

Prepared by and return to:
Steven H. Mezer, Esquire
Bush Ross Gardner Warren & Rudy, P.A.
P. O. Box 3913
Tampa, Florida 33602



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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF STRAITON AT BALLANTRAE TOWNHOMES**

THIS DECLARATION, made this 9th day of SEPTEMBER 2004, by M/I Homes of Tampa, LLC, hereinafter referred to as "Declarant."

WITNESSETH

WHEREAS, Declarant is the fee simple owner of certain real property and improvements in Pasco County, Florida which is more particularly described as Straiton at Ballantrae Townhomes, more particularly described as follows:

See Exhibit "A", attached hereto and incorporated by reference

hereinafter referred to as the "Property," and plans to develop such Property under a common plan of development;

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to this Declaration of Covenants, Conditions, and Restrictions, which Declaration of Covenants, Conditions, and Restrictions shall be and are easements, restrictions, covenants and conditions appurtenant to and running with the land, and shall be binding upon and inure to the benefit of all parties having any right, title or interest in the real Property set forth above, their respective heirs, successors and assigns, as their respective interests may appear.

ARTICLE I

DEFINITIONS

Unless the context expressly requires otherwise, the following terms shall have the following meanings whenever used in the Declaration of Covenants, Conditions, Restrictions and Easements, the Association's Articles of Incorporation, or the Association's By-Laws:

Section 1. "Association" shall mean and refer to Straiton at Ballantrae Townhomes Association, Inc., a corporation not-for-profit organized pursuant to Chapter 617, Florida Statutes, and its successors and assigns.

Section 2. "Association Documents" shall mean the Association's Articles of Incorporation and By-Laws as the same may, from time to time, be amended and exist, which initial copies of are appended hereto as Exhibits "B" and "C".

Section 3. "Association Rules" shall mean those rules and regulations that the Association shall from time to time adopt, promulgate, amend, revoke, and enforce to govern the use and maintenance of the Common Area and Association procedures.

Section 4. "Board" shall mean the Board of Directors of the Association, whose duties shall be the management of the affairs of the Association subject to this Declaration and Association Documents.

Section 5. "CDD" shall mean the Ballantrae Community Development District, a community development district created pursuant to Chapter 190 of the Florida Statutes.

Section 6. "Common Area" shall mean all real property (including any improvements thereon) which shall, from time to time, be designated by Declarant for the common use and enjoyment of the Owners and conveyed to the Association in fee simple, or with respect to which the Association has been granted an easement; together with the rights-of-way, easements, appurtenant, improvements and hereditaments described in this Declaration, all of which shall be and are covenants running with the land at law. The Common Area shall consist of the Common Area shown on the Plat, and shall include any Surface Water Management System Facilities.

Section 7. "Declarant" shall mean and refer to M/I Homes of Tampa, LLC, and its successors and assigns. If the Declarant assigns the rights of Declarant hereunder to a person or entity that acquires any portion of the Property from the Declarant for the purpose of development and resale, then, upon the execution and recording of an express written assignment to such effect in the Public Records of Pasco County, Florida, such assignee shall be deemed the Declarant hereunder for all purposes only to the extent of such assignment.

Section 8. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions, as the same may be amended, renewed or extended from time to time in the manner herein prescribed.

Section 9. "Dwelling" shall mean any structure built upon a Lot for the purpose of allowing natural persons to reside therein.

Section 10. "FHA" shall mean the Federal Housing Administration.

Section 11. "Law" shall include any statute, ordinance, rule, regulation, or order validly created, promulgated or adopted by the United States, or any of its agencies, officers or

instrumentalities, or by the State of Florida, or any of its agencies, officers, municipalities or political subdivisions, or by any officer, agency or instrumentality of any such municipality or subdivision, and from time to time applicable to the Property or to any activity on or about the Property.

Section 12. "Lot" shall mean and refer to a plot of land shown and identified upon any site plan of the Property now or hereafter made subject to this Declaration, which is intended for use of one residential unit.

Section 13 "Master Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions of Ballantrae as recorded at OR book 5686 Page 1280, et seq. of the Public Records of Pasco County, Florida.

Section 14 "Member" shall mean a Member of the Association as set forth in Article III. Every member of the Association is also a member of The Ballantrae Homeowner's Association, Inc. (The Master Association).

Section 15. "Mortgage" shall mean chattel mortgage, bill of sale to secure debt, deed of trust, deed to secure debt and any and all other similar instruments given to secure the payment of an indebtedness.

Section 16. "Owner" shall mean and refer to the record owner, and if more than one person or entity, then to them collectively, of the fee simple title to any Lot which is a part of the Property, so that for purposes of this Declaration and the Association Documents, as defined herein, each Lot shall be deemed to have one Owner.

Section 17. "Person" shall mean an individual, corporation, partnership, trust, or any other legal entity.

Section 18. "Property" shall mean all of the real property described herein.

Section 19. "Recorded" shall mean filed for record in the Public Records of Pasco County, Florida, or such other place as from time to time is designated by Law for providing constructive notice of matters affecting title of real property in Pasco County, Florida.

Section 20. "Surface Water Management System Facilities" shall mean: the facilities including, but not limited to all inlets, ditches, swales, culverts, water control structures, retention and detention areas, ponds, lakes, floodplain compensation areas, wetlands and any associated buffer areas, and wetland mitigation areas.

Section 21. "The Work" shall mean the initial development of the Property by Declarant and includes the sale of completed Lots, with or without residential dwellings, in the ordinary course of Declarant's business.

ARTICLE II

COMMON AREA

Section 1. Conveyance of Common Property. The Declarant may from time to time designate and convey to the Association easements and/or fee simple title to real property to be the Common Area for the common use and enjoyment of the Owners, subject to this Declaration. The Association hereby covenants and agrees to accept from the Declarant title to all easements and all such conveyances of Common Area subject to the terms and conditions of this Declaration and the obligations set forth herein. The common area shall consist initially of the parcels and easement shown as Common Area on the Plat of Straiton at Ballantrae Townhomes, as recorded in the public records of Pasco County, Florida.

Section 2. Owners' Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot; provided, however, that no Owner shall do any act which interferes with the use and enjoyment of the Common Area by all other Owners; and provided further, said easement shall be subject to the following rights, title and interest:

a. The right of the Association to charge reasonable admission and other fees for the use of any recreation facility situated upon the Common Area and to impose reasonable limits upon the number of guests who may use these facilities.

b. The right of the Association to suspend the right to the use of the Common Area by an Owner for any period during which any Assessment, as defined herein, against his Lot remains unpaid, and for a period not to exceed 60 days for any other infraction of the Declaration, the Association Documents or the Association Rules, provided that such suspension shall not interfere with such Owner's access to the Lot.

c. The right of Declarant and the Association to grant easements in and to the Common Area for all utility services, including cable television and other public uses which benefit the subdivision as a whole.

d. The right of the Association to borrow money for the purpose of improving the Common Area or acquiring additional common area property; provided however, the Common Area cannot be mortgaged without the consent of the Members entitled to cast two-thirds (2/3) of the total votes that can be cast in person or by proxy at any regular or special meeting of the Members duly called and convened.

e. The right of the Association to dedicate, transfer and convey all or any part of its right, title and interest in the Common Area to any public agency, authority, or utility or, subject to such conditions as may be agreed to by the Lot Owners, to any other Person for such purposes; provided, however, the Common Area cannot be conveyed without the consent of the Members entitled to cast two-thirds (2/3) of the total votes that can be cast in person or by proxy at any regular or special meeting of the Members duly called and convened, and the consent and approval of the Southwest Florida Water Management District if the surface water management system is involved in such transfer.

