more than two (2) commonly accepted household pets such as a dog or cat, and reasonable numbers of tropical fish or caged birds may be kept in a Living Unit, subject to other reasonable regulation by the Master Association or Neighborhood Association. All animals shall be leashed (if outdoors), or kept within the Living Unit and shall not be permitted to roam free. The Master Association may restrict the walking of pets to certain areas. Owners who walk their pets on Master Association or Neighborhood Common Areas must clean up after their pets. Commercial activities involving pets, including without limitation, boarding, breeding, grooming or training, are not allowed. The ability to keep a pet is a privilege, not a right. If in the opinion of the Board, any pet becomes the source of unreasonable annoyance to others, or the owner of the pet fails or refuses to comply with these restrictions, the owner, upon written notice, may be required to remove the pet from the Community. Pets may not be left unattended or leashed in yards or garages or on porches or lanais.

5.27 Nuisances. Nothing may or shall be done which is, or may become, a source of unreasonable annoyance or nuisance to residents of any Neighborhood. Any question with regard to the interpretation of this Section shall be decided by the Declarant so long as it owns any property in the Community and thereafter by the Master Association whose decision shall be final.

5.28 Correction of Health and Safety Hazards. Any Conditions of the physical property which are reasonably deemed by the Board of Directors to be an immediate hazard to the public health or safety may be corrected as an emergency matter by the Master Association, and the cost thereof shall be charged to the responsible owner or Master Association.

5.29. Hurricane Shutters. Any hurricane or other protective devices visible from the outside of a home or unit shall be of a type as approved by the ARC, and in accordance with the guidelines as promulgated by the ARC. No such devices shall be installed without the prior written approval of the ARC. If the hurricane or other protective devices consist of roll-up style shutters, the owner may install, operate, or have in the closed or down position, storm shutters for the purpose of securing the owner's residence or any other reason whatsoever. If the hurricane or other protective devices consist of accordion, panel, or any other style shutters, the owner may only install, operate, or have in a closed or down position, storm shutters if and when the National Weather Service has issued a hurricane watch for the County or Municipality where the owner's dwelling is located. These accordion, panel, or any other style storm shutters must be returned to the open or up position within seventy-two (72) hours after such hurricane watch expires or is otherwise no longer in effect. In no event shall an owner rely upon any other party to operate the owner's storm shutters, to either remove, close or open such shutters, and each owner is individually responsible for the full operation of their storm shutters. If any owner fails to comply with the terms of this Section, such owner shall be subject to the imposition of fines as detailed in this Declaration.

5.30 Assignment of Approval Rights. At such time as neither Declarant nor any subsequent developer hold any Lots or Living Units in the Community for sale in the ordinary course of

business, or at such earlier time as Declarant may determine, all rights of Declarant to approve or disapprove any construction, alteration or other aspect of the appearance of the physical property in the Community shall automatically devolve upon and be deemed assigned to the ARC. At that same time all other approval powers of the Declarant shall automatically devolve upon and be assigned to the Board of Directors of the Master Association.

5.31. Unlicensed Operators & Unlicensed Vehicles. The operation of any motor vehicle as defined under Chapter 322, Florida Statutes, which is compelled by any power other than human muscular power including, but not limited to, gasoline power or electric power and which further would require the operator of that vehicle while on public streets, roads and thoroughfares within the State of Florida to possess a valid driver's license shall be prohibited to be operated or used on streets, roads and/or sidewalks within Bella Terra Subdivision, on Bella Terra homesites, whether vacant, completed or under construction, or in or on the common areas of Bella Terra of Southwest Florida, Inc. unless the motor vehicle is operated by a person with a valid driver's license and the motor vehicle complies with all prerequisites established under Florida law for operating said vehicle on public streets, roads and thoroughfares. The term "motor vehicle" extends to and includes, but is not limited to, motorized bicycles (mopeds), motorized skateboards, motorized scooters (go-peds), go-carts, golf carts, and similar motorized toy vehicles. The term "motor vehicle" does not include motor wheelchairs which are operated by persons who require wheelchairs for mobility.

5.32 Declarant's Exculpation. The Declarant or any builder may grant, withhold or deny its permission or approval in any instance where its permission or approval is permitted or required, without any liability of any nature or kind to any owner or Master Association or any other person for any reason whatsoever, and any permission or approval granted shall be binding upon all persons. The use restrictions of this Section 5 shall not apply to any property owned by a Developer prior to its conveyance to an owner other than a Developer.

6. ARCHITECTURAL AND AESTHETIC CONTROL

6.1 General. Except for the initial construction of Living Units, Neighborhood Common Area facilities, Common Area facilities, and related improvements by the Developer, no building, structure or other improvement shall be erected or altered, nor shall any grading, excavation, landscaping, change of exterior color, or other work which in any way materially alters the exterior appearance of any structure, Lot, Living Unit, or Neighborhood Common Area be performed without the prior written approval of the ARC. In obtaining said written approval, an owner or any other person applying shall comply with all applicable requirements and procedures.

6.2 Architectural Review Committee. The architectural and aesthetic review and control functions of the Master Association shall be administered and performed by the ARC. The ARC shall consist of not less than three (3) individuals, who need not be members of the Master Association. The term of office, composition, compensation (if any), qualifications and meeting procedures of the ARC shall be as provided in Section 6 of the Bylaws.

6.3 Powers. The ARC shall have the power, subject to and limited by the guidelines of the approved regulatory permits of South Florida Water Management District (Permit Nos.36-01685-S and 36-02571-W), the County, the U.S. Army Corps of Engineers and the RPD and the DRI, to:

A. Propose the adoption, modification or amendment by the Board of Directors, of written Design Review Guidelines which shall set forth such things as design requirements, landscape materials, construction standards and colors and materials which the ARC finds acceptable. Said Guidelines shall be consistent with provisions of this Declaration, and shall not be effective until adopted by at least a majority of the whole Board of Directors at a meeting duly called and noticed.

Notice of any adoption, modification or amendment of Design Review Guidelines, including a verbatim copy of the proposed modification or amendment thereof, shall be mailed to each Neighborhood Association at least thirty (30) days prior to the Board meeting at which such action is to occur;

B. Require submission to the ARC of complete plans and specifications for any building, structure, or other improvement proposed to be erected or altered, or any proposed grading, excavation, tree or other landscape material removal or installation, change of exterior color or other work which materially alters the exterior appearance of any structure, Lot or Neighborhood Common Area. The ARC may also require submission of samples of building materials or colors proposed for use on any Lot, and may require such additional information as may reasonably be necessary for the ARC to fully evaluate the proposed work;

C. Approve or disapprove the erection or alteration of any building, structure or other improvement; or any grading, excavation, landscaping, change of exterior color, or other work which in any way materially alters the exterior appearance of any structure, Lot or Neighborhood Common Area. All decisions of the ARC shall be forwarded in writing to the Board. Any person aggrieved by a decision of the ARC shall have the right to make a written appeal to the Board within thirty (30) days after notification of the decision. The determination by the Board, upon prompt review of any such decision, shall, in all events, be final, and shall not be unreasonably delayed;

D. Adopt procedures and a schedule of reasonable fees for processing requests for ARC review. Fees, if any, shall be payable to the Master Association, in cash or check, at the time the request is submitted to the ARC; or

E. Adopt procedures for inspecting approved changes during and after construction, to ensure conformity with approved plans.

F. Make recommendations, consistent with the Lee County Development Order for the County, that single family lot landscaping consist of seventy five percent (75%) native vegetation, and provide a recommended planting list for the native vegetation. However, plants included in the Exotic Pest Plant Control 2001 invasive exotic vegetation brochure are prohibited for landscaping

within the Community. These plants include: Australian Pine, Brazilian Peppers, Downy Rosemyrtle, Earleaf Acacia, Melaleuca and Tropical Soda Apple.

6.4 Enforcement. Any decisions of the ARC shall be enforced by the Neighborhood Association involved, as well as by the Master Association.

6.5 Declarant's Rights. Notwithstanding the foregoing, the Declarant shall have the right, so long as any Developer is offering any property in Bella Terra for sale in the ordinary course of business, to appoint all of the members of the ARC, or such lesser number as it may choose. During this time, the Declarant shall also have the power, in its sole discretion, to establish, amend, or revoke any and all Design Review Guidelines.

7. EASEMENTS. In addition to the easements created elsewhere herein, and those already of public record at the time this Declaration is recorded, easements are hereby provided for:

7.1 Utilities, Services and Support. Each Lot, Unit, Tract and Parcel and the Common Areas (except Conservation Areas) and Neighborhood Common Areas is and are hereby subjected to easements for public services, communications and telecommunications, and utilities purposes including, but not limited to, fire, police protection, and emergency services, garbage and trash removal, potable and non-potable water, sewage, telephone, electric and irrigation, lake maintenance, and cable television, as well as for CDD purposes. The utilities and governmental agencies having jurisdiction, and their employees and agents, shall have the right of access to any Lot, Unit, Tract, or Parcel or the Common Areas in furtherance of such easements. The easement areas on any Lot, whether or not shown on any plat, shall at all times be properly maintained by the owner, whether or not the utility or service company property maintains the easement area.

A. There is hereby reserved, for the purpose of installing, operating and maintaining governmental, public or private utility facilities, and for other purposes incidental to the development of the Community, those easements described herein and those shown upon the recorded plat of the Community, and there are also reserved such easements and rights-of-way for any other purposes as Declarant in its sole discretion may in the future grant.

B. Declarant hereby reserves the right, and the power, during a period of fifteen (15) years from the date of recording this Declaration, to declare, grant and record easements for drainage facilities, sanitary sewer lines, potable and irrigation water lines, storm sewers, gas and electric lines, telephone and other telecommunication lines, cable television lines, and such other service facilities as Declarant may deem necessary or desirable, along the various utility service routes, through, in, over and under all Lots, Tracts, Parcels and Common Areas, and Neighborhood Common Areas. The purpose, duration and scope of any such easement shall be set forth in an instrument of public record. Said easements and the rights granted shall not be inconsistent with the then existing improvements on the applicable portions of the Lot, Parcel, Tract or Common Area, or materially change the rights of the owners. If any agreement is entered into by the Master Association for the exclusive provision of System services or other services to the Community, as described in either Section 7.2, 7.3 or both below, it shall be the affirmative obligation of the Master Association to

grant all appropriate and reasonably necessary easements for the furnishing of those services; and upon the expiration or termination of such agreement, to provide subsequent or alternate easements so as to insure the continuous accessability and availability to the Community, of those services.

7.2 Cable T.V. and Broadband Telecommunications System. The Declarant hereby reserves for itself and its successors, assignees and licensees, the right, without obligation, to construct or install over, through, under, across and upon any portion of the Community for the use and benefit of the owner and that committed or authorized guests, invitees, tenants and family members, one (1) or more cable and/or internet access telecommunications receiving and distribution systems and electronic surveillance systems, internet access, emergency, medical and surveillance monitoring, or alarm systems (all or any part of which shall be referred herein collectively as the "System"), the exact description, location and nature of which may have not yet been fixed or determined. Declarant shall have and hereby reserves to itself and its designees, successors, assignees and licensees, a perpetual and exclusive right, privilege, easement and right-of-way for the installation, construction and maintenance of the System (the scope, extent, size and location of which over, across, upon and through the Community shall be determined solely by Declarant, its successors, designees and assigns) together with a perpetual and exclusive right and privilege of:

A. Unlimited ingress and egress thereto for installing, constructing, inspecting, maintaining, altering, moving, improving and replacing the facilities and equipment constituting the System including, without limitation, any towers, antennas, conduits, wires, cables, lines, panels, boxes, housings, connections, insulators and amplifiers necessary or desirable to receive and distribute services of the System including, without limitation, television and radio signals, electronic banking, surveillance, fire, police and emergency medical protection.

B. Transmitting the facilities and equipment of which, shall be owned and exclusively controlled by Declarant, its successors and assigns or its designees.

C. Each Lot and Living Unit is subject to a permanent easement in favor of adjoining or adjacent Lots and Living Units for lateral and subjacent support.

D. Each Lot and Living Unit is subject to a permanent easement in favor of the Master Association to remove and/or destroy invasive exotic vegetation species.

7.3 Contracts With Service Providers. Declarant, or the Master Association, or both, shall have the right to enter into Contracts for the exclusive provision of the System, as Declarant and the Master Association shall deem, in their sole respective discretion, to be in the best interest of the Community. Either the Declarant or the Master Association may receive valuable consideration for the grant of the exclusive right to provide System services. As used herein, the term "contractual designee" means the service provider with which Declarant or the Master Association contracts for the furnishing of System services. Should Declarant enter into a contract or contracts pursuant to this Section 7.3, the Master Association shall, to the extent the Declarant assigns its rights and obligations under such contract or contracts, accepts such assignment, and is bound by all the terms and provisions of the contract or contracts. Any such contract for cable television or other similar

services shall provide, and if it does not, shall be deemed to provide, that during any period of occupancy of a living unit by a hearing impaired or legally blind unit owner who does not occupy the living unit with a non-hearing impaired or sighted person, said owner may refuse or discontinue the service without incurring disconnect fees, penalties, or subsequent service charges, and as to such living units, the owners shall not be required to pay any charge related to such service.

7.4 Collection of "System" Assessments by Master Association. Every lot or living unit to which the service System is available for many contractual designee(s) shall be subject to a System service assessment, payable per lot or living unit for System services, including, without limitation, cable television services. The Master Association shall bill the appropriate System service assessment to each lot or living unit along with other assessments for common expenses, which may be due and payable at the same time, and shall collect same and remit payment to the contractual designee(s) providing the System services.

7.5 Construction and Maintenance. Declarant (including its designees and contractors) shall have the right to enter any part of the Community and take any action reasonably necessary or convenient for the purpose of completing the construction or sales thereof, and for maintenance purposes and the completion of warranty work, provided such activity does not prevent or unreasonably interfere with the use or enjoyment of the Living Units or Lots by owners.

7.6 Conservation Easements. CDD hereby grants, creates, and establishes a perpetual conservation easement as defined in Section 704.06, Florida Statutes (2002), for the South Florida Water Management District, and the U.S. Army Corps of Engineers permit, over the Conservation Areas which shall run with the land and be binding upon the Declarant, its successors and assigns, and remain in full force and effect forever. The scope, nature and character of this conservation easement shall be as follows:

A. It is the purpose of this conservation easement to insure that the Conservation Areas predominately remain in their natural scenic open or wooded condition, while retaining such areas as suitable habitat for fish, plants, or wildlife. It is anticipated that the assignee of the Conservation Easements will be the CDD or the Master Association. To carry out this purpose, the following rights are conveyed to many governmental and quasi governmental districts, including, but not limited to: Florida Fish and Fresh Water Game Commission, Audubon Society, United States Fish and Wildlife Commission, SFWMD by this easement:

1. To enter upon the Lands at reasonable times to enforce the rights herein granted, upon prior notice to grantor, its successors or assigns, in a manner that will not unreasonably interfere with the use and quiet enjoyment of the Lands by Declarant, and its successors or assigns, at the time of such entry; and

2. To enjoin any activity on or use of the Conservation Areas that is inconsistent with the purpose of this conservation easement, and to enforce the restoration of such areas or features of the Conservation Areas that may be damaged by any inconsistent activity or use, except those damages or changes caused by an act of God.

B. Use Restrictions. Unless otherwise approved by SFWMD in writing, the following activities are prohibited in or on the Conservation Areas, except as provided in the reservation of rights located in Paragraph (C), or in the maintenance and monitoring plan set forth in the Conservation Easement.

1. Construction or placing of buildings, roads, signs, billboards, or other advertising, utilities, or other structures on or above the ground.

2. Dumping or placing of soil or other substance or material as landfill or dumping or placing of trash, waste, or unsightly or offensive materials.

3. Removal or destruction of trees, shrubs, or other vegetation, excepting removal of invasive exotic species.

4. Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such a manner to affect the surface.

5. Surface use except for purposes that permit the land or water area to remain predominantly in its natural condition.

6. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation or fish and wildlife habitat preservation.

7. Acts or uses detrimental to such retention of land and water areas.

8. Use of recreational motor vehicles such as motorcycles, ATV's, four-wheel drive vehicles.

C. Reservation of Rights. The following rights are specifically reserved to the Declarant, its successors or assigns:

1. Passive recreational activities not involving construction and not contrary to the purpose of this conservation involving construction, but not contrary to the purpose of this conservation easement, may be permitted upon written approval by SFWMD.

2. The Declarant reserves to itself, its successors, or assigns, all rights as owner of the property, including the right to engage in all uses of the property that are not specifically prohibited in this easement.

3. The Declarant reserves to itself, its successors or assigns, the right to excavate and recover fill dirt at any time in accordance with applicable governmental regulations.

D. Plans for construction of passive recreational facilities shall be submitted to SFWMD for review and approval prior to any construction. Declarant, its successors and assigns shall

minimize and avoid, to the fullest extent possible, impact to any wetland or buffer areas with the Conservation Areas. The SFWMD shall not unreasonably withhold approval. Any such work shall be subject to all applicable federal, state, or local permitting requirements.

E. No right of access by the general public to any portion of the lands or Conservation Areas is conveyed by this conservation easement.

F. Declarant, its successors or assigns, shall bear all costs and liabilities of any kind related to the operation, upkeep, and maintenance of the Conservation Areas and does hereby indemnify and hold the SFWMD harmless therefrom.

G. Declarant, its successors or assigns, shall pay any and all real property taxes and assessments levied by competent authority on the Conservation Areas.

H. Any costs incurred by the SFWMD in enforcing, traditionally or otherwise, the terms and restrictions of this conservation easement against the Declarant, its successors or assigns shall be borne by, and be recoverable against the Declarant, its successors or assigns as long as the SFWMD is the prevailing party in such proceedings.

I. Any costs incurred by the Declarant, its successors or assigns in defending an enforcement action brought by the SFWMD shall be borne by and be recoverable against the SFWMD and its successors, as long as the SFWMD is not the prevailing party.

J. Enforcement of the terms and provisions of the conservation easement shall be at the reasonable discretion of the SFWMD, and any forbearance on behalf of SFWMD to exercise its rights hereunder in the event of any breach hereof by the Declarant, its successors or assigns shall not be deemed or construed to be a waiver of the SFWMD's rights hereunder in the event of a subsequent breach.

K. The SFWMD will hold this conservation easement exclusively for conservation purposes. The SFWMD will not assign its rights and obligations under this conservation easement without the prior written consent of the Declarant, its successors or assigns, except to other State organizations qualified to hold such interest under the applicable state and federal laws who are committed to holding this conservation easement exclusively for conservation purposes.

L. If any provisions of this conservation easement or the application thereof to any person or circumstances is found to be invalid, the remainder of the provisions of this conservation easement and the applications of such provisions to persons or circumstances other than those as to which it is found to be invalid shall not be affected thereby, as long as the general purpose of the conservation easement is preserved.

M. All notices, consents, approvals or other communications hereunder shall be in writing and be deemed properly given if sent by registered or certified U.S. Mail, return receipt requested, addressed to the appropriate party in interest.

N. The Declarant, its successors or assigns, must follow the State laws of Florida pertaining to notification of any subsequent party, buyer, or filing of other legal instruments, when the Declarant, its successors or assigns divests itself of any interest in the Conservation Areas.

8. COMMON AREAS; CONVEYANCE, USE AND MAINTENANCE.

8.1 Designation. Except for the Conservation Areas, and the Stormwater Management System, Declarant shall have the right, and the power, in its sole discretion, to determine which parts of the Community shall be Common Areas, and to convey, lease or grant a license or other right to use real property within the Community, to Bella Terra, to the CDD or to the Association or any Neighborhood Association as Common Areas.

A. Any such conveyance, lease or grant of license or use right to the Master Association may be exclusive or non-exclusive, so that persons or entities other than the Master Association may or may not have a right, power, duty, or privilege with respect to all or any part of any real property so conveyed, leased, licensed or the use of which has been granted. The Master Association must accept from Declarant and/or the CDD, any such conveyance, lease, grant of license or grant of use right. The Master Association shall not accept, from any person other than Declarant and/or the CDD, a conveyance, lease, grant or license or grant of use right except upon the prior written approval of the Declarant.

B. Prior to the conveyance of Common Areas by Declarant to the Master Association, the Master Association shall have the right to charge reasonable fees, rents, or other charges for the use of the property; however, rents, fees and other charges required to be paid to Declarant under leases, grants, licenses or contracts creating use rights to third parties shall continue to be paid.

The foregoing notwithstanding, the CDD shall own and maintain the surface water management system of Bella Terra which have been constructed by or accepted by the CDD, unless those duties and obligations are transferred to the Master Association.

8.2 EXCEPT AS OTHERWISE PROVIDED IN THE CONSERVATION EASEMENT, THEY SHALL BE THE PERPETUAL RESPONSIBILITY OF THE MASTER ASSOCIATION AND MAY IN NO WAY BE ALTERED FROM THEIR NATURAL STATE. ACTIVITIES PROHIBITED WITHIN THE CONSERVATION AREAS INCLUDE, BUT ARE NOT LIMITED TO, CONSTRUCTION OR PLACING OF BUILDINGS ON OR ABOVE THE GROUND; DUMPING OR PLACING SOIL OR OTHER SUBSTANCES SUCH AS TRASH; REMOVAL OR DESTRUCTION OF TREES, SHRUBS, OR OTHER VEGETATION, EXCEPT REMOVAL OF EXOTIC/NUISANCE VEGETATION; EXCAVATION, DREDGING OR REMOVAL OF SOIL MATERIAL; DIKING OR FENCING; ANY OTHER ACTIVITIES DETRIMENTAL TO DRAINAGE, FLOOD CONTROL, WATER CONSERVATION, EROSION CONTROL, OR FISH AND WILDLIFE HABITAT CONSERVATION OR PRESERVATION.

8.3 Conveyance and Use. Declarant will initially hold the legal title to the Common Areas, but agrees to convey the Common Areas to the Master Association or the CDD. Not later than sixty (60) days after the date when members first elect a majority of the Board of Directors, the Declarant shall convey the Common Areas to the CDD or to the Master Association by special warranty deed, and the Master Association shall accept such conveyance, subject to taxes for the year of conveyance (if any) and to mortgages, restrictions, limitation, conditions, reservation and easements of record. The Declarant may, however, convey title at any earlier time the Declarant chooses. Declarant shall have the right from time to time to enter upon the Common Areas during periods of construction upon adjacent property and for the purpose of construction of any facilities on the Common Areas that Declarant elects to build.

(A) Any real property conveyed, leased, or the use of which has been granted by Declarant or any third party to the CDD as Common Areas, is not and shall not be deemed dedicated for use by the general public but is, and shall be, deemed restricted for the common use and enjoyment of members and their guests, tenants and invitees.

(B) Declarant or the CDD may convey property to the Master Association in either an improved or an unimproved condition, with or without any specific restrictions on its use, and the Master Association must accept such property. The Master Association shall not accept conveyance of real property from any third party other than the CDD, in either an improved or unimproved condition, without the prior written consent of Declarant, so long as Declarant owns any property in Bella Terra.

THE MASTER ASSOCIATION AND THE NON-DECLARANT MEMBERS ARE OBLIGATED TO ACCEPT THE COMMON AREAS AND FACILITIES, IN THEIR "AS IS" CONDITION, WITHOUT RECOURSE, WHEN CONVEYED TO THE MASTER ASSOCIATION BY THE DECLARANT. THE DECLARANT AND ANY DEVELOPER MAKE NO REPRESENTATIONS, AND TO THE FULLEST EXTENT PERMITTED BY LAW DISCLAIM ALL WARRANTIES EXPRESS OR IMPLIED, IN LAW OR IN FACT, WITH RESPECT THERETO, INCLUDING WITHOUT LIMITATION, REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND REPRESENTATIONS OR WARRANTIES REGARDING THE CONSTRUCTION, DESIGN, ADEQUACY OF SIZE OR CAPACITY IN RELATION TO THE UTILIZATION, DATE OF COMPLETION OR THE FUTURE ECONOMIC PERFORMANCE OR OPERATIONS OF, OR THE MATERIALS, FURNITURE OR EQUIPMENT WHICH WILL BE USED IN, THE COMMON AREAS AND FACILITIES. AT THE TIME OF CONVEYANCE, DECLARANT SHALL TRANSFER OR ASSIGN TO THE MASTER ASSOCIATION, WITHOUT RECOURSE, ALL EXISTING WARRANTIES IT RECEIVED FROM MANUFACTURERS AND SUPPLIERS RELATING TO ANY OF THE FACILITIES WHICH ARE ASSIGNABLE.

8.4 Maintenance and Alteration. The Master Association is responsible for the maintenance, repair, replacement, insurance, protection and control of all Common Areas except those the CDD is responsible for, in accordance with all applicable laws, and shall keep the same in good, safe,

clean, attractive and sanitary condition, and in good working order at all times. After control of the Master Association has been turned over to the members, there shall be no material alterations of or substantial additions to the Community Common Areas costing more than $100,000, in the aggregate during any fiscal year unless first approved by a majority of the voting interests of the members of the Master Association. However, if work that is reasonably necessary to meet the Master Association's obligations under the first sentence of this Section 8.4 also constitutes a material alteration or substantial addition, no prior membership approval is required.

8.5 Partition, Subdivision and Encumbrance. Except as hereinafter provided, after legal title to the Common Areas, or any portion thereof, becomes vested in the CDD or the Master Association, the Common Areas shall not be abandoned, partitioned, subdivided, alienated, released, transferred, hypothecated, or otherwise encumbered, without first obtaining the approval of not less than two-thirds (2/3rds) of the voting interests. The foregoing shall not be construed to limit the authority of the Declarant or the Master Association through its Board of Directors to grant such easements over, across and through the Common Areas, as may be necessary for the effective and efficient operation of the facilities or for the general benefit of the members; nor is it intended to interfere with the transfer of title to the Common Areas to the CDD as contemplated in Section 8.7. Nothing herein shall be construed to prohibit judicial partition of any Lot, Unit, Tract or Parcel owned in cotenancy.

8.6 Master Association's Rights and Powers. No Common Areas shall be used in violation of any rule or regulation or other requirement of the Master Association established pursuant to the provisions of this Declaration or the Bylaws.

8.7 Expansion or Modification of Common Areas. Additions or modifications to the Common Area as may be made if not inconsistent with the RPD and any amendments thereto. Neither the Declarant nor any Developer shall be obligated, however, to make any additions or modifications. The Declarant further reserves the right to change the configuration or legal description of the Common Areas due to changes in development plans. If the Declarant determines, subject to any governmental requirements, that it is in the best interest of the development for any Common Areas to be owned by the CDD rather than the Master Association, then such Common Areas shall cease to be Common Areas, even if such Common Areas have been conveyed to the Master Association pursuant to Sections 8.1 and 8.2 hereof, and shall thereafter be CDD property and the Master Association shall make such conveyance to the CDD.

9. ASSESSMENTS.

9.1 Creation of Lien. Each owner, by acceptance of a deed to a Lot or Living Unit, covenants and agrees to pay to the Master Association:

(A) Annual Assessments.

(B) Special Assessments.

(C) Service Assessments, Resale Capital Assessments and other fees or charges (including fines) imposed against one or more Lots, Living Units, Tracts or Parcels, as provided for elsewhere in this Declaration, and in the Bylaws of the Master Association.

(D) System Assessments (e.g. Broadband Telecommunications, internet access, security, Bulk Service Cable Television).

(E) Irrigation and water utility assessments.

(F) To provide Community wide services for the benefit of the owners and the members not provided through the CDD, including without limitation, transportation and security.

(G) Except as otherwise provided in Section 14.2 below as to certain mortgagees, and except as provided in Section 9.2 below as to the Declarant and Developers, no owner may avoid or escape liability for the assessments or charges provided for herein by non-use or abandonment of his Lot, Living Unit, Tract, Parcel, or the Common Areas, or otherwise.

(H) Assessments shall be fixed, levied, established and collected as provided herein, and in Section 7 of the Bylaws.

(I) The owner of each Lot or Living Unit regardless of how title was acquired, is liable for all assessments coming due while he is the owner. Multiple owners are jointly and severally liable. Except as provided in Section 14.2 below, whenever title to a Lot or Living Unit is transferred for any reason, the new owner is jointly and severally liable with the previous owner for all assessments unpaid at the time of the transfer, regardless of when incurred, without prejudice to any right the new owner may have to recover from the previous owner any amounts paid by the new owner.

(J) No land shall be subject to assessment by the Master Association if it is a Neighborhood Common Area, or a Common Area, or it is owned by or dedicated to the County or other governmental agency, and used for a public purpose. Only Lots and Living Units shall be subject to assessment.

9.2 Declarant's Assessments. The assessment and lien provisions of this Section 9 shall not apply to any Lot, Living Unit, Tract or Parcel owned by Declarant or by any Developer succeeding to all or a portion of Declarant's rights herein, whether by assignment, in reorganization, or by other arrangement. Should Declarant's lender, its successors or assignees, acquire title to any lot, living unit tract, or parcel owned by Declarant, as a result of a foreclosure or deed in lieu of foreclosure, the assessment and lien provisions of this Section 9 shall not apply. Exception: the obligation and covenant to pay assessments as provided in this Section 9 shall apply to a Living Unit or Lot owned by the Declarant or a Developer upon the occurrence of any one of the following events:

(A) Conveyance of the Lot or Living Unit to an owner other than a Developer; or

(B) Construction of a Living Unit has been completed, a certificate of occupancy or the equivalent approval by an appropriate local governmental agency has been issued, and the Living Unit is occupied and used as a residence; or

(C) Declarant or a builder executes and records a written instrument subjecting a Lot, Living Unit, Tract or Parcel to the assessment and lien provisions of this Section 9.