Section 3. Responsibilities of the Association and Release of Liability.

a. Upon conveyance, the Association shall be responsible for the Common Area, including but not limited to, its operation, management, care, restoration, insurance, renovation, alteration, reconstruction, repair, maintenance, rebuilding, replacement, improvement, taxes and utilities.

b. Any private street, street light, sidewalk, private utility for water or sewer, other private utilities, drainage system, fence, wall and any other improvement or amenity that has been constructed, installed or created by the Declarant as part of the subdivision improvements or The Work, shall be maintained by the Association in the same condition and appearance as constructed or created. The Association shall establish reserves for the replacement of the subdivision improvements.

c. By acceptance of a deed to a Lot within the Property, Owner agrees that the Association and the Declarant have no obligation whatsoever for providing protection to persons on the Property. Owner agrees that it shall be the sole and exclusive obligation of Owner to determine and institute for themselves the appropriate security and any other precautions to protect from and against trespass, criminal acts and any other dangers to Owner's safety and security of their property. Owner further agrees that the Declarant and the Association shall have no obligation whatsoever for providing protection to Owner or the Property from conditions existing within public or private streets, parks or the Common Areas.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws and the Townhomes Association Rules, his right of enjoyment of the Common Area and facilities to members of his family, tenants, social and business invitees or contract purchasers who reside on the Property.

Section 5. Destruction of Common Area. In the event of a total or partial destruction of the Common Area, and if available proceeds of insurance carried pursuant to this Declaration are sufficient to cover 85% of the repair or reconstruction, the Common Area shall be promptly repaired and rebuilt unless within 120 days from the date of such destruction, 75% or more of the Members entitled to vote at a duly called meeting, determine that such reconstruction shall not take place. If the insurance proceeds are less than 85% of the cost of reconstruction, reconstruction may nevertheless take place if a majority of the Members elect to rebuild.

Section 6. Common Area and Blanket Easements.

a. Declarant hereby conveys to the Association a blanket easement over all of the Property for use and maintenance of all utilities and drainage as originally constructed by the Declarant, for the service of any dwelling(s), together with a right of ingress and egress over and across the easement areas for such purposes. Such utilities may include water, sewer, irrigation, electric, cable television, telephone, natural gas, and storm water. Each Owner is responsible for damage to or destruction of the easement area and all improvements on it caused directly or proximately by the acts or omissions of such Owner and any guests, invitees, residents, or other persons occupying or present upon said Lot.

b. Fire, police, health, sanitation (including trash collection) and other public service personnel and vehicles shall have and are hereby granted a permanent and perpetual easement for ingress and egress over and across the Common Areas.

c. Declarant hereby grants to each Owner, their guests, invitees, residents, and visitors, and utilities providers, guests and invitees of the Association, and reserves to itself, its employees, agents, contractors, and invitees, a perpetual and non-exclusive easement over the Common Areas, for the purposes of ingress and egress to any area of the Property.

Section 7. Maintenance.

a. Responsibility of Association. Notwithstanding the provisions of Article IX section 1 of the Master Declaration, the Association shall provide maintenance upon each Lot and each Lot is subject to an assessment for such maintenance, as the case may be, as follows: (i) the exclusive right to conduct exterior maintenance including but not limited to the repair, replacement, mowing, edging, weeding, fertilizing and maintenance of front yards, rear yards and side yards of Lots, trees, shrubs, landscaped areas including sidewalks, fences, and other exterior improvements in the Common Area installed by Declarant, and their replacements; (ii) the painting of exterior doors and the exclusive right to paint and repair exterior building surfaces, roofs, siding, downspouts, and gutters, which must be conducted as scheduled by the Architectural Committee; (iii) repair, replacement, and maintenance of the utility easements located outside of the rear yard; (iv) the right to maintain irrigation systems in the yards on individual Lots and within the Common Areas; (v) maintaining, replacing and pressure washing lead walks, driveways and exterior building surfaces, including the maintenance, repair and replacement of stucco and wood. The Association's duty of exterior maintenance does not include: glass surfaces; replacement of exterior doors or any trees, shrubs, lawns or landscaped areas within the patio or fully enclosed entry area including the enclosed rear patios of Lots. The Association also is not responsible for any maintenance, repair or replacement resulting from any fire, wind, flood, tornado, hurricane settlement/sink hole or other casualty; and each Owner will promptly correct any and all such casualty damage to such Owner's Lot within a reasonable time as specified below. Where it is stated herein that the Association has "exclusive control", it means the Owners of Lots shall not be required, or entitled, to conduct such activities except as set out in this Section, it being the intent of the Association to control such activities for purpose of maintaining uniformity within the Property.

b. Responsibility of Owner. The Owner shall at the Owner's sole expense provide exterior maintenance as follows: the cost for which each owner shall be individually responsible: (i) repair or replacement all glass surfaces on his/her Lot; (ii) replacement of exterior doors; (iii) replacement of any trees, shrubs, lawns or landscape areas within a fully enclosed yard, patio, or entry area including the rear patios of an owner's respective Lot; (iv) maintenance, repair, or replacement resulting from any fire, wind, flood, tornado, hurricane or other casualty damage within the Lot of an Owner; (v) repair or replace any property whether upon such Owner's Lot or any other Lot, or the Common Area, which repair or replacement is required because of any negligence or the willful act of such Owner or any member of such owner's family or household, any invitee of such Owner; and (vi) all portions of Owner's Lot and any improvements thereon

which are not to be maintained by the Association.

c. Insurance on Lots. Each Owner of a Lot shall obtain insurance coverage upon the Lot insuring the dwelling unit located thereon in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Such coverage shall afford protection against: (i) loss or damage by fire, hurricane, tornado, wind-storm, and other hazards covered by a standard extended coverage endorsement, and; (ii) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land including but not limited to vandalism and malicious mischief.

The Owner shall furnish proof of such insurance to the Association at the time of purchase of a Lot and shall furnish proof of renewal of such insurance on each anniversary date thereof. If an owner shall fail to provide such insurance the Association may, but shall not be required to, obtain such insurance and shall assess the owner for the cost of same in accordance as a specific assessment as defined herein.

d. Failure of Owner to Repair. The Association may perform maintenance or make repairs and assess the costs of any required exterior maintenance or repairs to the Owner of any Lot under the following circumstances: (i) such Owner does not maintain in a reasonable condition any lawn or landscaped area on such Owner's Lot that the Association is not required to maintain; or (ii) such Owner does not when reasonably necessary replace any glass surface or exterior door, stucco or wood on such Owner's Lot; or (iii) any maintenance, repair or replacement, whether upon such Owner's Lot, or any other Lot or Common Area, is required because of any negligent or willful act of such Owner or any member of such Owner's family or household or any invitee of such Owner; or (iv) any Owner fails promptly to repair or replace, as the case may be, any casualty damage to such Owner's Lot; and (v) such Owner has failed to undertake the necessary maintenance or replacement within a reasonable period of time following written notice from the Association. Upon the occurrence of the forgoing, and after reasonable prior notice to such Owner, and a reasonable opportunity to be heard, the Association's Board of Directors by a vote of not less than sixty-seven percent (67%) of the Board may undertake such maintenance, replacement or repairs and may assess by specific assessment the costs of such maintenance, replacement or repairs, as the case may be, against such Owner's Lot in the manner provided by this Declaration.

e. Exterior Maintenance Assessment. An Annual Exterior Maintenance Assessment to provide and be used for the exterior maintenance, repair, servicing, renewal, replacement or improvement of the exterior of each Lot, including reserves for any and all of the foregoing may be assessed.