During the period that Declarant membership exists, the Declarant covenants to subsidize the general operating expenses of the Master Association, by contributing the difference, if any, between net operating expenses and all income of the Master Association including but not limited to assessment income from members other than the Declarant. Declarant, however, shall not be obligated to contribute to or pay for funding any reserves for capital expenditures or deferred maintenance, capital improvement fund, or special assessment. Declarant's rights and obligations hereunder may be assigned in whole or in part to any builder.

9.3 Purposes of Assessments:

(A) To promote the recreation, health, safety, and welfare of the owners and residents of the Community;

(B) For the improvement, maintenance, protection and operation of the Master Association and Community Common Areas, the Conservation Areas, the Master Association equipment and facilities, and the Stormwater Management System; and to establish and maintain adequate repair and replacement reserves;

(C) To provide utility, cable television, and other systems of telecommunications services by bulk contract with third parties;

(D) Where deemed desirable by the Board of Directors, to provide services of general benefit to the owners and residents either on a Community-wide basis or otherwise, including without limitation, cable television, transportation, security or other services;

(E) To pay the operating expenses of the Master Association; and

(F) For such other purposes and uses as are authorized by the Governing Documents as amended from time to time.

9.4 Imposition of Assessments. Upon the closing of the initial sale of each Lot or Living Unit to a purchaser other than Declarant or a developer, and on the first day of each fiscal year thereafter, the assessment shall be assessed against each Lot or Living Unit. The assessment for the year (which may be payable annually or in quarterly installments at the discretion of the Board) in which the initial sale occurred shall be prorated to the actual date of closing.

9.5 Amount of Assessments. The amount of the assessment based on the annual budget shall be the same for each Lot or Living Unit subject to assessment.

9.6 Special Assessments. Any special assessments levied by the Master Association's Board of Directors shall be assessed equally against all Lots and Living Units, unless the assessment or portion thereof is intended specifically for the direct benefit of one or more classes of members, in which case it shall be assessed against only the classes of members directly benefitted, in accordance with the apportionment described in Section 9.5 above for the apportionment of annual assessments. Under no circumstances will the Declarant or any Developer have any obligation to pay special assessments.

9.7 Charges. Any charge by the Master Association authorized by law or by the Governing Documents to be imposed on less than all of the Lots or Living Units shall not be deemed an assessment. Payment may be enforced as provided in Section 9.9 and 9.10 below.

9.8 System Service Assessment. Assessment for System services, as described under Section 7.3 and 7.4 above, may be levied by the Board of Directors. Given their nature and purpose, such assessments may be levied on a non-uniform basis, notwithstanding the provisions of Section 9.5 above, and shall still be deemed "assessments". For example, if the Master Association enters into a Community wide bulk contract for cable television services to be provided to all living units, but one (1) or more living units is owned or occupied by a vision impaired person who, by law, cannot be required to pay for such cable television services, the cost of the cable television service shall be shared equally by all other living units, and the amount each living unit pays shall be deemed an "assessment" for all purposes hereunder.

9.9 Lien. The Master Association has a lien on each Lot and Living Unit for any unpaid past due assessments and charges, together with interest, late payment penalties and reasonable attorney's fees incurred by the Master Association in enforcing this lien. The lien relates back to the date of recording this Declaration in the Public Records of Lee, Florida; and is perfected by recording a Claim of Lien in the public records of the County, which Claim of Lien shall state the legal description of the property encumbered thereby, the name of the record owner, the amounts then due and the dates when due. The Claim of Lien must be signed and acknowledged by an officer or agent of the Master Association. The lien shall continue in effect until all sums secured by said lien have been fully paid, and the lien satisfied or discharged. The Claim of Lien shall secure all unpaid assessments and charges, interest, costs and attorneys fees which are due and which may accrue or come due after the recording of the Claim of Lien and up to the issuance of a clerk's deed. Upon full payment, the person making payment is entitled to a satisfaction of the lien.

9.10 Foreclosure of Lien. Unless a different method is required by Florida law, as amended from time to time, the Master Association's lien may be foreclosed by the procedures and in the manner provided in Section 718.116 of the Florida Condominium Act, as it may be amended from time to time, for the foreclosure of a lien upon a condominium parcel for unpaid assessments. The Master Association may also bring an action at law against any owner liable for unpaid charges or assessments. If final judgment is obtained, it shall include interest on the assessments as above

provided and a reasonable attorneys fee to be fixed by the Court, together with the costs of the action, and the prevailing party shall be entitled to recover reasonable attorneys fees in connection with any appeal of such action.

9.11 Priority of Lien. Unless otherwise provided by Florida law as amended from time to time, the Master Association's lien for unpaid assessments and charges shall have the same priority with respect to first mortgagees holding mortgages on Lots and Living Units the lien of a condominium association for unpaid assessments under Section 718.116, Florida Statutes, as amended from time to time, has with respect to first mortgagees or other acquirers of title through the first mortgage. The Master Association's lien shall be superior to, and take priority over, all other mortgages regardless of when recorded. Any lease of a Living Unit shall be subordinate and inferior to any Claim of Lien of the Master Association, regardless of when the lease was executed. The relative priority of the Master Association's lien to that of a Neighborhood Association shall be determined by the order of their recording in the public records.

9.12 Initial Capital Assessments. The first purchaser of each Lot, Living Unit, Tract or Parcel, at the time of closing of the conveyance from the Declarant to the purchaser, shall pay to the Developer an initial capital assessment. The funds derived from capital assessments shall be used at the discretion of the Developer for any purpose, including but not limited to, future and existing capital improvements, operating expenses, support costs and start-up costs. The Declarant may waive this requirement for some Lots and Living Units in the Declarant's sole and unbridled discretion.

9.13 Resale Capital Assessment. In addition to the Initial Capital Assessments, the Master Association may levy a Resale Capital Assessment upon the transferee in any conveyance of a Lot or Living Unit by a member. The amount of the Resale Capital Assessment and the manner of payment shall be as determined by resolution of the Board from time to time; provided, however, all Lots or Living Units similarly situated shall be assessed at a uniform rate. The due date shall be the date of the closing of the conveyance. Payment of the Resale Capital Assessment shall be the legal obligation of the transferee. For purposes of this Section, the term "conveyance" shall mean the transfer of record legal title to a Lot or Living Unit by deed or other authorized means of conveyance, with or without valuable consideration, and shall also refer to a transfer of possession and beneficial ownership by means of an agreement for deed. It does not refer to a transfer of title resulting from foreclosure of a lien, or the death of the transferee, nor to a transfer of title to a Director or the transferor's spouse without changing occupancy, solely for estate planning or tax reasons. Resale capital assessments shall be considered an assessment and can be collected as such in accordance with the provisions under Article 9.

9.14 Ownership. Assessments, resale capital assessments, and charges collected by or on behalf of the Master Association become Master Association property; no owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his Lot or Living Unit. No owner has the right to withdraw or receive distribution of his share of the common surplus (including reserves), except as otherwise provided by law.

10. PROVISOS AS TO BUILDERS.

10.1 Preamble. In light of the benefits accruing to the Declarant, Owners and the Association by virtue of the orderly and efficient development of The Lands, not only by Declarant but also by Builders, this Section has been adopted to further such benefits as well as to cause this Declaration to accurately and reasonably reflect the operations and needs of Builders.

10.2 Voting and Assessments. All Builders owning Lots shall be Class C Members of the Association and shall have all rights, benefits, duties and obligations pertaining to such class of membership. A Builder shall have one (1) vote for each Lot owned by or allocated to it and shall pay the same rate of assessment on each such Lot as would any Class A Member/Owner; provided, however, that (i) in the event that a Builder owns a Tract, all or any portion of which has not been platted or otherwise subdivided into Lots, the unplatted property within the Tract shall, for purposes of this Declaration, be deemed to contain such number of Lots as are provided in the Supplemental Declaration subjecting the Builder's portion of The Lands to this Declaration (absent which the property to be deemed to contain the number of Lots permitted to be located thereon by applicable land use ordinances or approvals) and (ii) Declarant hereby reserves the right to vary the aforesaid rate of assessment payable by a Builder by so providing in a Supplemental Declaration, regardless of whether or not the Builder's portion of The Lands has been subdivided into Lots as aforesaid.

In the event that assessments and/or votes are allocated to a Tract at a time when neither the Tract nor any portion thereof has been subdivided into individual Lots by virtue of the recordation of the Plat, then upon the later recordation of a Plat (i) if the Plat is as to the entire Tract, then the number of Lots allocated to the Tract shall be deemed automatically adjusted to equal the number of Lots shown on the Plat or (ii) if the Plat pertains to less than the entire Tract then the number of Lots allocated to the Tract shall be reduced by the number of Lots shown on the Plat, with the remaining allocated to then be attributed solely to the unplatted portion of the Tract. In the event that there are any other changes in circumstances not contemplated hereby or if the application of the foregoing does not reflect any relevant circumstances pertaining to the Tract, then Declarant shall record a Supplemental Declaration making any necessary adjustment in the number of Lots allocated to a Tract or portion thereof or reflecting a different method of an adjustment thereof based upon the recordation of a Plat(s). For purposes of this paragraph, the recordation of a Declaration of Condominium or documents establishing a cooperative shall have the same effect as a Plat for the purpose of determining allocated Lots.

10.3 Architectural Control. For purposes of the exemption of Declarant and its designees as set forth in Article 6 hereof, a Builder shall be deemed a designee of Declarant and therefore exempt from architectural review/approval requirements if, but only if, the Builder is subject to Deed Restrictions imposed by the Declarant which govern matters such as plan approval and construction activities.

The foregoing exemption shall not, however, apply once the Builder has completed a Unit on a Lot and has received Declarant's final approval thereof, the purpose hereof being to require the Architectural Review Committee's approval of any alterations of such construction once same is completed.

10.4 Use Restrictions. In addition to the architectural control exemptions set forth in the immediately preceding Section, no Builder shall be deemed to be in violation of any of the other restrictions or requirements of Article 6 of this Declaration, or of any Rules or Regulations of the Association, by virtue of any activities which are normally and customarily associated with the construction of Units (or the development of land therefor) of the number, nature and type being constructed/developed by the Builder. Notwithstanding the foregoing, no Builder may make any installations which, once installed, would constitute a violation of Article 6 of this Declaration. By way of example only, the privileges granted to Builders hereunder may not extend to permit the permanent installation of otherwise prohibited gas tanks, obstructions of visibility at intersections, window -mounted air conditioning units, exterior antennas or artificial vegetation.

11. COVENANT AND RULE ENFORCEMENT: DISPUTE RESOLUTION. The Master Association has the power to enforce all covenants, conditions, restrictions, rules and agreements applicable to any real property within Bella Terra, and is further empowered to promulgate and enforce administrative rules and regulations governing the use of the Common Areas.

11.1 Dispute Resolution.

A. Consensus for Association Action.

1. Except as provided in this Section, the Association may not commence a legal proceeding or an action under this Article without the approval of at least two-thirds of the Voting Members. A Voting Member representing units owned by persons other than the Voting Member shall not vote in favor of bringing or prosecuting any such proceeding, unless authorized to do so by a vote of the owners of at least two-thirds (2/3rds) of the total number of units represented by the Voting Member. This Section shall not apply, however, to (i) actions brought by the Association to enforce Governing Documents (including, without limitation, the foreclosure of liens); (ii) the imposition and collection of assessments; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in proceedings instituted against it.

2. Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute.

B. Alternative Method for Resolving Disputes.

Declarant, its Officers, Directors, Employees or Agents; the Association, its Officers, Directors and Committee Members; all persons subject to this Declaration; any Builder, its Officers, Directors, Employees and Agents; and any person not otherwise

subject to this Declaration who agrees to submit to this Article (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 11.1(3) herein (collectively, "Claims") to the mandatory procedures set forth in Section 11.1(4) herein.

C. Claims.

Unless specifically exempted below, all Claims between any of the Bound Parties regardless of how the same might have arisen or on what it might be based including, but not limited to Claims (a) arising out of or relating to the interpretation, application or enforcement of the Governing Documents or the rights, obligations and duties of any Bound Party under the Governing Documents, (b) relating to the design or construction of improvements; or (c) based upon any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party shall be subject to the provisions of Section 11.1(4) herein.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 11.1(4) herein.

1. Any suit by the Association against any Bound Party to enforce the provisions of Article 10 (Assessments);

2. Any suit by the Association or Declarant to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to act under and enforce the provisions of Article 5 (Use and Restrictions) or Article 6 (Architecture and Aesthetic Control);

3. Any suit between or among Owners, which does not include Declarant, a Builder or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents; and

4. Any suit in which any indispensable party is not a Bound Party.

With the consent of all parties hereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 11.1(4) herein.

D. Mandatory Procedures.

1. Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and the Respondent referred to herein

being individually, as a "Party", or collectively, as the "Parties") shall notify each Respondent in writing (the "Notice"), 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 proposed remedy; and

(iv) The fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

2. Negotiation and Mediation.

(i) The parties 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 negotiation.

(ii) If the Parties do not resolve the Claim within 30 days after the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 days to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.

(iii) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant.

(iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

Each party shall bear its own costs of the mediation, including attorney's fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 11.1(4) and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 11.1(4). In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including without limitation, attorney's fees and court costs.

3. Binding Arbitration.

(i) Upon Termination of Mediation, Claimant shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. Such claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds $250,000, the dispute shall be heard and determined by three (3) arbitrators. Otherwise, unless mutual agreed to by the parties, there shall be one (1) arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

(ii) Each party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting party shall be awarded reasonable attorney's fees and expenses incurred in defending such contest. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

(iii) The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

11.2 Owner and Member Compliance. The protective covenants, conditions, restrictions and other provisions of the Governing Documents and the rules promulgated by the Master Association, shall apply to all owners, as well as to any other person occupying any Living Unit. All owners, their guests or invitees are expected to comply with all rules and regulations of the Community including those rules regarding the use of irrigation water. Persons who violate these rules and regulations are

subject to all sanctions including fines, suspension of use rights, injunction and all other remedies. Failure of an owner to notify any person of the existence of the rules, or the covenants, conditions, restrictions, and other provisions of the Governing Documents shall not in any way act to limit or divest the Declarant, a Developer, or the Master Association of the power to enforce these provisions. Each owner shall be responsible for any and all violations by his tenants, licensees, invitees or guests, and by the guests, licensees and invitees of his tenants, at any time.

11.2 Litigation. Each member and the member's tenants, guests, and invitees, and the Master Association, are governed by and must comply with Chapter 720, Florida Statutes, the Governing Documents and rules of the Master Association. Enforcement actions for damages, or for injunctive relief, or both, on account of any alleged violation of the Governing Documents and Master Association rules may be brought by the Declarant, any owner, or the Master Association against:

(A) the Master Association;

(B) a member;

(C) any occupant of a Living Unit;

(D) any Director or officer of the Master Association who willfully and knowingly fails to comply with these provisions; and.

(E) any tenants, guests, or invitees occupying a parcel or using the common areas.

(F) any Neighborhood Association which fails to make a prompt and reasonable effort to enforce any restrictive covenants or affirmative obligations under provisions of this Declaration or the Neighborhood Covenants, where such failure has or threatens to have a material adverse impact on the appearance of the Community, or the operation of the Master Association. The prevailing party in any such litigation is entitled to recover reasonable attorney's fees and costs. This Section is not intended to deprive any person of any other available right or remedy. The enforcement of covenants, conditions, restrictions and agreements applicable to the various subdivisions and developments within the Community is primarily the function and duty of the respective Neighborhood Associations. It is the intent of this provision that the Master Association exercise its covenant enforcement powers with respect to Neighborhood Covenants only after the Neighborhood Association primarily responsible for enforcement has notice of the violation and has, after a reasonable time, been unable or unwilling to resolve the problem in a satisfactory manner.

11.3 Damages and Attorney's Fees. Damages shall not be conclusively deemed adequate relief for any breach or violation of the Governing Documents or the rules. Any person or entity entitled to enforce any provision thereof shall be entitled to relief by way of injunction, as well as any other available relief either at law or in equity. The prevailing party in a proceeding to enforce any provision of the Governing Documents or rules, or to enjoin violation or breach of any provision

hereof, or recover damages on account of such breach, against any person shall be entitled to recover reasonable attorney's fees and court costs (including those resulting from appellate proceedings).

11.4 Non-Liability of Declarant. The Declarant shall not be liable or responsible for any violation of the Governing Documents or rules by any person other than itself, and its officers, agents and employees.

11.5 Fines.

(A) In addition to the means of enforcement provided elsewhere herein, the Master Association shall have the right to assess fines against a unit, a unit owner, or his guests, relatives or lessees in the event of a violation of the provisions of the Declaration, the Articles of Incorporation, these Bylaws, and Rules and Regulations of the Master Association regarding the use of units, common elements, or Master Association property. Each such violator and the unit owner shall be given written notice of the alleged violation and the opportunity for a hearing before the Board of Directors with at least fourteen (14) days notice. Said notice shall include a statement of the date, time and place of the hearing; a statement of the provisions of the Declaration, Articles, Bylaws or Rules which have been allegedly violated; and a short and plain statement of the matters asserted by the Master Association. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Master Association. The amount of such fine shall not exceed One Hundred Dollars ($100.00) per occurrence, or the maximum permissible by law, and each reoccurrence of the alleged violation for each day during which such violation continues shall be deemed a separate offense and may result in additional fines, without the requirement of a separate hearing, such not to exceed the maximum permissible by law. The payment of fines shall be the ultimate responsibility of the unit owner, even when the violations for which fines have been levied arise out of the conduct of family members, guests or tenants. Any action to collect a duly levied fine shall entitle the prevailing party to an award of all costs and reasonable attorney's fees.

(B) Collection of fines. A fine shall be treated as a special charge due to the Community Association ten (10) days after written notice from the Master Association to the owner of the imposition of the fine. If not paid by the due date, the fine shall accrue interest at the highest rate allowed by law, and may itself be the subject of a late payment fee.

(C) Application. All monies received from fines shall become part of the common surplus.

(D) Nonexclusive remedy. Fines shall not be construed to be an exclusive remedy, and shall exist in addition to all other rights and remedies to which the Master Association may be otherwise legally entitled; however, any fine paid by the offending owner shall be

deducted from or offset against any damages that the Master Association may otherwise be entitled to recover at law from such owner.

11.6 Suspension of Use Rights. To the extent lawful, the Board of Directors may suspend the right of any unit owner, or his guests, tenants, or family members, to use Common Areas during any period of time the owner shall have failed to pay any fine levied, or for a reasonable time as punishment for one or more infractions of Master Association rules and regulations by the owner, his family, guests or tenants. No such suspension shall affect the unit owner's right of access to his unit.

(A) A suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be suspended and an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, Directors, or employees of the Master Association, or the spouse, parent, child, brother, or sister of an officer, Director, or employee. If the committee, by majority vote, which may be by secret ballot, does not approve a proposed suspension, it may not be imposed.

(B) The requirements of the previous paragraph do not apply to the imposition of suspensions or fines upon any member because of the failure of the member to pay assessments or other charges when due if such action is authorized by the Governing Documents.

(C) Suspension of common area use rights shall not impair the right of an owner or tenant of a parcel to have vehicular and pedestrian ingress to and egress from the parcel, including, but not limited to, the right to park.

11.7 Stormwater Management System. The beneficiaries of the Stormwater Management System shall have the right to enforce the provisions of the Governing Documents that the drainage system, easements and rights-of-way will be continuously maintained.

12. NEIGHBORHOOD ASSOCIATIONS.

12.1 Enforcement of Covenants by Declarant. As long as there is a Declarant member, if any Neighborhood Association fails to enforce any provisions of its Neighborhood Covenants, or to perform any of its duties and responsibilities thereunder, Declarant may, in its sole discretion, enforce such Neighborhood Covenants, and perform such duties and responsibilities, including any and all maintenance provisions, and shall be entitled to recover the costs and expenses (including attorney's fees) of such enforcement or maintenance pursuant to the provisions of Sections 9 and 11.

12.2 Entry Rights. Each Neighborhood Association and each owner shall permit Declarant, or any authorized agent or employee of Declarant, to enter upon a Neighborhood Common Area or the owner's Lot at reasonable times, to carry out the provisions of this Declaration, and the entry shall not constitute a trespass. This provision shall not be construed as authorizing entry by Declarant into the interior of any Living Unit that is owned by a person other than Declarant, except in emergency.

12.3 Maintenance of Neighborhood Common Areas. The Master Association may contract with any Neighborhood Association to provide for the maintenance and management of its Neighborhood Common Areas.

12.4 Neighborhood Covenants. Declarant reserves the right, and the power, without the consent of any other person being required:

(A) To amend the specific provisions of this Declaration as they apply to one or more Neighborhoods, without amending those provisions with respect to all Neighborhoods; and

(B) To supplement this Declaration by recording separate covenants, conditions, restrictions and other provisions applying to any specific Neighborhood.

12.5 Priority of Neighborhood Covenants. The documents establishing or governing a Neighborhood Association shall not be inconsistent with this Declaration or its recorded exhibits, except they may establish restrictions on subjects related to the use and occupancy of the property within the Neighborhood, such as pets, parking, architectural controls, leasing and guest occupancy, that are more restrictive than those set forth in the Governing Documents.

12.6 Neighborhood Association Voting. The Bylaws of each Neighborhood Association shall provide a procedure by which its members who are entitled to cast votes as members of the Association may cast their votes on Association matters with the Neighborhood Association. Except as otherwise provided in the Bylaws, each Neighborhood Association shall poll its Owners or collect and tabulate its members' votes, and shall designate a voting representative to attend Association meetings and cast the votes of its members at such meeting. The procedure, subject to any restrictions, limitations or conditions which may be imposed by the Neighborhood Covenants or by other recorded instrument, may provide for votes to be cast in the same manner as originally cast by the Neighborhood Association's members. Nothing herein shall be construed to make it mandatory for a Neighborhood Association to poll its members on every matter or any particular matter which may be voted upon by the members of the Association.

12.7 Voting Groups. In order to provide for relatively equal representation on the Board of Directors for various Neighborhoods having potentially dissimilar interests, and to avoid a situation in which the Voting Representatives representing similar Neighborhoods are able, due to the number of Units in such Neighborhoods, to elect a disproportionate number of Directors, or exclude representation of others, the Declarant shall establish Voting Groups for the election of Directors to the Board. Voting Groups shall be established by Declarant in its sole discretion at least ninety (90) days before the turnover of control of the Association, and shall be evidenced by the recording of a Supplemental Declaration in the Public Records of the County establishing the Voting Groups. Voting Groups will generally be composed of one or more Neighborhood(s) of similar housing types, but the designation of such groups is in the discretion of the Declarant. Each Voting Group shall be entitled to elect the number of Directors specified in the Supplemental Declaration. This Section 12.7 may not be amended without the written consent of Declarant as long as Declarant membership exists.

13. INSURANCE: RECONSTRUCTION AFTER CASUALTY.

13.1 Duty to Insure, and to Reconstruct or Clean Up. Each owner or Neighborhood Association shall at all times maintain adequate property insurance on the Living Units and structures containing Living Units, and all other insurable improvements, in amounts equal to the replacement cost thereof. If any Living Unit or other improvements located on any Lot, Neighborhood Common Area, Tract or Parcel are destroyed or damaged as a result of fire, windstorm, flood, tornado, hurricane or other casualty, the owner or Neighborhood Association shall:

(A) Cause repair or replacement to be commenced within six (6) months after the date such damage or destruction occurred, and complete the repair or replacement within six (6) months thereafter. All such repairs or replacements must be approved in writing by the ARC. Unless changes are approved by the ARC, the owner or Neighborhood Association must restore the damaged property to substantially the same configuration as existed before the casualty, and structurally and architecturally compatible with any adjoining improvements which share a party wall; or

(B) Promptly cause all debris, damaged improvements, and other unsightly materials to be removed from the site.

13.2 Failure to Comply. If any owner or Neighborhood Association fails to comply with Section 13.1 above within the time periods provided, the Master Association shall be deemed to have been granted the right by the owner or Neighborhood Association as his or its attorney-in-fact, to either commence and complete the repairs sufficient to substantially restore the improvements to their original condition, according to the plans and specifications of the original improvements; or to remove the damaged improvements completely. If the Master Association exercises the rights afforded to it by this Section, the owner or Neighborhood Association shall be deemed to have assigned to the Master Association any right he or it may have to insurance proceeds that may be available because of the damage or destruction. The Master Association shall have the right to recover from the owner or Neighborhood Association any costs not paid by insurance, and shall have a lien on the Lot or Living Unit to secure payment.

13.3 Flood Insurance. The Master Association may, in the discretion of the Board, maintain flood insurance to cover buildings and any other property in designated hazard areas, if any, up to the full insurable value or maximum coverage available.

13.4 Property Insurance. The Master Association shall maintain replacement cost property insurance coverage on all structures, improvements, and fixtures which are part of the Common Areas.

13.5 Liability Insurance. The Master Association shall maintain adequate public liability insurance coverage for all Common Areas.

13.6 Bonding. The Master Association shall maintain adequate fidelity bond coverage for all individuals having control of or access to Master Association funds.

13.7 Master Association's Right of Entry. For the purpose of performing the duties authorized by this Section 13, the Master Association, through its duly authorized agents and employees, shall have the right to enter upon any Living Unit or Lot at reasonable hours and perform such duties.

14. RIGHTS OF DECLARANT AND DEVELOPERS. In addition to those provided elsewhere in the Governing Documents, the Declarant and each Developer shall have the following rights and privileges:

14.1 Sales Activity. While one or more Lots or Living Units are for sale in the ordinary course of business, the Declarant and each Developer shall have the right to use those Lots or Living Units and the Common Areas or Neighborhood Common Areas (including, but not limited to, all recreational facilities) to establish, modify, maintain and utilize, as it and they deem appropriate, model Living Units, sales offices, or other offices for use in selling or providing warranty services to any part of the Community including temporary trailers or other structures used for sales marketing, or construction purposes. No owner or Neighborhood Association may interfere with, or do anything detrimental to, the Declarant's sales efforts. Without limiting the generality of the foregoing, the Declarant and its designees may show model Living Units or the Common Areas to prospective purchasers or tenants, advertise, erect signs, conduct promotional activities and special events, and take all other action helpful for sales, leases and promotion of Bella Terra.

14.2 Assignment of Rights to Successor Developer. Except as otherwise specifically provided herein, Declarant reserves the right and the power to delegate or assign, either exclusively or non-exclusively, partially or completely, to any person or entity, any or all of its development rights, powers, duties, privileges created in or provided for by this Declaration. Such assignment shall not in any way lessen the Declarant's rights with respect to property not subject to such assignment.

14.3 Security; Non-Liability of Declarant and Master Association. The Declarant reserves the right as long as it owns any Lot or Living Unit within the Community for sale in the ordinary course of business, to determine the level (if any) of security services to be provided, or to engage or discontinue any such services. The Declarant anticipates but does not in any way commit or obligate the Master Association to provide at least one (1) person who will provide and monitor the gated entry at the main entrance to the Community from dusk to dawn. The individual so employed will merely monitor access to the Community and in no way shall his/her services be intended to provide or assure security for the Community. The Declarant, the CDD and the Master Association shall not be liable if security services are not provided.

ALL PERSONS USING OR OCCUPYING ANY PORTION OF THE Community ARE RESPONSIBLE FOR THEIR OWN SECURITY AND THE SECURITY OF THEIR OWN PROPERTY.

NEITHER THE MASTER ASSOCIATION, THE DECLARANT, THE CDD OR ANY BUILDER ARE INSURERS OR GUARANTORS OF SECURITY FOR PERSONS OR PROPERTY WITHIN THE COMMUNITY.

NEITHER THE MASTER ASSOCIATION, THE DECLARANT, THE DEVELOPER, NOR THE CDD SHALL BE LIABLE IN ANY WAY ON ACCOUNT OF LOSS, DAMAGE OR INJURY RESULTING FROM LACK OF SECURITY, OR THE LACK OF EFFECTIVENESS OF ANY SECURITY MEASURES UNDERTAKEN. THE DECLARANT AND DEVELOPER MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION SYSTEM AND/OR BURGLAR ALARM SYSTEMS, OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE COMMUNITY.

14.4 Miscellaneous.

(A) Declarant shall have the right and the power to regulate and control the external design and appearance of all Common Areas in such a manner as to:

(1) Promote a quality environment which will preserve the value of the Lots and Living Units; and

(2) Foster the attractiveness and functional utility of the Community as a place to live and play, including a harmonious relationship among structure, vegetation and topography.

(B) Any use of Common Areas other than the uses intended pursuant to this Declaration shall be subject to the prior written approval of the Declarant so long as it owns any land in Bella Terra which it holds for the purpose of development.

(C) The Declarant has the right to replat unsold portions of the Properties without the joinder or consent of any owner.

(D) The Developer has the right to receive a refund of any and all deposits or other payments made to utility companies or governmental authorities which are refunded in the course of development, even if such refunds occur after the sale of the last Lot or Living Unit in Bella Terra to an owner other than the Developer.

14.5 Additions or Withdrawals of Property. The Declarant has the right and the power, but neither the duty nor the obligation, to record instruments bringing additional lands within the Community and subjecting those lands to the protective covenants, conditions, restrictions or provisions provided for in this Declaration. The Declarant also reserves the right in its sole discretion to withdraw property from submission to this Declaration, except that the Declarant shall

not be permitted to withdraw any property after it has been conveyed to an owner other than the Declarant, without the joinder of the owner.

14.6 Management Contract. Declarant shall have the right and the power to enter into professional management contracts on behalf of the Master Association under terms and conditions deemed reasonably acceptable to Declarant in Declarant's sole and unbridled discretion.

14.7 Appointment of Directors. As further provided in the Bylaws, the Developer shall have the right to appoint all of the Directors of the Master Association until the Turnover Meeting, and shall have the right to appoint at least one Director until the time specified in Section 4.2 of the Bylaws.