Section 8. Reciprocal Easements. There are reciprocal appurtenant easements between each Lot and such portion or portions of the Common Area adjacent thereto, and between adjacent Lots, for the maintenance, repair and reconstruction of any party wall or walls, as provided herein; for common fences between Lots; for lateral and subjacent support; for overhanging roofs, eaves and trees, if any, installed by Declarant, and for replacements thereof; for fences; for encroachments caused by the initial placement, settling or shifting of any improvements constructed, reconstructed or altered therein in accordance with the provisions of

this Declaration; and for the drainage of ground and surface waters in the manner established by Declarant. To the extent not inconsistent with this Declaration, the general rules of common law apply to the foregoing easements. The extent of such easements for drainage, lateral and adjacent support and overhangs is that reasonably necessary to effectuate their respective purposes; and such easements of encroachment extend to a distance of not more than five feet, as measured from any point on the common boundary along a line perpendicular to such boundary at such point.

To the extent that any land or improvement which constitutes a part of the Property, now or hereafter supports or contributes to the support of any land or improvement constituting another part of the Property, the aforesaid land or improvement, or both land and improvement is hereby burdened with an easement for support for the benefit of the Property or Lot as the case may be. The easement for support shall be an easement appurtenant to and shall run with the land at law.

If any portion of the Common Area encroaches upon a Lot, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any portion of a Lot by virtue of the Work performed by Declarant encroaches upon the Common Area or upon an adjoining Lot or Lots, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Area or on the Lots for the purposes of marketability of title. In the event a building on the Common Area or a Lot or any portion thereof is destroyed and then rebuilt, the Owners of the Lot or Lots agree that minor encroachments of parts of the Common Areas, or other Lots, because of such reconstruction shall be permitted and that an easement for such encroachment and the maintenance and repair of the same shall exist.

ARTICLE III

STRAITON AT BALLANTRAE TOWNHOMES ASSOCIATION, INC.

Section 1. Purpose. The Association shall be formed for the purpose of maintaining the Common Area, for such other purposes as set forth herein, and for such purposes as may be stated in the Association documents and which are not inconsistent with this Declaration.

Section 2. Membership.

a. Each Owner, by virtue of being an Owner and for so long as he is an Owner, shall automatically be a Member of the Association. Association membership shall be an interest appurtenant to title of each Lot and may not be separated from ownership of any Lot which is subject to assessment, as set forth herein, and shall be transferable only as part of the fee simple title to each Lot.

b. The rights, duties, privileges and obligations of an Owner as a Member of the Association shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of this Declaration and the Association Documents; provided, that, if a conflict

arises between the Declaration and the Association Documents, the Declaration shall take priority.

Section 3. Voting. The Association shall have two classes of voting membership:

Class A. So long as there is Class B membership, Class A Members shall be all Owners, except the Declarant, and shall be entitled to one vote for each Lot owned. Upon termination of Class B membership, Class A Members shall be all Owners, including Declarant so long as Declarant is an Owner, and each Owner shall be entitled to one vote for each Lot owned. If more than one (1) person owns an interest in any Lot, all such persons are Members; but there may be only one (1) vote cast with respect to such Lot. Such vote may be exercised as the Owners determine among themselves; but no split vote is permitted.

Class B. The Class B Member shall be the Declarant and as long as there is a Class B voting membership the Declarant shall be entitled to nine (9) votes for each Lot owned. Class B membership shall cease and be converted to Class A membership and any Class B Lots then subject to the terms of this Declaration shall become Class A Lots upon the happening of any of the following events, whichever occurs earlier:

- a. Three months after the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, including Class B votes for any Property annexed or planned for annexation by Declarant,
- b. On January 1, 2010,
- c. When the Declarant waives in writing its right to Class B membership, or
- d. When required by law.

Section 4. Rights and Obligations of the Association. The Association, in any event, shall have the duty and responsibility to maintain the irrigation system, landscaping and signs constructed by the Declarant or the Association servicing the Common Area. The Association also may provide other services. The Association has the power to and shall operate and maintain the Common Area and shall operate, maintain and repair areas designated by Declarant as Common Area whether or not title to those areas has been or ever will be formally conveyed to the Association.

Section 5. Services. The Association may obtain and pay for the services of any Person to manage its affairs to the extent the Board deems advisable, as well as such other personnel as the Board determines are necessary or desirable, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts. Without limitation, the Board may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of this Declaration, the Association Documents or the Townhomes Association Rules.

Section 6. Capital Improvements. Except for: (i) the replacement or repair of items

installed by Declarant as part of the Work, if any; (ii) the repair and replacement of any personal property related to the Common Area; or (iii) as set forth in Article II, Section 5, the Association may not expend funds for capital improvements to the Common Area without the prior approval of at least two-thirds (2/3) of those Members authorized to vote thereon.

Section 7. Personal Property. The Association may acquire, hold and dispose of tangible and intangible personal property, subject to such restrictions as from time to time may be contained in the Declaration and the Association Documents.

Section 8. Association Rules. The Association from time to time may adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Lots, Common Area, or any combination thereof, which rules and regulations shall be consistent with the rights and duties established by this Declaration ("Townhomes Association Rules"). These Townhomes Association Rules shall be binding upon Owners and the Association may impose reasonable monetary fines and other sanctions for violations of the rules in accordance with Chapter 720, Florida Statutes. All rules and regulations initially may be promulgated by the Board, subject to amendment or rescission by a majority of both classes of membership present and entitled to vote at any regular or special meeting of the Members convened for such purposes. The Association's procedures for enforcing its rules and regulations at all time shall provide the affected Owner with reasonable prior notice and a reasonable opportunity to be heard, in person and through representatives of such Owner's choosing.

No Owner, Occupant, or person residing within a Dwelling, or their invitees, may violate the Association's rules and regulations for the use of the Property, and all such persons shall comply with such rules and regulations at all times. Without limitation, any rules or regulations will be deemed "promulgated" when mailed to all Owners at the address shown on the Association's books or when posted at a conspicuous place on the Property from time to time designated by the Association for such purpose.

Section 9. Powers and Authority. The Association shall have the power and authority to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of the Association Documents and this Declaration and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association for the safety and/or general welfare of the Owners. Without in any way limiting the generality of the foregoing, the Association shall have the power and authority at any time and from time to time, and without liability to any Owner, to enter upon any Lot for the purpose of enforcing any and all of the provisions called for herein, or for the purpose of maintaining and repairing any such Lot if for any reason whatsoever the Owner thereof fails to maintain and repair such Lot as required. Notwithstanding the foregoing, the Association shall also have the power and authority from time to time, in its own name, or its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration, the Association Documents and the Townhomes Association Rules and to enforce, by mandatory injunction or otherwise, the provisions of this Declaration, the Association Documents, and the Townhomes Association Rules.

Section 10. Indemnification of Officers and Directors. To the extent permitted by law, the Association shall, and all Owners as shareholders hereby agree that the Association shall, indemnify each officer, director, and member of any committee of the Association from any all expenses, including legal expenses, incurred arising out of such person's acts undertaken on behalf of the Association, unless (i) such acts were both adverse to the Association and resulted in personal gain to the person, (ii) the act was a violation of criminal law for which the person either pleads guilty or nolo contendere or is found to be guilty in a Court of law and such person knew or should have known that his or her conduct was criminal, or (iii) any willful violation of this Declaration or the Association Documents. This provision is self executing, and the Association may also take any action desired to carry out its purposes.

Section 11. Community Systems and Services. Declarant reserves for itself, its successors and assignees, and grants to the Association (after Declarant no longer owns any property described on Exhibit "A", the exclusive and perpetual right to provide and operate, or permit others to provide and operate within the Community, such telecommunication systems (including, without limitation, cable television, community intranet, internet, broadband, voice over internet protocol (VOIP), wireless WI-FI and other systems for receiving, distributing, and transmitting electronic data, signals, and audio or visual communications), security systems and services, utilities (including irrigation, water and natural gas), trash collection, and other systems and services, including, without limitation, conduits, wires, amplifiers, towers, antennae, and other apparatus and equipment for the operation or provision thereof (collectively, the "Community Systems and Services") as Declarant, in its discretion, deems appropriate. Such right shall include, without limitation, the right to select and contract with companies licensed; if applicable, to provide such services in the vicinity of the Community, and to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable. Declarant may receive, and shall be entitled to retain, any rebate, credit, fee or incentive relating to the installation, operation, or provision of any Community Systems and Services.

During the Development and Sale Period, Declarant may require that the Association enter into agreements for the provision of Community Systems and Services to all Lots as a Common Expense, or to Lots within a particular Service Area as a Service Area Expense. If particular services or benefits are provided to particular Owners or Lots at their request, the benefited Owner(s) shall pay the service provider directly for such services, or the Association may assess the costs as a Specific Assessment.

ARTICLE IV

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to

covenant and agree to pay to the Association: (i) annual assessments or charges, hereinafter referred to as "Annual Assessment", (ii) special assessments for capital improvements including working capital improvement fund, hereinafter referred to as "Special Assessment", (iii) specific assessment for accrued liquidated indebtedness to the Association hereinafter referred to as "Specific Assessment," and (iv) assessments for property taxes on Common Area, such assessments to be established and collected as hereinafter provided. The Annual, Special and Specific Assessments, hereinafter collectively referred to as "Assessments", together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each Assessment is made. The Assessments, together with interest, costs, and reasonable attorney's fees and paralegal fees together with any sales or use tax thereon, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessments fell due and jointly and severally with their successors in title with any right of contribution.

a. Declarant's Assessment. Notwithstanding any provision of the Declaration or the Articles or Bylaws to the contrary, as long as there is Class B membership in the Association, the Declarant shall not be obligated for, nor subject to, any Annual Assessment or Special Assessment for any Lot which it may own, provided the Declarant shall be responsible for paying the difference between the Association's operating expenses and the sum of the assessments receivables from other Members and other income of the Association, including the working capital fund. Such difference, herein called the "deficiency", shall not include any reserves but shall be limited to operating expenses of the Association. The Declarant may at any time give written notice to the Association, thereby terminating, effective as of the last day of December of such year, its responsibility for the deficiency and waiving its right to exclusion from annual assessments. Upon giving such notice, or upon termination of Class B membership, whichever is sooner, each Lot owned by the Declarant that has a completed structure with a Certificate of Occupancy, shall thereafter be assessed at twenty-five percent (25%) of the annual assessment established for Lots owned by Class A Members other than the Declarant. Such assessment shall be prorated as to the remaining months of the year, if applicable. Declarant shall be assessed only for Lots that are encumbered by this Declaration. Upon transfer of title of a Lot owned by the Declarant, the Lot shall be assessed in the amount established for Lots owned by owners other than the Declarant, prorated as of and commencing with the date of transfer of title.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of carrying out the rights and obligations of the Association as defined in this Declaration, including but not limited to the acquisition, management, insurance, improvement, restoration, renovation, reconstruction, replacement, and maintenance of the Common Area; the maintenance of a reserve fund for the replacement of the Common Area and all improvements thereon, anticipated to be required in the future; the enforcement of the Declaration and Association Documents; the enforcement of Design Standards of the Architectural Control Committee; the payment of operating costs and expenses of the Association; the operation of any entry gates; and the payment of all principal and interest when due and all debts owed by the Association.

Section 3. Annual Assessment. The Annual Assessment shall be used exclusively to

promote the recreation, health, safety and welfare of the residents within the Property, including (i) the operation, management, maintenance, repair, servicing, security, renewal, replacement and improvements of the Common Area including the Surface Water Management System Facilities, monitoring and maintenance of any wetland mitigation areas until the Southwest Florida Water Management District determines that the area is successful in accordance with the Environmental Resource Permit, and the establishment of reserve accounts for all such items; and (ii) the cost of labor, equipment, materials, management and water management system, operating the entry gates, if any, and those other responsibilities as outlined herein, (iii) all other general activities and expenses of the Association, including the enforcement of this Declaration, and (iv) exterior maintenance assessment as set out in Section 7, Article II.

Section 4. Maximum Annual Assessment. At least thirty (30) days before the expiration of each year, the Board will prepare and distribute to each Owner a proposed budget for the Association's operations during the next ensuing year. If such budget requires an Annual Assessment of not more than one hundred fifteen percent (115%) of the Annual Assessment then in effect, the assessment so proposed will take effect at the commencement of the next ensuing year without further notice to any Owner. If such budget requires an Annual Assessment that is more than one hundred fifteen percent (115%) of the Annual Assessment then in effect, however, the Board must call a membership meeting as stated herein. In computing the applicable percentage of the new annual assessment for the above determination, any increase due to an increase in utility charges for the common area or cable television charges, charges for insurance and reserve funding shall not be included, but shall be automatically passed on as part of the assessment. A majority of those Members present and authorized to vote and voting is sufficient for such approval, and the assessment approved by the Members will take effect at the commencement of the next ensuing fiscal year without further notice to any Owner. If the proposed assessment is disapproved, a majority of the Members present who are authorized to vote and voting will determine the Annual Assessment for the next fiscal year, which may be any amount not exceeding that stated in the meeting notice. Each Annual Assessment may be payable in such number of installments, with or without interest, as the Board determines. In the absence of any valid action by the Board or the membership to the contrary prior to the commencement of any fiscal year, the Annual Assessment then in effect will automatically continue for the ensuing fiscal year, increased only by any increase in utility charges, cable television fees, charges for insurance plus reserve funding. The Board may increase the annual assessment at any time during the year to provide for an increase in utility charges for the common area, cable television charges for Lots, or insurance to be paid by the Association.