14.8 Declarant's Inaction. Neither the execution and recordation of this Declaration, nor the creation of any Master Association or other entity, nor the recordation of any other instrument subjecting any land in Bella Terra to protective covenants, conditions or restrictions or other provisions, shall obligate or require:

(A) Declarant to grant any right, power, duty or privilege of any nature or kind to the Master Association or to any other entity; or

(B) Declarant, the Master Association or any other entity, to perform any act permitted by this Declaration or by any other recorded instrument, or to enforce any covenant, condition, restriction or other provision hereof or thereof, or to do anything which it does not, in its sole discretion, elect to do.

14.9 Notice as to On-Site and Off-Site Activities. DECLARANT AND OTHERS, WHETHER RELATED OR UNRELATED, MAY FROM TIME TO TIME CONDUCT DEVELOPMENT CONSTRUCTION, RANCHING, FARMING, AGRICULTURAL, MINING, BLASTING PLANT OPERATION AND OTHER ACTIVITIES NOT NORMALLY ASSOCIATED WITH A RESIDENTIAL NEIGHBORHOOD, EITHER WITHIN, NEARBY OR WITHIN SIGHT OR SOUND OF THE LANDS. SUCH ACTIVITIES MAY INCLUDE SITE CLEARING (INCLUDING THE REMOVAL OF LARGE AMOUNTS OF TREES), BLASTING, BURNING, KEEPING LIVESTOCK, SPRAYING, FERTILIZING, EARTH MOVING, TRAFFIC-GENERATING AND OTHER PRACTICES CREATING UNSIGHTLY CONDITIONS, NOISE (AT ALL HOURS) AND DISTURBING ODORS.

ALL OWNERS, OCCUPANTS AND USERS OF THE LANDS ARE HEREBY NOTIFIED OF THE FOREGOING ACTIVITIES AND, BY ACCEPTANCE OF TITLE TO THEIR RESPECTIVE PORTIONS OF THE PROPERTY OR MAKING ANY USE THEREOF, AUTOMATICALLY ACKNOWLEDGE, STIPULATE AND AGREE (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 THE AREAS WHERE SUCH 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) DECLARANT AND ANY OTHER PARTY CONDUCTING OR PARTICIPATING IN SUCH ACTIVITIES SHALL NOT BE LIABLE FOR ANY LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, (iv) ANY PURCHASE OR USE OF ANY PORTION OF THE LANDS HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (v) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY, LEASE AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE LANDS.

15. DISCLAIMER OF LIABILITY OF ASSOCIATION. NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BYLAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING, BINDING ON OR ADMINISTERED BY THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE LANDS INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(A) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE LANDS HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE LANDS AND THE VALUE THEREOF.

(B) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, THE COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTUOUS ACTIVITIES.

(C) ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE LANDS (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE.

AS USED IN THIS ARTICLE "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING, ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF DECLARANT, WHICH SHALL BE FULLY PROTECTED HEREBY.

16. RIGHTS OF MORTGAGEES.

16.1 Notice of Casualty or Condemnation. In the event of condemnation, eminent domain proceedings, or very substantial damage to, or destruction of any significant portion of the Common Areas, the record holder of any first mortgage on the Common Areas who has requested such notice in writing, shall be entitled to written notice.

16.2 Mortgage Foreclosure. Except as otherwise provided by Florida law as amended from time to time, if an Institutional Mortgagee acquires title to a Lot, Living Unit, Tract or Parcel as a result of foreclosure of the mortgage, or as the result of a deed given in lieu of foreclosure, such mortgagee shall not be liable for the Master Association assessments or charges attributable to the Lot, Living Unit, Tract or Parcel, or chargeable to the former owner, which came due prior to the mortgagee's acquisition of title. Any unpaid assessment or charges for which such acquirer is exempt from liability becomes an expense collectible from all owners, including such acquirer and his successors and assigns. No owner or acquirer of title to a Lot, Living Unit, Tract or Parcel by foreclosure (or by a deed in lieu of foreclosure) may, during the period of his ownership, be excused from the payment of any assessments or charges coming due during the period of such ownership.

16.3 Right to Inspect Documents and Books. The Master Association shall make available to Institutional Mortgagees requesting same the current Governing Documents and Rules and Regulations of the Master Association and financial statements of the Master Association. "Available" shall mean ready for inspection, upon written request, during normal business hours, or under other reasonable circumstances. Photocopies shall be at the expense of the mortgagee requesting same.

16.4 Financial Statement. Any Institutional Mortgagee is entitled, upon written request, to a copy of the financial statements of the Master Association for the immediately preceding fiscal year.

16.5 Lender's Notices. Upon written request to the Master Association, any Institutional Mortgagee shall be entitled to timely written notice of:

(A) Any delinquency of more than sixty (60) days in the payment of assessments or charges owed by the owner of any Lot, Living Unit, Tract or Parcel on which it holds a mortgage.

(B) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Master Association. An increase in coverage, or a change of insurer does not require notice under this Paragraph.

(C) Any proposed action that requires the consent of a specified percentage of mortgage holders.

17. DURATION OF COVENANTS; AMENDMENT.

17.1 Duration of Covenants. The covenants, conditions, easements and restrictions in this Declaration shall run with and bind the property within the Community, and shall inure to the benefit of and be enforceable by the County, the Master Association, the Declarant and any owner, their respective legal representatives, heirs, successors, and assigns, for an initial period to expire on the ninety-ninth (99th) anniversary of the date of recording this Declaration in the Public Records of Lee County, Florida. Upon the expiration of said initial period, this Declaration shall be automatically renewed and extended for an unlimited number of successive ten (10) year periods, this Declaration as it may be amended being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period, until terminated as provided below.

17.2 Termination. This Declaration may be terminated at any time after the initial period if not less than eighty percent (80 %) of the voting interests of all classes of the members of the Master Association vote in favor of terminating this Declaration. Written notice of any meeting at which a proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least forty-five (45) days in advance of said meeting. If the members vote to terminate this Declaration, the President and Secretary of the Master Association shall execute a certificate which shall set forth the resolution of termination so adopted, the date of the meeting of the Master Association at which the resolution was adopted, the date that notice of the meeting was given, the total number of votes cast in favor of the resolution, and the total number of votes cast against the resolution. The certificate shall be recorded in the public records of the County, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. The termination shall be effective on the date the Certificate is recorded in the public records.

17.3 Amendments. This Declaration may be amended at any time. Except as otherwise specifically provided, amendments to this Declaration may be proposed by the Board of Directors or by written petition of at least one-fourth (1/4th) of the voting interests.

17.4 Procedure. Upon any amendment or amendments to this Declaration being proposed as provided above, the proposed amendment or amendments shall be submitted to a vote of the members not later than the next annual meeting for which proper notice can be given.

17.5 Vote Required. Except as otherwise provided by law, or by specific provision of this Declaration, a proposed amendment to this Declaration shall be adopted if it is approved at an annual or special meeting called for the purpose by at least sixty-six and two-thirds (66-2/3rds) of the voting members present, in person or by proxy and voting, provided that notice of the text of each proposed amendment was sent to the members with notice of the meeting.

17.6 Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall be executed by officers of the Master Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of the County. The certificate must set forth the location in the public records of the County where this Declaration was originally recorded.

17.7 Proviso. Regardless of any other provision in this Declaration, no amendment of the governing documents by any person, and no termination or amendment of this Declaration, can be effective to change the Master Association's responsibilities for the Stormwater Management System, the Conservation Areas, unless the amendment has been consented to in writing by the SFWMD. Any proposed amendment which would affect the Stormwater Management System, or the Conservation Areas, must be submitted to the SFWMD for a determination of whether the amendment necessitates a modification of the surface water management permit. If the surface water management system is administered by the CDD, any such amendment shall likewise require the consent of the CDD.

17.8 Exceptions. Wherever in this Declaration the consent, approval, or affirmative vote of two-thirds (2/3rds) or more of the voting interests of the members is required to authorize or take a particular action, the language requiring the particular number of consents, approvals, or votes may not be amended except by the same vote required to authorize or take the action. This provision does not apply to amendments by the Declarant or a Developer.

17.9 Amendment of Provision Relating to Developer. As long as a Developer holds any Lot or Living Unit for sale in the ordinary course of business, no amendment shall have the effect of changing any provision relating specifically to the Declarant or a Developer without their written consent.

17.10 Amendment by Declarant. In addition to any other right of amendment or modification provided for in this Declaration, in which case those provisions shall apply, Declarant, may, in its sole discretion, by an instrument filed of record, unilaterally modify, enlarge, amend, waive or add to the covenants, conditions, restrictions and other provisions of this Declaration, and any recorded exhibit hereto. In addition, Declarant shall have in its sole discretion, the unilateral right to add, annex, withdraw or subtract any property to or from the jurisdiction of this Declaration. These rights

shall expire at such time as no Developer holds any property for sale in the ordinary course of business within the Community.

17.11 Limitations. No amendment to any of the Governing Documents shall be effective to change any member's voting rights as set forth in Section 2.1 of the Bylaws, or the provisions of Sections 9.5 or 9.6 above, unless all members affected first consent in writing to said amendment.

18. SPECIAL COVENANTS.

18.1 Preamble. In recognition of the fact that certain special types of platting and/or construction require special types of covenants to accurately reflect the maintenance and use of the affected Lots, Units and Tracts, the following provisions of this Article 18 shall apply in those cases where the below-described types of improvements are constructed within The Lands, subject to adjustment per Article 2, Section B of this Declaration. However, nothing herein shall necessarily suggest that Declarant or any Builder will or will not, in fact, construct such types of improvements nor shall anything herein contained be deemed an obligation to do so.

18.2 Condominiums, Cooperatives, and Multi-Family Communities. In the event that any portion of The Lands is submitted to the condominium or cooperative form of ownership or other form of ownership involving mandatory membership in an Association in addition to the Association hereunder (a "Multifamily Community"), then the following special provisions shall apply:

(A) The Multifamily Community, or any series of same within an area specified in a Supplemental Declaration, shall constitute a distinct Neighborhood.

(B) The Board of Directors of the Multifamily Community's Association (the "Multifamily Association") shall constitute the Neighborhood Committee for such Neighborhood.

(C) For the purposes of complying with and enforcing the standards of maintenance contained herein, the residential buildings and any appurtenant facilities shall be treated as a Unit and any other portion of the Multifamily Community shall be treated as an unimproved portion of the Lot, with the applicable Association to have the maintenance duties of an Owner as set forth herein. Such Association shall also be jointly and severally liable with it its Members for any violation of the use restrictions set forth in this Declaration or of the Rule and Regulations of the Association.

(D) As distinguished from maintenance duties, assessments hereunder shall be levied against, and shall be secured by lien upon, each individual Lot within the Multifamily Community and shall be the direct obligation of the Owner thereof; provided, however, that this provision shall not prevent the Association from entering into an agreement with a Multifamily Association pursuant to which either of the latter acts as a collection agent (although in no event shall assessments due under this Declaration be deemed a common expense of such Association).

(E) With respect to the Architectural Review Committee: (i) no Multifamily Association shall make any improvements or alterations on or to the property under its jurisdiction without first having secured the approval of the Architectural Review Committee as provided herein and (ii) in the event that an individual Owner of a Multifamily Community Unit desires to make alterations to the exterior thereof of his Unit, a request for the approval thereof shall be submitted to the Architectural Review Committee as required by this declaration, but such request shall be accompanied by evidence that the Multifamily Association having jurisdiction thereover has already approved same or has no authority to review same, absent which approval the Architectural Review Committee shall not consider the submission.

18.3 Rental Apartments and/or Assisted Living Facilities. In the event that rental apartments are constructed on any portion of The Lands, then the following special provisions shall apply:

(A) The overall apartment project shall be deemed one (1) Lot for purposes of the lien for assessments hereunder, as well as architectural approvals, use restrictions and maintenance requirements, as provided in this Declaration.

(B) Notwithstanding the foregoing, each individual apartment within an apartment project shall be deemed a Lot for purposes of assessments and voting hereunder (i.e., each apartment shall entitle the Owner of the apartment project to one (1) vote and shall be assessed as one (1) Lot); provided, however, that the Supplemental Declaration submitting the apartment project to this Declaration may provide for a reduced rate of assessment and/or allocated votes for each apartment Unit.

(C) While an apartment project shall not have a Neighborhood Committee, the Owner thereof shall designate a Voting Member to cast the votes attributable to the apartment project by written notice to the Association given before the meeting at which the votes are to be cast.

(D) The Owner of an apartment project shall be jointly and severally liable with its tenants for any violations of this Declaration or the Rules and Regulations of the Association.

19. GENERAL AND PROCEDURAL PROVISIONS.

19.1 Other Documents. Declarant, the Master Association, and the Neighborhood Master Associations shall have such rights, powers, duties, and privileges as are set forth in the Governing Documents and Neighborhood Covenants; this Declaration and its provisions shall prevail in all events of conflict.

19.2 Severability. If any covenant, condition, restriction or other provision of this Declaration is held to be invalid in whole or in part by any court of competent jurisdiction, the holding shall in no way affect the validity of the remaining provisions of this Declaration, all of which shall remain in full force and effect.

19.3 Merger or Consolidation of Master Associations. Upon a merger or consolidation of the Master Association with another corporation as provided by law, the Master Association's rights, obligations and property may, by operation of law, be transferred to another surviving or consolidated association or the CDD, alternatively, remain the rights, obligations and property of the Master Association as the surviving corporation. The surviving or consolidated corporation or CDD may administer this Declaration within the existing property together with the covenants and restrictions established upon any other property, as one common scheme.

19.4 Dissolution. If the Master Association is dissolved other than by a merger or consolidation as provided for above, each Lot, Living Unit, Tract and Parcel shall continue to be subject to the assessments provided for in Section 9, and each owner shall continue to be personally obligated to Declarant or the successor or assigns of the Master Association (as the case may be) for such assessment to the extent that such assessments are required to enable Declarant or any such successors or assigns acquiring any real property previously owned by the Master Association to properly maintain, operate and preserve it.

19.5 Gender; Number. Wherever in this Declaration the context so requires, the singular number shall include the plural, and the converse; and the use of any gender shall be deemed to include all genders.

19.6 Notices.

(A) To Declarant. Notices to Declarant as may be required herein shall be in writing and delivered or mailed to Declarant at its principal place of business as shown by the records of the Secretary of State, or at any other location designated by Declarant.

(B) To the Master Association. Notices to the Master Association shall be in writing and delivered or mailed to the Master Association at its principal place of business as shown by the records of the Secretary of the State of Florida, or at any other location designated by the Master Association.

(C) To Owners. Notices to any owner as may be required herein shall be in writing and shall be delivered or mailed to the owner at his last known address, or at the address shown on the deed recorded in the public records of the County.

(D) To CDD. Notices to the CDD as may be required herein, shall be in writing and shall be delivered or mailed to the CDD at its principal place of business as shown by the records of the State of Florida Department of Community Affairs.

19.7 Construction. The provisions of this Declaration shall be liberally interpreted and construed to provide maximum flexibility consistent with the general development plan and the purposes set forth herein, including the premises.