Section 5. Special Assessments for Working Capital Fund, Nonrecurring Maintenance and Capital Improvements. In addition to the Annual Assessment authorized above, the Association may levy Special Assessments as follows:

a. Upon sale of the first Lot by the Declarant to a third party, a Special Assessment for a working capital fund, up to six (6) months' estimated regular assessment may be assessed which shall be due and payable to the Association upon conveyance of each Lot to a third party. The aggregate working capital fund established by such Special Assessment shall be accounted for separately, and shall be available for all necessary expenditures of the Association.

b. In an assessment year, a Special Assessment (in addition to the Annual Assessment or the Special Assessment provided in subsection (a) above) which is applicable to that year only for the purpose of defraying, in whole or in part, the cost of any nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon the Common Area required to be maintained by the Association, including fixtures and personal property related thereto may be assessed. The Association shall separately account for the proceeds of such Special Assessment and the proceeds shall be used solely and exclusively to fund the nonrecurring maintenance or improvements in question, provided such Special Assessment first is approved by a majority of the Members present and voting in person or by proxy at a meeting of the Members duly convened for such purpose. Any such Special Assessment shall be due on the date fixed by, and may be payable in one or more installments (with or without interest), as the Board determines.

Section 6. Specific Assessments. Any and all accrued, liquidated indebtedness of any Owner to the Association arising under any provision of this Declaration, or by contract, express or implied, or because of any act or omission of any Owner or person for whose conduct such Owner is legally responsible, also may be assessed by the Association against such Owners' Lot after such Owner fails to pay such indebtedness within thirty (30) days after written demand. This shall also include payment for water or sewer utility services as provided in section 18 below.

Section 7. Property Taxes. Because the interest of each Owner in the Common Area is an interest in real property appurtenant to each Lot, and because no person other than an Owner has the right to the beneficial use and enjoyment of the Common Area, Declarant intends that the value of the interest of each Owner in the Common Area entitled to its use be included in the assessment of each Lot for local property tax purposes. Declarant further intends that any assessment for such purposes against the Common Area shall be for a nominal amount only, reflecting that the full value thereof is included in the several assessments of the various Lots. If the local taxing authorities refuse to so assess the Common Area with the result that local real property taxes in any given year are assessed to the Association with respect to the Common Area in excess of Five Hundred and No/100 Dollars (\$500.00), and in the event the Annual Assessment does not include any such excess property taxes on the Common Area, then the amount of such excess may be specially assessed by the Board of Directors in its discretion in the following manner: the amount of such excess with respect to the Common Area shall be divided by the number of Lots within the Property and the quotient shall be the amount of such special assessment which may be payable in a lump sum within thirty (30) days after notice or may be amortized without interest over such number of months as the Board deems advisable. Each year the Board shall determine whether such assessment shall be levied, and its amount, within forty-five (45) days after receiving notice of the amount of taxes due.

Section 8. Notice and Quorum for Any Action Authorized Under Article IV. Written notice of any meeting called for the purpose of taking action authorized to increase the Annual Assessment shall be sent to all Members authorized to vote, not less than fourteen (14) days nor more than 30 days, in advance of the meeting; and for all other Assessments notice shall be sent to all Members authorized to vote, not less than fourteen (14) business days nor more than thirty (30) days in advance of the meeting.

Section 9. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, except that Declarant, at its election, in lieu of paying Annual Assessments may contribute to the Association such amounts as are necessary to fund any difference between the Association's operating expenses and the Annual Assessments collected from Owners other than Declarant. The share of each Lot in payment of the assessments for common expenses shall be a fraction the numerator of which is one and the denominator is the total number of Lots subject to assessment under this Declaration. This fraction is 1/182.

Section 10. Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all sums collected in such year by way of Annual Assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

Section 11. Date of Commencement. The Annual Assessments provided for herein shall commence as to all Lots as of the date of the conveyance of a lot to a Class A member.

Section 12. Certificate as to Status of Payment. Upon written request of an Owner, the Association shall, within a reasonable period of time, issue a certificate to that Owner giving the status of all Assessments, including penalties, interest and costs, if any, which have accrued to the date of the certificate. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided shall be conclusive and binding with regard to any matter therein stated. Notwithstanding any other provision of this Section, a bona fide purchaser of a Lot from an Owner to whom such a certificate has been issued shall not be liable for any Assessments that became due before the date of the certificate that are not reflected thereon and the Lot acquired by such a purchaser shall be free of the lien created by this Article to the extent any such Assessment is not reflected.

Section 13. Assessment Lien. All sums assessed to any Lot, together with interest and all costs and expenses of collection (including reasonable attorneys' fees and paralegal fees, plus any applicable sales or use tax thereon, including those for trial and all appellate proceedings), and all subsequent assessments which come due through the date of payment are secured by a continuing lien on such Lot in favor of the Association. Except as to first mortgage, all Persons acquiring liens on any Lot, after this Declaration is recorded, are deemed to consent that such liens are inferior to the lien established by this Declaration whether or not such consent is set forth in the instrument creating such lien. The recording of this Declaration constitutes constructive notice to all subsequent purchasers and creditors, or either, of the existence of the Association's lien and its priority. The Association from time to time may, but is not required to, record a notice of lien against any Lot to further evidence the lien established by this Declaration. Each recorded lien shall relate back to the recording of the Declaration.

Section 14. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within ten (10) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or at such rate as the Board may from time to time establish provided, however, that in no event shall the Association have the power to establish a rate of interest in violation of the law of the State of Florida. Upon a default which continues for forty-five (45) days, the Board of Directors may vote to accelerate the entire balance of any installments of any Assessment of any type which may be due from the Owner from the remainder of the budget year and all remaining installments of any Special Assessments. The Board may bring an action at law against the Owner personally obligated to pay the same, or in equity to foreclose the lien against the Property. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the Associations' lien or its priority. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Neither the Association nor the Owner shall be entitled to a jury trial in any litigation pursuant to this Section.

Section 15. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first Mortgage. Sale or transfer of any Lot shall not affect an Assessment lien, except the sale or transfer of any Lot pursuant to the foreclosure of a first Mortgage to the mortgagee or any proceeding or conveyance in lieu thereof with a transfer of title to the mortgagee, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer, without prejudice however, to the Association's right to collect such amounts from the Owner personally liable for their payment. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof. Any encumbrancer holding a lien on a Lot may pay, but is not required to pay, any amount secured by the lien created by this Article; and such encumbrancer then will be subrogated to all rights of the Association with respect to such lien, including priority, to the extent of such payment.

Section 16. Homestead. By acceptance of a conveyance of title to any Lot, each Owner is deemed to acknowledge conclusively that (i) the assessments established by this Article are for the improvement and maintenance of any homestead thereon; (ii) the Association's lien for such assessments has priority over any such homestead; and (iii) such Owners irrevocably waive the benefit of any homestead exemption otherwise available with respect to all amounts validly secured by such lien.

Section 17. Special Assessments. Each Owner shall be responsible for any special assessments by any entity of government made with regard to such Owner's property, including capacity assessments made by Pasco County.