19.8 Captions, Headings and Titles. Captions, headings, capitalization of certain words, and titles inserted throughout the Governing Documents are for convenience only, and in no way shall such captions, headings or titles define, limit, or in any way affect the subject matter, content or interpretation of the terms and provisions of the Governing Documents.

19.9 Interpretation. The Board of Directors of the Master Association shall be responsible for interpreting the provisions of the Governing Documents. Their interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by Master Association legal counsel that an interpretation adopted by the Board is not wholly unreasonable shall conclusively establish the validity of such interpretation.

19.10 Applicable Statutes. The validity, application, and construction of this Declaration and its exhibits shall be governed by the Laws of Florida, as they exist on the date of recording this Declaration.

Rights Limited to Express Terms of Governing Documents. Every member of the Master Association acknowledges that his or her rights, duties or obligations are limited to the express terms of the Declaration, Articles of Incorporation, Bylaws and the Rules and Regulations (Governing Documents). Every prospective member should make his decision to purchase within Bella Terra **based upon these representations as set out in the Governing Documents which contain the entire understanding at the parties and no prior or present agreements or representation shall be binding upon the Declarant unless included in the Governing Documents. Oral representations cannot be relied upon as correctly stating the representations of the Developer. For correct representations, reference should be made to Governing Documents.**

IN WITNESS WHEREOF, Habitat Lakes, L.L.C., A Florida Limited Liability Company, hereby executes this Declaration.

Witnesses:

Print name: Ramon M. Gonzalez

Print name: RAFAEL ROBLES

HABITAT LAKES, L.L.C.,
a Florida Limited Liability Company

By: _____

STATE OF FLORIDA
COUNTY OF Lee

The foregoing instrument was executed before me this 18 day of March, 2004, by Tony Gonzalez, _____ of Habitat Lakes, L.L.C., on behalf of the corporation. He/She is personally known to me or did produce _____ as identification.

Lucretia A Sergent
My Commission DD143241
Expires August 18, 2006

Signature of Notary Public

Print, Type, or Stamp Commissioned Name of Notary Public (Affix Notarial Seal)

Lucretia A. Sergent
Printed Name of Notary Public

F:\WPDATA\CJS\USHOME\Bella Terra\Declaration2-18-04.wpd

EXHIBIT "A"

A TRACT OR PARCEL OF LAND SITUATED IN THE STATE OF FLORIDA, COUNTY OF LEE, LYING IN SECTIONS 20 AND 29, TOWNSHIP 46 SOUTH, RANGE 26 EAST, BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 29; THENCE S.02°07'59"E. ALONG THE EAST LINE OF SAID SECTION FOR 2646.01 FEET TO THE EAST QUARTER CORNER OF SAID SECTION; THENCE CONTINUE S.02°07'59"E. ALONG SAID EAST LINE FOR 103.66 FEET; THENCE S.87°52'19"W. FOR 2687.48 FEET TO AN INTERSECTION WITH THE NORTH SOUTH QUARTER SECTION LINE OF SAID SECTION; THENCE N.01°08'12"W. FOR 175.42 FEET TO THE CENTER OF SAID SECTION; THENCE CONTINUE N.01°08'12"W. ALONG SAID NORTH SOUTH QUARTER SECTION LINE FOR 2643.59 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 20; THENCE N.01°09'48"W. FOR 595.30 FEET TO THE SOUTHWEST CORNER OF A 50.00 FOOT ADDITIONAL RIGHT-OF-WAY DESCRIBED IN OFFICIAL RECORDS BOOK 2232, AT PAGES 3955 THROUGH 3957 OF THE PUBLIC RECORDS OF SAID LEE COUNTY; THENCE N.86°32'23"E. ALONG THE SOUTH LINE OF SAID ADDITIONAL RIGHT-OF-WAY FOR 2641.46 FEET TO AN INTERSECTION WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 20; THENCE S.01°09'22"E. ALONG SAID EAST LINE FOR 725.66 FEET TO THE POINT OF BEGINNING.

PARCEL CONTAINS 210.24 ACRES, MORE OR LESS.

BEARINGS ARE BASED ON "THE STATE PLANE COORDINATES SYSTEM" WEST ZONE

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of BELLA TERRA OF SOUTHWEST FLORIDA, INC., a Florida corporation, filed on June 9, 2003, as shown by the records of this office.

The document number of this corporation is N03000005009.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capitol, this the Twelfth day of June, 2003

Glenda E. Hood

Glenda E. Hood
Secretary of State

CR2EO22 (2-03)

FLORIDA DEPARTMENT OF STATE
Glenda E. Hood
Secretary of State

June 12, 2003

CHRISTOPHER J SHIELDS ESQ
PO DRAWER 1507
FORT MYERS, FL 33902-1507

JUN 16 2003

The Articles of Incorporation for BELLA TERRA OF SOUTHWEST FLORIDA, INC. were filed on June 9, 2003 and assigned document number N03000005009. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT/UNIFORM BUSINESS REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT/UNIFORM BUSINESS REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT/UNIFORM BUSINESS REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Becky McKnight, Document Specialist
New Filings Section

Letter Number: 003A00036511

FILED
03 JUN -9 AM 9:24
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION

OF

BELLA TERRA
OF SOUTHWEST FLORIDA, INC.

Pursuant to Section 617.02011, Florida Statutes, these Articles of Incorporation are created by Christopher J. Shields, Esq., 1833 Hendry Street, Ft. Myers, Florida 33901, as sole incorporator, for the purpose set forth below.

ARTICLE I

The name of this corporation is BELLA TERRA OF SOUTHWEST FLORIDA, INC., a not for profit corporation (the "Master Association").

ARTICLE II

The nature of the business to be transacted shall be to engage in any activity or business permitted under the laws of the United States and of this State, pursuant to Chapters 617 and 720 of the Florida Statutes. The Master Association is organized for the purpose of providing an entity for the operation of a residential planned development, located in Lee County, Florida.

The Master Association is organized and shall exist upon a non-stock basis as a non-profit corporation under the laws of the State of Florida, and no portion of any earnings of the Master Association shall be distributed or inure to the private benefit of any member, Director or officer of the Master Association. For the accomplishment of its purposes, the Master Association shall have all of the common law and statutory powers and duties or a Master Association not for profit under Florida law, except as limited or modified by these Articles, the Declaration of Covenants, Conditions and Restrictions or the By-Laws of this Master Association, and it shall have all of the powers and duties reasonably necessary to operate the Community pursuant to the Declaration as it may hereafter be amended including, but not limited to, the following:

(A) To levy and collect assessments against all Members of the Master Association to defray the costs, expenses and losses of the Master Association, and to use the proceeds of assessments in the exercise of its power and duties.

(B) To own, lease, maintain, repair, replace or operate the Common Areas

(C) To purchase insurance upon the Common Areas for the protection of the Master Association and its members.

(D) To reconstruct improvements after casualty and to make further improvements of the Common Areas.

(E) To make, amend and enforce reasonable rules and regulations governing the use of the Common Areas and the operation of the Master Association.

(F) To sue and be sued, and to enforce the provisions of the Declaration, these Articles and the By-Laws of the Master Association.

(G) To contract for the management and maintenance of the Common Areas and to delegate any powers and duties of the Master Association in connection therewith except such as are specifically required by the Declaration to be exercised by the Board of Directors or the membership of the Master Association.

(H) To employ accountants, attorneys, architects or other professional personnel to perform the services required for proper operation of the Properties.

(I) To acquire, own and convey real property and to enter into agreements or acquire leaseholds, easements, memberships and other possessory or use interests in lands or facilities such as country clubs, golf courses, marinas and other recreational facilities. It has this power whether or not the lands or facilities are contiguous to the lands of the Community, if they are intended to provide enjoyment, recreation or other use or benefit to the members.

(J) To borrow or raise money for any purposes of the Master Association; to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidence of indebtedness; and to secure the payment of any thereof, and of the interest therein, by mortgage pledge, conveyance or assignment in trust, of the whole or any part of the rights or property of the Corporation.

(K) To be responsible in perpetuity for maintenance of the conservation areas, i.e., all preserved, restored, or created wetlands areas and uplands buffer zones; and to take action against owners, if necessary, to enforce the conditions of the conservation easements and permit issued by the South Florida Water Management District for the Community.

(L) To be the responsible entity to operate and maintain the Surface Water Management System as permitted by the South Florida Water Management District, including but not limited to, all lakes, retention areas, culverts and related appurtenances.

Except as provided herein and in the Master Declaration, all funds and title to all property acquired by the Master Association shall be held for the benefit of the members in accordance with the provisions of the Declaration, these Articles of Incorporation, and the By-Laws.

ARTICLE III

The Master Association shall have perpetual existence.

ARTICLE IV

The qualifications required for membership, and the manner in which members shall be admitted to membership, shall be as stated in the Declaration and/or the By-Laws of the Master Association. Each and every owner of a lot or living unit in this subdivision shall be a member of this Association.

ARTICLE V

The street address of the initial principal office of this Master Association is 10481 Six Mile Cypress Parkway, Fort Myers, Florida 33912. The name of the initial registered agent of this Master Association is Christopher J. Shields, and the address of the initial registered office is 1833 Hendry Street, Fort Myers, Florida 33901.

Having been named to accept service of process for Bella Terra of Southwest Florida, Inc., I hereby agree to act in this capacity and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties.

ACCEPTED By: _____

Christopher J. Shields

ARTICLE VI

The number of Directors shall initially consist of three (3) but may be increased pursuant to the By-Laws, and in no event shall there be fewer than three (3) in number. Directors shall be elected, or appointed to fill a vacancy, in accordance with the By-Laws of the Master Association.

FILED
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLE VII

The name and mailing address of the Directors, President, Vice President and Secretary/Treasurer, who, subject to the By-Laws of the Master Association shall hold office for the first year of existence of this Master Association or until his or her successor is elected and has qualified, are:

NAME	ADDRESS
Andy Sorenson, President/Director	10481 Six Mile Cypress Parkway Fort Myers, Florida 33912
Darin McMurray, Vice President/Director	10481 Six Mile Cypress Parkway Fort Myers, Florida 33912
Alan Burns, Secretary/Treasurer/Director	10481 Six Mile Cypress Parkway Fort Myers, Florida 33912

ARTICLE VIII

The Master Association is empowered to do and perform all acts reasonably necessary to accomplish the purposes of the Master Association, which acts are not inconsistent with the powers provided for in Chapter 617, Florida Statutes.

ARTICLE IX

The name and address of the subscriber of these Articles of Incorporation is:

Christopher J. Shields
1833 Hendry Street
Fort Myers, Florida 33901

ARTICLE X

By-Laws of the Master Association may be adopted, made, altered or rescinded by the Directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provision of these Articles.

ARTICLE XI

Amendment to the Articles of Incorporation may be proposed by any Director at any regular or special business meeting of the Board of Directors at which a majority is present and, if obtaining a two-thirds (2/3) vote of the Board of Directors present and voting at such meeting properly called and noticed as provided in the By-Laws, shall be submitted to a vote of the membership. If approved by a two-thirds (2/3) affirmative vote of the membership at a meeting of the members properly called and noticed as provided in the By-Laws, such Amendment shall be forwarded to the Secretary of State of the State of Florida and filed and shall become effective upon issuance, by said officer, of a certificate reflecting same.

ARTICLE XII

The Master Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Master Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Master Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit Master Association, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XIII

To the fullest extent permitted by Florida law, the Master Association shall indemnify and hold harmless every Director and every officer of the Corporation against all expenses and liabilities, including attorneys fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a Director or officer of the Master Association. The foregoing right of indemnification shall not be available if a judgment or other final adjudication established that his actions or omissions to act were material to the cause adjudicated and involved:

(A) Willful misconduct or a conscious disregard for the best interest of the Master Association, in a proceeding by or in the right of the Master Association to procure a judgment in its favor.

(B) A violation of criminal law, unless the Director or officer had no reasonable cause to believe his action was unlawful or had reasonable cause to believe his action was lawful.

(C) A transaction from which the Director or officer derived an improper personal benefit.

(D) Wrongfully conduct by Directors or officers appointed by the Developer, in a proceeding brought by or on behalf of the Master Association.

In the event of a settlement, the right to indemnification shall not apply unless the Board of Directors approved such settlement as being in the best interest of the Master Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which a Director or officer may be entitled.

WHEREFORE the incorporator has caused these presents to be executed this 5 day of June, 2003.

By: _____
Christopher J. Shields

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was acknowledged before me this 5 day of June, 2003, by Christopher J. Shields. He is personally known to me or did produce _____ as identification.

OFFICIAL NOTARY SEAL
JULIA K GUERNSEY
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. DD032349
MY COMMISSION EXP. SEPT 10,2005

_____
Notary Public Signature

JULIA K. GUERNSEY
Print name

Notarial Seal

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TALLAHASSEE, FLORIDA

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BYLAWS
OF
BELLA TERRA OF SOUTHWEST FLORIDA, INC.

1. GENERAL These are the Bylaws of Bella Terra of Southwest Florida, Inc., (hereinafter the "Association"), a Florida corporation not for profit organized for the purposes set forth in the Articles of Incorporation.

1.1 Principal Office. The principal office of this corporation shall initially be located at 10481 Six Mile Cypress Parkway, Fort Myers, FL 33912, and subsequently at such other place as may be established by resolution of the Board of Directors.

1.2 Definitions. All terms defined in the Declaration of Covenants, Condition and Restrictions for Bella Terra (the "Declaration of Covenants") to which these Bylaws were attached as an exhibit when it was originally recorded, shall be used with the same meanings as defined therein.

1.3 Seal. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit". The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

2. MEMBERSHIP AND VOTING RIGHTS. The classes of membership shall be as more fully set forth in Article 4 of the Declaration of Covenants.

2.1 Membership. Every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot or Tract which is subject to the Declaration shall be a member of the Association, provided that any such person or entity who merely holds record ownership merely as security for the performance of an obligation shall not be a Member of the Association.

2.2 Voting Rights. The votes of the classes of Members of the Association shall be cast by their respective classes of Voting Members as follows:

> **Class A.** Class A Members shall be all those owners, as defined in Section 2.1, with the exception of Builders and the Declarant (as to Declarant, as long as the Class B Membership shall exist, and thereafter, the Declarant shall be a Class A Member to the extent it would otherwise qualify).
>
> Class A Members located in a specific Neighborhood shall be entitled to elect from among themselves a five (5) person Neighborhood Committee in accordance with the Bylaws, which shall then elect one (1) Voting Member to have and cast one (1) vote in all Association matters for each Lot in the Neighborhood from which the Voting Member is

elected. The first election and subsequent elections of such Voting Member shall be conducted at the times and in the manner provided in the Association's Bylaws.

In the event that there is a mandatory Membership Association for a Neighborhood (e.g., a Condominium Association) its Board of Directors shall serve as its Neighborhood Committee and its size, election procedures, terms of office and the like shall be governed by its own Articles of Incorporation and Bylaws rather than hereby.