Section 18. Utility Assessments. The Association may choose to have the subdivision metered for water and wastewater utilities as a whole, and either individually meter individual residences for water or wastewater usage or divide the master charges pro rata among the number of Lots. If so, the Association shall bill each Owner monthly for such services, which shall be a Specific Assessment as provided above. The assessment for water and wastewater charges shall include an amount for the cost of billing and for the costs of meter reading. In

addition to the other remedies specified in this Article, after ten days notice, the Association may physically terminate water service for failure of the Owner to timely pay such assessment after notice to the Owner.

ARTICLE V

GENERAL COVENANTS AND RESTRICTIONS

The following covenants, conditions, restrictions, and easements are herewith imposed on the Property:

Section 1. Signs. Except as may be required by legal proceedings, no signs, or advertising poster of any kind shall be maintained or permitted within any windows, on the exterior of any improvements located within the Property, or elsewhere on any portion of the Property, without the express written permission of the Architectural Review Committee (ARC). The ARC is specifically authorized to promulgate standards for the design, appearance and placement of signs within the Property and may require that only standardized "For Sale" or "For Rent" signs, including color, size, materials, format and design be used. The approval of any signs, posters and banners shall be upon such conditions as may be from time to time determined by the ARC and may be arbitrarily withheld. If after demand and reasonable notice to an Owner regarding an unapproved sign and such Owner has not removed the unapproved sign, Declarant or the Association may, through a representative, enter the Owner's premises and remove such sign without liability therefore. Declarant hereby grants a license to the Association for such purpose. Notwithstanding the foregoing, these restrictions shall not apply to signs used by Declarant or his assigns to advertise the Property during the promotion and construction of dwellings and sale of Lots. In addition, the Board of Directors, on behalf of the Association, shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and within established easement areas. Flags and security service signs are permitted consistent with Chapter 720 of the Florida Statutes as amended from time to time and as permitted in writing by the ARC. No flag shall be displayed from a permanent flag pole. Flag poles may be mounted to the residence.

Section 2. General Prohibitions. No activity is permitted, nor may any object or substance be kept, stored, or permitted anywhere within the Property in violation of law. No Owner shall cause or permit any unreasonable or obnoxious noise or odor or waste and no obnoxious, destructive, illegal, or offensive activity that constitutes a nuisance to any Owner or to any other person lawfully residing within the Property anywhere within the Property. This provision shall not apply to the activities of Declarant in construction, maintenance or sale of Dwellings. No storage or temporary placement of any items, including bicycles, motorcycles, or watercraft is permitted on the Common Area.

Section 3. Access By Association. The Association has a right of entry onto each Lot (but not inside a Dwelling) to the extent reasonably necessary to discharge its rights or duties of exterior maintenance, if any, or for any other purpose reasonably related to the Association's performance of any duty imposed, or exercise of any right granted by this Declaration. Such right of entry shall be exercised in a peaceful and reasonable manner at reasonable times and upon reasonable notice whenever circumstances permit. Entry into any Dwelling shall not be

made without the consent of its Owner or Occupant for any purpose, except pursuant to Court order or other authority granted by Law. No Owner shall arbitrarily withhold consent to entry upon a Lot by the Association for the purpose of discharging any duty or right of exterior maintenance if such entry is upon reasonable notice, at a reasonable time, and in a peaceful and reasonable manner. The Association's right of entry may be exercised by its agents, employees and contractors.

Section 4 Maintenance of Entry Wall. The masonry wall adjacent to any entrance or boundary to the subdivision (Entry Wall), shall be maintained on the interior and exterior of such wall by the Association and any structural repair or reconstruction of the Entry Wall shall be the responsibility of the Association. The Association is granted an irrevocable perpetual easement over any portion of the Property as may be required to maintain, repair or reconstruct the Entry Wall.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Enforcement. Each Lot Owner shall comply strictly with the covenants, conditions, restrictions, and easements set forth in this Declaration. In the event of a violation or breach, or threatened violation or breach, of any of the same, the Declarant, the Association, or any Lot Owner, jointly and severally, shall have the right in addition to procedures set out in Article II, Section 7 and Article III, Section 9, to proceed at law for the recovery of damages, or in equity for injunctive relief, or both. If any Owner or the Association is the prevailing party in any litigation involving this declaration, then that party also has a right to recover all costs and expenses incurred (including reasonable attorneys' fees and paralegal fees together with any applicable sales or use tax thereon). Failure by the Declarant, the Architectural Control Committee, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

In addition to the above rights, the Association shall have a Right of Abatement if the Owner fails to take reasonable steps to remedy any violation or breach within thirty (30) days after written notice sent by certified mail. A Right of Abatement, as used in this Section means the right of the Association or Architectural Control Committee, through its agents and employees, to enter at all reasonable times upon any Lot or Structure (but not a dwelling), as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach, or other condition which may exist thereon in violation of the provisions hereof, without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions; provided, such entry and such actions are carried out in accordance with the provisions of this Article. The cost thereof including the costs of collection and reasonable attorneys' fees, and paralegal fees (together with any applicable sales or use tax thereon) together with interest thereon at eighteen percent (18%) per annum, shall be a binding personal obligation of such Owner, enforceable at law, and shall be a lien on such Owner's lot enforceable as provided herein.

Section 2. Severability. If any term or provision of this Declaration or the Association Documents or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Declaration and the Association Documents, and the applications thereof, shall not be affected and shall remain in full force and effect and to such extent shall be severable.

Section 3. Duration. This Declaration, inclusive of all easements reserved by or on behalf of the Declarant or Association, shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Owner of any land subject to this Declaration, their respective heirs, legal representatives, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is filed for record in the Public Records of Pasco County, Florida, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then record Owners of all of the Lots has been recorded, agreeing to change this Declaration in whole or in part.

Section 4. Amendment. This Declaration may be amended by an instrument signed by the duly authorized officers of the Association provided such amendment has been approved by the affirmative vote of the Members entitled to cast two-thirds (2/3) of the total votes that can be cast in person or by proxy at any regular or special meeting of the Members duly called and convened. Any amendment, to be effective, must be recorded. Notwithstanding anything herein to the contrary, so long as the Declarant shall own any Lot or have the right to subject additional properties to this Declaration, no amendment shall diminish, discontinue, or in any way adversely affect the rights of the Declarant under this Declaration, except with the written consent of the Declarant evidenced upon the recorded amendment.

Notwithstanding any provision of this Section to the contrary, the Declarant hereby reserves and shall have the right to amend this Declaration, from time to time to make such changes, modifications, and additions therein and thereto as may be requested or required by FHA, VA, Southwest Florida Water Management District, or any other governmental agency or body generally or as a condition to, or in connection with such agency's or body's agreement to make purchase, accept, insure, guaranty, or otherwise approve loans secured by mortgages on Lots, to issue any governmental or regulatory license, permit or approval provided any such amendment does not destroy or substantially alter the general plan or scheme of development of ~~River Walk~~ ^{STRAITON} Townhomes. Any such amendment shall be executed by the Declarant and shall be effective upon its recording. No approval or joinder of the Association, any other Owner, any Mortgagee, or any other party shall be required or necessary for any such amendment. Any amendment of these documents which would affect the surface water management system, including the water management portions of the common areas, must have the prior written approval of the Southwest Florida Water Management District. Every purchaser or guarantor of any interest in any real property now or hereafter subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that this Declaration may be amended as provided in this Section.

Section 5. Amplification. The provisions of this Declaration are amplified by the Association Documents; but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of

this Declaration on the one hand, and the Association Documents on the other be interpreted, construed, and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles or By-Laws to the contrary.

Section 6. Permission. When any act by any party affected by this Declaration, which by the terms of this Declaration requires the permission or consent of the Declarant, such permission or consent shall only be deemed given when it is in written form, executed by the Declarant.

Section 7. Applicable Law. The law of the State of Florida shall govern the terms and conditions of this Declaration.

Section 8. Definitions. Whenever used herein and appropriate, the singular shall include the plural, the plural shall include the singular, and any gender shall include the others.

Section 9. Captions. The captions in this Declaration are for convenience only and shall not be deemed to be part of this Declaration or construed as in any manner limiting the terms and provisions of this Declaration to which they relate.

Section 10. Notice. Unless otherwise stated herein, any notice required or permitted to be given pursuant to this Declaration shall be in writing sent by prepaid, first class mail to such address of the Person to be notified as such Person may have designated in writing or if none is designated as would be reasonably anticipated to effectuate receipt of the notice. Any such notice shall be effective upon mailing in conformity with this Declaration. If any Person consists of more than one Person or entity, notice to one as provided herein shall be notice to all.

Section 11. CDD. Certain portions of the Property are subject to the Ballantrae Community Development District, a community development district created pursuant to Fla. Stat. Chapter 190. The powers, duties, and responsibilities of the CDD are outlined in the Master Declaration.

Section 12. Leasing. This Section shall not apply to restrict Declarant's, or Declarant's affiliates' activities, nor shall it restrict the activities of Persons the Declarant approves with respect to the development, construction, and sale of property in the Community. This Section shall not apply to Association activities related to the provision of services or to operating and maintaining the Community, including the Community's recreational and other amenities.

Leasing of a single Lot by the Owner thereof for residential occupancy shall not be considered a "business" within the meaning of this subsection; however, no Owner or group of Owners who are affiliated shall, on their own behalf or through any agent, engage in leasing activity with respect to multiple Lots at the same time.

For purposes of this Declaration, "leasing" is the exclusive occupancy of a dwelling by any Person other than the Owner, for which the Owner receives any consideration or benefit,

including, without limitation, a fee, service or gratuity. Leasing shall be for single family occupancy only. The improvements on the Lot may be leased only in its entirety (e.g., separate rooms within the same dwelling may not be separately leased).

All leases shall be in writing and shall have a term of at least six (6) months. No Owner may rent a Lot more than two (2) times in any 12-month period.

The restrictions on lease terms set forth in this paragraph shall not apply to Lots owned or leased by Declarant, its affiliates, or Persons the Declarant approves, in connection with their development, construction, or sale of property in the Community.

All leases shall include an acknowledgment by the tenant that the tenant and all occupants of the leased Lot are bound by and obligated to comply with the Association's Governing Documents and that the tenant has received a copy of the Association's Governing Documents. The Owner shall be responsible for providing a copy of the Association's Governing Documents to the tenant prior to execution of the lease and shall monitor enforcement and compliance with the Association's Governing Documents by the tenant.

Each lease shall set forth the name, address, and telephone number of the Lot's Owner and of the tenant(s); the date the tenant's occupancy commences and ends; a description of each motor vehicle owned or operated by the tenant or members of the tenant's household; and a description of all pets to be kept at the Lot.

If an Owner elects to permit a tenant to sublease during the term of the lease, such sublease shall be subject to the limitations and requirements established in this Declaration to the same extent and effect as the original lease such that there will not be more than two leases or subleases or two of any combination thereof in any twelve month period.

Within 10 days of a lease being signed for a Lot, the Owner shall notify the Board or the Association's managing agent of the lease and provide a copy of such lease and such additional information the board may reasonably require. An Owner proposing to lease a Lot may obscure the rental and deposit amounts in the copy of the proposed lease submitted to the Board so long as the lease contains the information listed above. The board may, from time to time, adopt reasonable Townhomes Associations Rules regulating leasing and subleasing. Transient occupancy, leasing for less than six (6) months, the leasing of rooms and timesharing are all prohibited.

Section 13. Declarant's Rights; Obligation of Cooperation by Association. Until such time as Declarant has completed all of the contemplated improvements and has sold all of the Lots within the Development, the following provisions shall apply and control notwithstanding any provisions contained in this Declaration to the contrary:

a. The Association hereby grants the Declarant an easement, assignable by the Declarant, across all Common Area and additions to Common Area for the construction of water, sewer, drainage, water retention, reclaimed water, irrigation, cable television, television antennae, gas and electric facilities; for the installation of any other utility, community system and service or facility deemed by Declarant necessary or desirable for the development of the

Properties and Common Area; and for the conduct of all construction, sales and marketing activities deemed necessary or desirable by the Declarant.

b. The Association grants the Declarant the right to alter the boundaries of the Common Area whether or not they have been previously deeded to the Association, provided that such alteration does not substantially, materially and adversely affect the function and use of the Common Area. The Association and each Owner hereby irrevocably appoint the Declarant or its officers as their attorney-in-fact to execute and/or deliver any document, plat, deed or other written instrument necessary or convenient to accomplish the addition of Common Area and Properties, to create easements as deemed necessary by Declarant and to adjust the boundary or boundaries of the Common Area. Such appointment shall be deemed coupled with an interest and irrevocable.

c. Neither the Association nor its Members, nor the use of the Common Area by the Association or its Members, shall interfere with the completion of the contemplated improvements or the marketing and sale by Declarant of Lots within the Development,.

d. Declarant reserves and the Association grants to Declarant the right to make such use of Lots and the Common Area, as may facilitate completion and sale of Lots by the Declarant. Without limiting the foregoing, Declarant shall have the right to maintain a sales office, model units, administration office and/or construction office (which may be a construction trailer or a temporary or permanent building) on Lots or on the Common Area, which, notwithstanding anything in this Declaration to the contrary, may be fenced. Declarant further shall have the right to erect and maintain signs on Lots or on the Common Area, shall have the right to bring prospective purchasers upon the Common Area, shall have the right to use the Common Area for any sales or marketing purposes, shall have the right to grant the right of use of the Common Area to any prospects or any other individuals or group in its sole discretion and shall be entitled to conduct all other marketing activities desired by Declarant. By way of example and not by way of limitation or definition, such Common Area may include a clubhouse, a swimming pool and any other amenities the Declarant may choose to construct.

e. Without the express prior written consent of Declarant, no amendment shall be made to the Declaration and no Rules and Regulation (including the Townhomes Association Rules) shall be adopted by the Association which shall modify the assessments or other charges on Declarant's Lots or which shall restrict, impair or in Declarant's sole judgment adversely affect Declarant's activities on the Common Area, delegation of use of the Common Area, or marketing and sale of the remaining Lots in the Development, whether or not such activities are enumerated in the preceding paragraphs.