Class B. The Class B Voting Member shall be the Declarant, or a representative thereof designated by it in a written notice to the Association, who shall have and cast one (1) vote in all Association matters, plus ten (10) votes for each vote which may be cast by the Class A and Class C Voting Members. Such Class B Voting Member may be removed and replaced by the Developer in its sole discretion. The Class B Membership shall cease and terminate (and convert to a Class A Membership) as and when provided in the Declaration.

Class C. Class C Members shall be all Builders, each of which shall have one (1) vote for each Lot owned thereby or which as been allocated to a Tract owned thereby, subject to increase for Lots (actual or allocated) acquired by the Builder and to decrease for those conveyed to Class A Members. Class C Members owning Lots in a Neighborhood in which there are also Class A Members shall participate in Neighborhood Committee elections in the same manner as such Class A Members.

In the event that Mortgagee or other party acquires title to a Lot or Tract through foreclosure or deed in lieu of foreclosure, such party shall have the class of membership last held by the owner of the Lot or Tract to which title was so acquired.

2.3 Meetings of Voting Members. The Bylaws of the Association shall provide for an Annual Meeting of Voting Members, and may make provisions for regular and special meetings of Voting Members other than the Annual Meeting. A quorum for the transaction of business at any meeting of the Voting Members shall exist if the Voting Members having the power to cast a majority of the votes of the Members shall be present at the meeting.

2.4 General Matters. When reference is made herein, or in the Declaration, Bylaws, Rules and Regulations, Management Contracts, or otherwise, to a majority or specific percentage of the Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of the Members eligible to be cast by their respective Voting Members present at a duly constituted meeting thereof (i.e., one for which proper notice has been given and at which a quorum exists) and not of the Members themselves (or their Lots) or the individual Voting Members themselves.

2.5 Rights and Privileges of Members.

(A) Every Member shall have the right to:

(1) Have his vote cast by his voting representative at the meetings of the members;

(2) Serve on the Board if elected;

(3) Serve on committees; and

(4) Attend membership meetings.

Each member is encouraged to take an active interest in Association affairs.

(B) Every member in good standing shall have the privilege of using and enjoying the Common Areas in accordance with the type of membership held by the member, subject to the rules of the Association and the right of the Association to charge admission and other fees for the use of any facilities.

(C) A member is in good standing if he is current in the payment of all assessments and other financial obligations to the Association, and his membership is not suspended.

2.6 Delegation of Rights to use Common Areas.

(A) In accordance with Section 4.3 of the Declaration of Covenants, a member may delegate his privilege to use the Common Areas to:

(1) A reasonable number of guests if accompanied by the member; or

(2) Residential tenants who reside in the member's Living Unit

(B) In the case of residential tenants of the member's Living Unit, the delegating member must give prior written notice to the Association of such delegation. The written notification shall state the name, age, permanent address, intended length of time the delegation will be effective, and such other information about each residential tenant as the Board shall require.

(C) A member who has delegated his use privileges and is not in residence in Bella Terra may not use Common Areas during the period of the delegation, except as a guest of another member. A member may not be the guest of his tenant.

(D) Members shall be responsible for keeping the Association informed as to the identity and relationship of any persons who normally reside with the member and intend to utilize the Association Common Areas.

(E) The Board of Directors may limit the number of guests or the frequency or duration of any member's delegation of use rights, and may impose fees for the delegation of such rights of use of the facilities by renters or guests, which fees may be different from fees charged to members for their use.

(F) The delegation of membership is subject to the one (1) family limitation described in Section 4.3 of the Declaration of Covenants.

2.7 Suspension of Membership. As further provided in Section 10 of the Declaration, the Board may suspend a member's membership in the Association:

(A) For the period of time during which an assessment against the member remains unpaid more than thirty (30) days after the date it was due and payable; or

(B) For a reasonable period during or after any infraction of the Association's rules and regulations by a member or by any person to whom he has expressly or impliedly delegated his use privileges; or

(C) For misuse, abuse, or intentional destruction of Association property, real or personal.

Membership shall not be suspended until the member has been sent reasonable notice of the intended suspension and been offered a reasonable opportunity to be heard. Suspension of any member's membership temporarily revokes the member's rights and privileges to use and enjoy Common Areas and facilities and to participate in Association affairs. A suspension shall in no way impair the enforceability of any assessment or lien therefor, or the authority of the Association to assess and collect any future assessment and lien, nor shall it impair the member's right of access to, and use of, his own property in a manner consistent with the Governing Documents. The right of the member to vote may not be suspended.

3. MEMBERS' MEETINGS.

3.1 Annual Meeting. The annual meeting shall be held in Lee County during either March or April of each year, at a day, place and time designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members. The annual meeting is a general meeting, and unless the law or the Governing Documents require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called for by the President or by a majority of the Directors, and must be promptly called by the Board upon receipt of a written request signed by voting representatives of members entitled to cast at least ten percent (10%) of the members. Such requests shall be in writing and shall state the purpose or purposes of the meeting. Business at any special meeting shall be limited to the item specified in the request or contained in the notice of meeting.

3.3 Quorum. A quorum shall be attained at a members meeting by the presence in person of voting representatives for at least thirty percent (30%) of the total voting interests of each class of voting members.

3.4 Vote Required to Transact Business. The acts or resolution approved by at least a majority of the votes cast at a duly called meeting at which a quorum has been attained shall be the act of the Members, unless a higher vote is specifically required by law or by the Governing Documents.

3.5 Notice of Meetings. Written notice of meetings shall be mailed or hand-delivered to the individual designated by each Neighborhood Association to receive Association notices, and to the Declarant Member, if any. Thereafter, it shall be the responsibility of the Neighborhood Association to notify the owners of all Lots and Living Units. The notices must be mailed or delivered by the Association not less than fourteen (14) days prior to the date of the meeting.

3.6 Voting Representatives. Each Neighborhood Association shall appoint and designate in writing to the Secretary of the Association, at least annually by January 1st of each year, the name and address of one person who will serve as its Voting Representative for that year. That person will:

(A) Receive Association notices;

(B) Represent the Members of that particular Neighborhood Association or Committee at Association meetings;

(C) Cast the votes for the Units within the Neighborhood; and

(D) Keep the Secretary of the Association informed of changes in the ownership of Units as they occur, and the names and addresses of the new Members.

An Alternate Voting Representative may be designated to serve in the absence or disability of the Voting Representative. The Voting Representative and the Alternate Voting Representative (if any) serve at the pleasure of the entity which appointed them.

3.7 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Unless the Bylaws require otherwise, adjournment of annual or special meeting to a different date, time or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Section 720.303(2), Florida Statutes (2002) as amended. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed under Section 617.0707, Florida Statutes (2002), as amended, notice of the adjourned meeting must be given to persons who are entitled to vote and are members as of the new record date but were not members as of the previous record date.

3.8 Order of Business. The order of business at Members' meetings shall be substantially as follows:

(A) Determination that a quorum has been attained.
(B) Reading or waiver of reading of minutes of last Members' meeting.

(C) Reports of Officers
(D) Reports of Committees
(E) Election of Directors (when appropriate)
(F) Unfinished Business
(G) New Business
(H) Adjournment

3.9 Minutes. Minutes of all meetings of the members must be maintained in written form, or in another form that can be convened into written form within a reasonable time.

3.10 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration of Covenants, or with these Bylaws. The presiding officer may appoint a Parliamentarian, but the decision of the presiding officer on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.11 Action by Members without a Meeting. Except the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the Members may be taken by mail without a meeting if written instruments expressing approval of the action proposed to be taken are signed and returned by Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect as if the action had been approved at a meeting of the Members held on the sixtieth (60th) day. Within ten (10) days thereafter, the Board shall send written notice of the action taken to all Members who have not consented in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration of Covenants, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to the approval or consent of the members only when such is expressly required.

4.1 Powers. The Board shall have the authority to:

(A) Manage and control the affairs of the Association.

(B) Appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing in these Bylaws shall be construed to prohibit the employment of any member, officer or Director of the Association in any capacity whatsoever.

(C) Establish, levy assess, and collect any assessment or charge provided for in the Governing Documents.

(D) Designate one or more financial institution(s) as depository for Association funds, and the officer(s) authorized to make withdrawals therefrom.

(E) With the prior consent of at least a majority of the voting interests, borrow money for Association purposes, and assign, pledge, mortgage or encumber any Community or Association Common Areas or future revenues of the Association as security therefor;

(F) Adopt, amend or revoke rules and regulations relating to the use of Common Areas, and such sanctions for noncompliance therewith, as it may deem necessary for the best interest of the Association and its Members. The Board may also establish and levy fees for the use of Common Areas or Association property;

(G) Cause the Association to employ sufficient personnel to adequately perform the responsibilities of the Association;

(H) Negotiate and enter into contracts for the maintenance and operation of the Common Areas;

(I) Make improvements to the Common Areas.

(J) Establish committees of the Association and appoint the members thereof. It may assign to such committees responsibilities and duties not inconsistent with the provisions of these Bylaws as it may deem appropriate;

(K) Acquire property, real or personal, and enter into agreements with any persons, including Declarant, relating to the orderly transfer of property from said person to the Association and such other matters as the Board may deem appropriate.

(L) Perform all other acts not inconsistent with law or the Governing Documents and necessary for the proper functioning of the Association.

4.2 Management by Directors. The property, business and affairs of the Association shall be managed and conducted by a Board of Directors of no fewer than three (3) nor more than fifteen (15) members, as determined per Section 4.3 below.

4.3 Election of Directors. Except as otherwise provided herein and for the first Board of Directors and their Declarant-appointed replacements, Directors shall be elected by the Voting Members of the Association at the Annual Meeting of the Association as provided by the Bylaws of the Association, and the Bylaws may provide for the method of voting in the election and for removal from office of Directors. Notwithstanding the foregoing, until such time as the Class B Membership in the Association terminates, the Class B Voting Member shall have the right to appoint each and

every member of the Directors of the Association by written notice to such effect or by an announcement reflected in the minutes of the Annual Meeting of the Association, without the necessity of a vote.

At the Annual Meeting next following the date upon which ninety percent (90%) of the Lots to ultimately be located within The Lands have been conveyed to Class A Members, the Class A Members, voting through their Voting Members shall elect the entire Board of Directors, which shall be of such a number as is determined per Section 4.4, below, absent which determination the number of Directors shall remain at five (5).

As used herein, the "total number of lots to ultimately be located within The Lands" shall be established by written notice from Declarant to the Association and shall be based upon a reasonable projection of same made by Declarant subject to change from time to time. The Association shall be entitled to rely upon the last notice to such effect received from Declarant when the Association conducts an election as aforesaid. Further, once the Class A Members have elected a Director(s), no change in the number of Lots to ultimately be located within The lands shall decrease the number of Directors that the Class A Members are entitled to elect.

4.4 Voting Groups. Prior to the Annual Meeting next following the ninety percent (90% threshold described above, the Board of Directors shall place the various Voting members in at least five (5) and no more than fifteen (15) "Voting Groups." Such Voting Groups shall include those Voting Members who represent Neighborhoods having similar characteristics, as determined by the Board, based upon types of Units/Lots (e.g., "estate" vs. "zero lot line" vs. "townhomes") and/or such other factors as the Board may deem relevant to establish a balanced representation of all Owners and Neighborhoods such that no identifiable groups have disproportionate representation.

The Voting Members in each Voting Group so established shall each then elect one (1) Director by a plurality of the votes of the Voting Members in that Voting Group.

Once established, Voting Groups may not be changed without the affirmative vote of two-thirds (2/3rds) of the votes cast by all Voting Members.

Except with respect to the election of Directors, Voting Members shall vote on an independent basis and not in their respective Voting Groups.

4.5 Vacancies. If a Director shall for any reason cease to be a Director, the remaining Directors shall elect a successor to fill the vacancy for the balance of the unexpired term, provided that a vacancy in a seat previously filled by a Declarant appointee or a person elected by Class A Voting Members shall be filled with a similarly situated person.

4.6 Term of Office. Directors designated by the Class B Voting Member shall serve until same are removed by the Class B Voting Member or until same become legally incapacitated from serving in such position. Directors elected by Class A Voting Members shall serve commencing upon their

election and continuing until the next Annual Meeting of the Association (but they may succeed themselves) or until their successors are duly elected and have qualified.

4.7 Vacancies and Removal.

(A) Except as to vacancies resulting from removal of Directors by Voting Members (as addressed in subsection (B) below), vacancies in the Board of Directors occurring between Annual Meetings of Members shall be filled by the remaining Directors at any Board meeting, provided that (i) all vacancies in directorships to which Directors were appointed by the Class B Member shall be filled by the Class B Member without the necessity of any meeting and (ii) a vacancy in a directorship elected by Class A Voting Members shall be filled with a Class A Member.

(B) Any Director elected by the Voting Members (other than the Class B Member) may be removed by concurrence of a majority of the votes of the Class A Voting Members at a special meeting called for that purpose or by written agreement signed by the Voting Members entitled to cast a majority of the Class A votes. The vacancy in the Board of Directors so created shall be filled by the Voting Members at a special meeting called for such purpose, or by the Board of Directors if such meeting does not occur within five (5) days of the removal.

(C) If a vacancy on the Board of Directors results in the inability to obtain a quorum of Directors in accordance with these Bylaws, any Owner may apply to the Circuit Court within whose jurisdiction The Lands are located for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the Owner shall mail to the Association a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these Bylaws. If, during such time, the Association fails to fill the vacancy(ies), the Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these Bylaws.

4.8 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next Annual Meeting and subsequently until his successor is duly elected and has taken office, or until he is removed in the manner elsewhere provided. Notwithstanding the foregoing, any Director designated by the Class B Voting Member shall serve at the pleasure of the Class B Voting Member.

4.9 Organizational Meeting. An organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors at such place and time as may be fixed by the new Directors at the meeting when they were elected.

4.10 Regular Meetings. After turnover of control, regular meetings of the Board shall be held at

such time and place in Lee County, Florida, as shall be determined from time to time by the Directors. A regular meeting of the Board of Directors is any meeting held according to a regular weekly, monthly or other periodic schedule adopted from time to time by the Board. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least ten (10) days before the day named for such meeting. At regular meetings any business of the Association may be transacted. If any Director elected by the Members shall be absent for any reason from three (3) consecutive regular meetings of the Board, the Board may, by vote of at least a majority of the whole Board taken at the next meeting, declare the office of said Director to be vacant, and may appoint a successor.

4.11 Special Meetings. Special meetings of the Board are all meetings other than the annual organizational meeting and regular meetings. Special meetings may be called by the President, the Secretary, or by a majority of the Directors. Not less than two (2) days notice of a special meeting shall be given to each Director, personally or by mail, facsimile, telephone or telegram, which notice shall state the time, place, and purposes of the meeting. Business conducted at a special meeting shall be limited to the items specified in the notice of the meeting.

4.12 Waiver of Notice by Directors. Any Director may waive notice of a Board meeting before or after the meeting, and such waiver shall be deemed equivalent to the receipt of notice. Attendance at a meeting by any Director constitutes waiver of notice, unless that Director objects to the lack of notice at the beginning of the meeting.

4.13 Board Meetings; Notice to Members. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers and conducts Association business. All meetings of the Board shall be open to all members, except as otherwise provided by law. Notice of all Board meetings shall be posted in a conspicuous place on the Association Common Areas at least forty-eight (48) hours in advance of a meeting, except in an emergency. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of such assessments. Any owner may tape-record or videotape meetings of the Board and meetings of the members. The Board may adopt reasonable rules governing the taping of meetings of the Board and the membership.

4.14 Quorum of Directors. A quorum at a Board meeting shall exist only when a majority of all Directors are present in person. Directors may not vote by proxy or secret ballots at Board meetings, except that secret ballots may be used in electing officers. Any Director has a right to participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person.

4.15 Vote Required. Except as otherwise required by law or the Governing Documents, the acts approved by a majority of the Directors present and voting at a duly called Board meeting at which a quorum exists shall constitute the acts of the Board of Directors.

4.16 Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of the point of view that prevails on any question, unless he voted against such action or abstained from voting because of an asserted conflict of interest. The vote of each Director on each matter considered, including abstention because of an asserted conflict of interest, must be recorded in the minutes of the meeting.

4.17 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a later time. When the meeting is reconvened, provided a quorum exists, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.18 The Presiding Officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those present.

4.19 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors may not also be employees of the Association. Directors and officers may be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.20 Emergency Powers. In the event of an "emergency" as defined in Paragraph 4.18(G) below, the Board of Directors of the Association may exercise the emergency powers as described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes (2002), as amended from time to time.

(A) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers of whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.

(B) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(C) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practical manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(D) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttable presumption of being reasonable and necessary.

(E) Any officer, Director or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

(F) The provisions of these emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(G) For purposes of this Section, an "emergency" exists only during a period of time that the Neighborhood, or the immediate geographic area in which the Neighborhood is located, is subjected to:

(1) a state of emergency declared by law enforcement authorities;

(2) a hurricane warning;

(3) a partial or complete evacuation order;

(4) designation by federal or state government as a "disaster area;" or

(5) a catastrophic occurrence, whether natural or man-made, which seriously damages or threatens serious damage to the Neighborhood, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or acts of terrorism.

4.21 Committee Meetings. The provisions of this Section 4 governing the calling and holding of Board meetings shall also apply to the meetings of all committees or other similar bodies specified in the Governing Documents, and to any committee or similar body appointed by the Board or any member thereof, or elected by the members, to which the Board has delegated its decision-making powers. The meetings of any committee, including any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the Association, must be conducted with the same formalities as required for meetings of the Board.

4.22 Neighborhood Committees. In addition to the ARC and any general committee of the Association, the Board of Directors shall create Neighborhood Committees which shall be composed and operated as follows:

(A) As soon as practicable after seventy-five percent (75%) of the Lots in a Neighborhood have been conveyed to Class A Members, the President or Secretary of the Association shall call a meeting of all Owners in the Neighborhood by giving at least fourteen (14) days written notice of such meeting.

(B) The President of the Association or his designee shall preside over the meeting of the Owners in the Neighborhood, which meeting shall be conducted. The quorum for the

meeting shall be Owners representing at least thirty percent (30%) of the Lots in the Neighborhood, in person or by proxy.

(C) The Owners shall elect a five (5) person Neighborhood Committee by casting votes (in person or by proxy, which may be a general proxy) for up to five (5) candidates. The persons receiving the five (5) highest number of votes shall be declared elected as the Neighborhood Committee until the next annual meeting of the Neighborhood.

(D) Within five (5) days of its election, the Neighborhood Committee shall hold an organizational meeting at which it shall, at a minimum (i) elect a Chair; (ii) elect the Voting Member for the Neighborhood and (iii) establish a date for the Annual Meeting of the Neighborhood, which shall be no later than the month of October in each year. The Chair shall then advise, in writing, the Secretary of the Association of the results of the foregoing actions.

(E) At each subsequent Annual Meeting, which shall be conducted as aforesaid and at which the Chair of the Neighborhood Committee shall preside, a new election of the Neighborhood Committee shall be held per (B) and (C) above, and the Neighborhood Committee shall then proceed per (D) above. A Neighborhood Committee Member may be re-elected as many times as he/she receives the requisite number of votes.

(F) The Neighborhood Committee need not meet more than annually but may meet as often as it deems appropriate (and shall meet within a reasonable time after the Board of Directors requests that it do so for the purpose of responding to any questions put to it by the Board), but other than as provided in (D) above, the function of the Neighborhood Committee shall be advisory only.

(G) In the event of a vacancy on a Neighborhood Committee, the remaining members thereof shall select an Owner from the Neighborhood to serve until the next Annual Meeting of such Neighborhood.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President, and one or more Vice-Presidents, who must be Directors of the Association, as well as a Treasurer and a Secretary, all of whom shall be elected annually by majority vote of the Board of Directors. Any officer may be removed, with or without cause, by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.

5.2 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Members and Directors, shall be ex-officio a member of all standing

committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts or documents requiring the seal of the Association, except where such are permitted by law to be otherwise executed, and the power to execute is delegated by the Board of Directors to another officer or agent of the Association.

5.3 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall prescribe.

5.4 Secretary. The Secretary shall attend the meetings of the Board and meetings of the members, and shall record all votes and the minutes of all proceedings in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Governing Documents. Any of the foregoing duties may be performed by an Assistant Secretary, if any has been designated.

5.5 Treasurer. The Treasurer shall have responsibility for the collection, safe-keeping, and disbursement of funds and securities of the Association, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors, and prepare the budget for the Association. He shall disburse the funds of the Association, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

6. ARCHITECTURAL REVIEW COMMITTEE. The ARC provided for in Section 6 of the Declaration of Covenants shall be selected, and conduct its affairs as provided in this Section.

6.1 Members; Qualification. The Architectural Review Committee, hereinafter the "ARC,"shall initially be composed of three (3) persons, all appointed by the Declarant, who may also be Directors of the Association. After the Declarant no longer has a right to appoint the ARC, the size of the ARC shall be increased to five (5) persons. Except for those appointed by the Declarant, and as otherwise provided in Section 6.5 below, no member of the ARC shall be a Director. Whenever possible and practical, one of the committee members should be an architect, general contractor, or other person with professional expertise in building, landscaping, or architectural design.

6.2 Selection; Terms. The members of the ARC shall be appointed by the President of the Association to serve terms of one year beginning on January 1 of each year. If a mid-term vacancy occurs for any reason, the President shall appoint a successor to fill the unexpired term. Members

of the ARC, once appointed, may be removed only by vote of a majority of all the voting interests, and not by the officers or Directors.

6.3 Compensation. If approved by the Board of Directors, any or all members of the ARC may be compensated for their services.

6.4 Meetings. The ARC shall meet as necessary, and otherwise at the call of the Chairman as necessary, to carry out its duties and functions. The ARC shall meet with the same formalities and notice requirements as required for Board meetings, unless otherwise permitted by law. Written notice of meetings shall be provided to each Neighborhood Association at least one week in advance, and any Owner wishing to appear before the ARC may do so. Special meetings may be called as needed by the Chairman. Notwithstanding anything herein to the contrary, during Developer control, the Developer may appoint one (1) person who shall be empowered to serve on behalf of and act for the Architectural Review Committee.

6.5 Procedures, Voting. A majority of the members of the ARC present in person at any duly called meeting shall constitute a quorum. All questions shall be decided by a majority of the entire committee. Where a question involves proposed changes to a Lot or Living Unit owned by a member of the ARC, that member shall be disqualified from participation in the proceedings, and his place shall be taken by the then President of the Association. If a proposed change is not approved, the reasons for disapproval shall be stated in writing. Minutes of all meetings of the ARC shall be kept in a business-like manner, and shall be available at reasonable times for inspection or photocopying by any owner. Copies of the plans and specifications for all approved changes and construction shall be kept for at least five years.

7. FISCAL MATTERS. The provisions for assessments and fiscal management of the Association set forth in the Declaration of Covenants shall be supplemented by the following provisions:

7.1 Depository. The Association shall maintain its accounts in federally insured accounts at financial institutions doing business in the State of Florida as may be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles, provided they are federally insured, or backed by the full faith and credit of the United States.

7.2 Budget. The Board of Directors shall, at a November meeting each year, adopt a budget of general expenses for the next fiscal year. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Association, the Developer, or another person. The Association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications.

7.3 Reserves. The Board may establish in the budgets one or more reserve accounts for contingencies, operating expenses, repairs, improvements, capital expenditures or deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments. The amounts proposed to be so reserved shall be shown in the proposed annual budgets each year. These funds may be spent only for purposes for which they were reserved, unless another use is approved by unanimous consent of the entire Board.

7.4 Fidelity Bonds. The Treasurer, and all other officers who are authorized to sign checks, and all Directors and employees of the Association handling or responsible for Association funds, shall be bonded in such amounts as determined by the Board of Directors. The premiums on such bonds shall be paid by the Association.

7.5 Accounts and Accounting Procedures. The financial and accounting records of the Association, must be kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

(A) Accurate, itemized, and detailed records of all receipts and expenditures.

(B) A current account and a period statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.

(C) All tax returns, financial statements, and financial reports of the Association.

(D) Any other records that identify, measure, record or communicate financial information.

7.6 Financial Reporting. The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The Association shall, within ten (10) business days after the report is prepared, provide each member with a copy of the report, or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

(A) Financial statements presented in conformity with generally accepted accounting principles; or

(B) A financial report of actual receipts and expenditures, cash basis, which report must show:

(1) The amount of receipts and expenditures by classification; and

(2) The beginning and ending cash balances of the Association.

7.7 Audits. A formal certified audit of the accounts of the Association, only if required by law, or by a majority of the voting interests, or by a majority of the Board of Directors, may be made by an independent certified public accountant, and a copy of the audit report may be available on request to each member.

7.8 Application of Payments and Commingling of Funds. All monies collected by the Association may be commingled, for investment purposes only, in a single fund, or divided into two or more funds, as determined by the Board of Directors. The books and records of the Association shall be kept in conformity to generally accepted accounting principles, and the audit and accounting guide for Common Interest Realty Associations of the American Institute of Certified Public Accountants. All payments on account by an Owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, and annual or special assessments, in such manner and amounts as the Board of Directors may determine, or as may be required by law.

7.9 Fiscal Year. The fiscal year for the Association shall begin on the first day of January each year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States.

7.10 Payment of Assessments. The Association shall make annual assessments based on the adopted budgets shall be payable annually (due on January 1 of each year or such other date as the Board of Directors may determine). Assessments and Special Assessments as the term is used in this Section 7.10 and 7.11 are assessments levied by the Association and shall not be confused with assessments which are levied by any local government (county, municipality or CDD). Written notice of the annual assessment shall be sent to all owners at least thirty (30) days prior to the due date. Failure to send or receive such notice shall not, however, excuse the obligation to pay. By resolution, the Board may establish the place for payment, the method of payment, and a late payment fee.

7.11 Special Assessments. Special assessments may be imposed by the Association's Board of Directors whenever necessary to meet unbudgeted, emergency, or non-recurring expenses, or for such other purposes as are authorized by the Declaration of Covenants or these Bylaws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or returned to the Members in a manner consistent with law. The total of all special assessments payable by the Members generally shall not exceed $200 per Lot or Living Unit in any fiscal year unless approved in advance by a majority of the voting interests.

7.12 Proof of Payment. Within fifteen (15) days after receipt of request from the Owner, mortgagee, or purchaser of a Lot or Living Unit, the Association shall furnish a written statement certifying that all assessments then due from any Lot or Living Unit have been paid, or indicating the amounts then due. Anyone other than the Owner who relies upon such statement shall be protected thereby.

7.13 Suspension. The Association shall not be required to transfer Memberships on its books or to allow the exercise of any rights or privileges of Membership on account thereof to any owner, or to any persons claiming under an owner, unless and until all assessments and charges to which said owner and his Lot or Living Unit is subject have been paid in full.

8. TURNOVER OF CONTROL OF ASSOCIATION.

8.1 Time of Turnover. Turnover of control of the Association occurs when the Class A and Class C members are first entitled to elect a majority of the Directors of the Association. Class A and Class C members shall be entitled to assume control of the Association by electing the entire Board of Directors not later than ninety (90) days after the conveyance of title, to owners other than Developer, of at least ninety percent (90%) of the Lots within the Lands. At that time the Directors appointed by the Developer shall resign. The election shall occur at a meeting of the members (the Turnover Meeting).

8.2 Procedure for Calling Turnover Meeting. No less than sixty (60) days prior to the Turnover Meeting, the Association shall notify in writing all Neighborhood Associations of the date of the Turnover Meeting. It shall be the responsibility of the Neighborhood Associations to notify their Members. At the Turnover Meeting the Directors elected by the Members as further provided in Section 4.4 above, and all but one of the Directors previously appointed by the Declarant shall resign.

8.3 Early Turnover. The Declarant may turn over control of the Association to the Members prior to the time for turnover set forth above, by causing all but one of its appointed Directors to resign, whereupon it shall be the affirmative obligation of the Class A and Class C Members to elect the other Directors and assume control of the Association. If at least sixty (60) days notice of Declarant's decision to cause its appointees to resign is given as described in Section 8.2 above, neither the Declarant, nor such appointees shall be liable in any manner in connection with such resignations if the Members refuse or fail to assume control.

8.4 Developer Representative. The Developer is entitled to appoint at least one member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Lots or units in the Community. After the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned interests in the same manner as any other member, except for purposes of reacquiring control of the Association or selecting a majority of the Directors.

8.5 Turnover - "As Is". When owners other than Developer assume control of the Association by electing the majority members on the Board of Directors, the Association will accept turnover of the common areas and facilities in their "as is" condition, without recourse. The Declarant, and any Developer, makes no representations, to the fullest extent permitted by law, and disclaims all warranties, expressed or implied, in law or in fact, with respect thereto, including without limitation representations or warranties or merchantability or fitness for any particular purpose, in representations or warranties regarding the construction, design, adequacy of size or capacity in

9.3 Amendment by Board. As long as Declarant Membership exists, the Board of Directors, by majority vote, may unilaterally amend these Bylaws in any manner which it deems advisable, including but not limited to amendments to correct errors or conform the Bylaws to any applicable statute or local ordinance. Such amendments shall not require consent of the Members.

9.4 Certificate; Recording. A copy of each approved amendment shall be attached to a certificate reciting that the amendment was duly adopted, which certificate shall be executed by the President or Vice-President of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of the County. The certificate must identify the book and page of the Public Records where the Declaration of Covenants was originally recorded.

10. MISCELLANEOUS.

10.1. Gender; Number. Whenever the masculine or singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

10.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

10.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Covenants or the Articles of Incorporation of the Association, the provisions of the Declaration of Covenants or Articles of Incorporation shall prevail over the provisions of these Bylaws.

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10.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

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The foregoing constitute the first Bylaws of Bella Terra of Southwest Florida, Inc., and were duly adopted at the first meeting of the Board of Directors held on March 18, 2004.

Date: March 18, 2004.

Bella Terra of Southwest Florida

Secretary

Attest:

(CORPORATE SEAL)

Vice President