ARTICLE VII

DISCLAIMER OF LIABILITY OF ASSOCIATION

Notwithstanding anything contained herein or in the Articles of Incorporation, By-Laws, any rules or regulations of the association or any other document governing or binding the Association (collectively the "Association Documents"), neither the Association nor the Declarant nor any DIRECTOR, officer or employee thereof shall 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 Straiton at Ballantrae Townhomes 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 properties have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Property 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, Pasco County and/or any other jurisdiction or the preventions of tortious activities; and

c. any provision of the Association Documents setting forth use of assessments which are related to health, safety security and/or welfare shall be interpreted and applied only as a limitation upon the use of assessment funds and not as creating a duty of the association to protect or further the health, safety security or welfare of any Person(s), even if assessment funds are chosen to be used for any such reason.

d. The Association may employ the use of surveillance cameras and portions of the community cable television system for monitoring purposes. This surveillance will be without backup and available only to cable television customers. The operation of this system by the Association is for the convenience of Owners only. The Association, Declarant, and all agents thereof shall have no liability to any person regarding the operation or failure of operation of such camera system.

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 Property (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 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 the Declarant, which shall be fully protected hereby.

ARTICLE VIII

INSURANCE AND CASUALTY LOSSES; CONDEMNATION

Section 1. Insurance. Insurance, other than title insurance, which shall be carried upon the Common Area shall cover the following provisions.

a. Authority to Purchase. All insurance policies upon the Common Area shall be purchased by the Association for the benefit of the Association. It shall not be the responsibility or the duty of the Association to obtain insurance coverage upon the personal liability, personal dwelling unit, personal property or living expenses of any Owner but the Owner shall obtain such insurance at his own expense provided such insurance may not be of a nature to affect policies purchased by the Association.

b. Coverage.

1. Casualty. All buildings and improvements in the Common Area and all personal property included in the Common Area shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors of the Association. Such coverage shall afford protection against: (i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and (ii) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the Common Areas, including but not limited to vandalism and malicious mischief.

2. Public Liability. In such amounts and such coverage as may be required by the Board of Directors of the Association.

3. Worker's Compensation To meet the requirements of Law.

4. Other. Such other insurance as the Board Directors of the Association shall determine from time to time to be desirable.

c. Premiums. Premiums for the described insurance shall be a common expense, collected from Owners within Straiton at Ballantrae Townhomes as part of the Annual General Assessment. Premiums shall be paid by the Association.

d. Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and its mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association.

e. Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed and used by the Association as the Board of Directors may determine.

Section 2. Condemnation. In the event that any portion of the Common Area shall be made the subject of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the taking of any portion of the Common Area by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Association and shall be distributed to the Association and to any Owner who is directly, adversely affected by the condemnation, as their respective interests may appear.

ARTICLE IX

PARTY WALLS, ROOFS, AND UTILITY CONNECTIONS

Section 1. General Rules of Law to Apply. Each wall or fence built as a part of the Work upon the Property and placed on the dividing line between Lots, and the roofs between Lots for attached units, are considered to be a party wall, fence or roof. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage caused by negligence or willful acts or commissions apply to the ownership, maintenance and use of such walls, fences and roofs.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair, maintenance and replacement of a party wall, fence and roof shall be shared by the Owners who make use of the wall, fence and roof in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall, fence or roof is destroyed or damaged by fire or other casualty and is not covered by insurance, any owner who has used the wall, fence or roof may restore it; and, if other Owners thereafter make use of the wall, fence or roof, they shall contribute to the cost of restoration in proportion to their use, all without prejudice to the right of any such Owner to call for larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

Section 4. Negligence. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful act causes any party wall, fence or roof to be exposed to the elements, or to infestation by termites or other injurious agencies, shall bear the whole cost of furnishing the necessary protection against such elements or agencies and of repairing all resulting damage.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article is appurtenant to the Lot affected and shall pass to and bind each such owner's successors in title.

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed on the day and year first above written.

Executed and declared in the presence of:

M/I Homes of Tampa, LLC, a Florida Limited Liability Company, by


Lee R. Thompson
LEE R. THOMPSON
(Print name signed above)

Theresa Lynn Collins
(Print name signed above)

Fred Sikorski
Fred Sikorski, Area President

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 9 day of September 2004 by Fred Sikorski, as Area President of M/I Homes of Tampa, LLC, a Florida Limited Liability Company, who is personally known to me.

 Ruth A. Cable
My Commission DD181845
Expires April 10, 2007

Ruth A. Cable
NOTARY PUBLIC
Name: RUTH A CABLE
Serial #: DD181845
My Commission Expires: 4/10/07

EXHIBIT "A"

OR BK **6022** PG **1591**
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LEGAL DESCRIPTION

A PARCEL OF LAND LYING WITHIN SECTIONS 20 & 29, TOWNSHIP 26 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA AND BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 29, TOWNSHIP 26 SOUTH, RANGE 18 EAST; THENCE ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 29; S89°22'15"E, A DISTANCE OF 2314.75 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID LINE N00°29'26"E, A DISTANCE OF 365.07 FEET TO THE SOUTHWEST CORNER OF BALLANTRAE VILLAGES 3A & 3B AS RECORDED IN PLAT BOOK 50, PAGE 49-62, IN THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE SOUTH LINE OF SAID BALLANTRAE VILLAGES 3A & 3B THE FOLLOWING 4 COURSES; 1) 89.51 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT, CONCAVE NORTHWEST, HAVING A RADIUS OF 1,120.00 FEET, A CENTRAL ANGLE OF 04°34'44" AND A CHORD BEARING AND DISTANCE OF N49°34'10"E, 89.48 FEET; 2) N47°16'48"E, A DISTANCE OF 240.72 FEET TO THE POINT OF INTERSECTION WITH A NON TANGENT CURVE; 3) 622.02 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 43,542.54 FEET, A CENTRAL ANGLE OF 00°49'07" AND A CHORD BEARING AND DISTANCE OF S33°08'45"E, 622.01 FEET TO THE POINT OF INTERSECTION WITH A NON TANGENT CURVE; 4) 315.14 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT, CONCAVE NORTH, HAVING A RADIUS OF 4,092.51 FEET, A CENTRAL ANGLE OF 04°24'44" AND A CHORD BEARING AND DISTANCE OF N89°07'41"E, 315.07 FEET TO A POINT ON THE WESTERLY LINE OF BALLANTRAE VILLAGE 2A AS RECORDED IN PLAT BOOK 49, PAGES 33-46 IN THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE WEST LINE OF SAID BALLANTRAE VILLAGE 2 THE FOLLOWING 5 COURSES; 1) N86°27'13"E, A DISTANCE OF 66.93 FEET; 2) S00°00'00"W, A DISTANCE OF 85.25 FEET; 3) S00°00'00"E, A DISTANCE OF 884.55 FEET; 4) S90°00'00"W, A DISTANCE OF 643.77 FEET; 5) S00°17'50"W, A DISTANCE OF 682.68 FEET; THENCE DEPARTING SAID BALLANTRAE VILLAGE 2A WEST LINE S86°05'46"W, A DISTANCE OF 331.06 FEET; THENCE N00°16'17"E, A DISTANCE OF 1,000.00 FEET; THENCE CONTINUING N00°16'17"E, A DISTANCE OF 600.48 FEET TO THE POINT OF BEGINNING.

CONTAINING: 31.064 ACRES, MORE OR LESS.