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DECLARATION OF RESTRICTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
SONOMA LAKE AT THE VINEYARDS

THIS DECLARATION is made as of the 5th day of September, 1989, by NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership qualified to do business in the State of Florida, (hereinafter called "Developer").

BACKGROUND

A. Developer is the owner of a parcel of land located in Collier County, Florida, legally described on Exhibit 1 hereto (the "Site") which Developer plans to develop with platted lots including certain facilities, for the common use and enjoyment of the owners of the Lots (hereafter defined) within the Site pursuant to a general plan of development, such development to be known as "Sonoma Lake at the Vineyards" (hereinafter "Sonoma Lake"); and

B. In order to (i) insure that such general plan of development is adhered to; (ii) establish certain continuing relationships in the form of mutual rights and obligations between Developer and the persons who acquire ownership of Homes developed in Sonoma Lake by Developer, and their respective successors, with respect to use, enjoyment and maintenance of certain areas and facilities (hereafter described); and (iii) protect, preserve and enhance the value of Sonoma Lake and the Homes constructed in it, Developer has determined that this Declaration, establishing certain easements, servitudes, restrictions, and conditions in the form of covenants running with the land shall be binding upon, enforceable against and inure to the benefit of all such present and future owners of property developed within Sonoma Lake and shall run with title to the land hereby and hereafter subjected to it; and

C. Developer desires to hereby subject the Site to the terms and conditions of this Declaration.

NOW, THEREFORE, Developer hereby declares that title to the Site, including, but not limited to, all Homes and Lots (as hereafter defined) now and hereafter existing thereon shall be held, sold, conveyed, encumbered, used and occupied subject to the terms and conditions of the Declaration as covenants running with the land enforceable as aforesaid.

ARTICLE I

DEFINITIONS

The following terms when used in this Declaration shall have the following meanings:

Best Image Available

(a) "Articles" means the Articles of Incorporation of the Association, as hereafter defined, a copy of which is attached as Exhibit 2.

(b) "Association" shall mean and refer to the Sonoma Lake Homeowners Association, Inc., a non-profit Florida corporation.

(c) "Board" means the Board of Directors of the Association.

(d) "By-Laws" means the By-Laws of the Association, a copy of which is attached as Exhibit 3.

(e) "Common Properties" shall mean and refer to the roadways and other portions of the Site which are not conveyed by the Developer to third parties and intended as the Site for a Home.

(f) "Community" shall mean and refer to The Vineyards Community Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

(g) "First Mortgagee" shall mean and refer to an institutional lender, as hereafter defined, which holds a first mortgage encumbering a Lot as hereafter defined, and which has notified the Association in writing that it holds the same.

(h) "Institutional Lender" shall mean and refer to a commercial or savings bank, savings and loan association, mortgage company, life insurance company, pension fund, business trust or governmental agency or corporation, including, but not limited to, a real estate investment trust, or any assignee of a loan made by any such lender, or any private or governmental agency, corporation or institution which has insured or acquired the loan of the lender or any combination of the foregoing entities.

(i) "Home" means each one of the residences intended for residential use which is constructed on a Lot.

(j) "Lot" shall mean and refer to each of the areas identified as such on the plat for Sonoma Lake to be recorded in the Collier County Public Records, intended to be used as the site of a Home and title to which is subsequently conveyed to third parties by Developer. Use of the term includes the Lot and Home built on it, as the context dictates. If this Declaration is supplemented to subject additional land to its terms, then it will define additional lots.

(k) "Notice" shall mean and refer to:

(i) Written notice delivered personally or mailed to the last known address of the intended recipient, in the manner set forth herein; or

(ii) Notice published at least once each week for two consecutive weeks in a newspaper having general circulation in Collier County, Florida; or

(iii) Notice given in any other manner provided in the By-Laws of the Association.

(l) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within any portion of the Site, but shall not mean or refer to any holder of a mortgage encumbering a Lot unless and until such holder has acquired title thereto pursuant to foreclosure or any proceeding or conveyance in lieu of foreclosure.

(m) "Streets" shall mean those private driving areas, terraces, cul-de-sacs and courts as from time to time are improved and exist within the Site, but does not include the driveway serving a single Lot.

(n) "Common Assessment or Expenses" shall mean the actual and estimated costs of: maintenance, management, operation, improvement to, repair and replacements of the Common Properties (including unpaid Special Assessments, as subsequently defined) including those costs not paid by the Owner responsible for payment; lake and drainage facility maintenance, the costs of any and all commonly metered utilities such as irrigation, cable or master television charges, and other commonly metered charges for the Common Properties (if any); costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of all utilities, gardening and other services benefiting the Common Properties or which services are provided to lot owners in respect to their lots by the Association, and all facilities thereon; the costs of fire, casualty and liability insurance, workmen's compensation insurance, and other insurance covering the Common Properties; the costs of bonding of the members of the management body; taxes paid by the Association, including any property taxes for the Common Properties; amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Properties, or portions thereof; and the costs of any other expenses incurred by the Association for any reason whatsoever in connection with the Common Properties for the benefit of all of the Owners.

In addition, "Common Assessment or Expenses" shall also include the expense of maintenance of all sodded grass, lawns, landscaping, vegetation and the irrigation system serving such

areas located on all improved Lots within the Site; provided, however, the addition of landscaping not part of the original landscaping plan for each Lot shall be the individual responsibility of each Lot owner.

ARTICLE II

OWNER'S PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of ingress and egress and of use and enjoyment in, to and over the Common Properties which shall be appurtenant to and shall pass with title to said Owner's Lot, subject to the following provisions:

(a) The right of the Association to reasonably limit use of the Common Properties.

(b) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Properties.

(c) The right of the Association in accordance with its Articles of Incorporation and By-Laws and this Declaration, with the vote or written assent of two-thirds (2/3) of each class of Members (excluding therefrom the voting power of Developer) to borrow money for the purpose of improving the Common Properties, subject to the provisions of Article V of this Declaration, to mortgage, pledge, or hypothecate any or all of the real or personal property, owned by it, as security for money borrowed or debts incurred, provided that (1) the Developer consents to same so long as it remains a Member, and (2) the rights of any such mortgagee shall be subordinated to the use and enjoyment rights of the Owners herein.

(d) The right of the Association to suspend the voting rights and right to use the Common Properties (except to the extent needed as a means of ingress and egress) of an Owner for any period during which any assessment or dues against or due from his Lot remains unpaid and delinquent; and for a period not to exceed ninety (90) days for any single infraction of the published rules and regulations of the Association, provided that any suspension of such voting rights or right to use the Common Properties, shall be made only by the Board of Directors of the Association, after notice and an opportunity for a hearing as provided in the By-Laws of the Association.

(e) Subject to the provisions of Article V of this Declaration, the right of the Association to dedicate, release, alienate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication, release, alienation or transfer

shall be effective, unless Members entitled to cast two-thirds (2/3) of the voting power of each class of Members therein (excluding the voting power of Developer), agree to such dedication, release, alienation or transfer, and with the consent thereto of the Developer so long as it remains a Member.

(f) The right of the Developer (and its sales agents, customers and representatives) to the non-exclusive use of the Common Properties without charge, for sales, display, access, ingress, egress and exhibit purposes.

Section 2. Delegation of Use. Any Owner may extend or delegate, as the case may be, in accordance with the By-Laws, his right of enjoyment to the Common Properties and facilities to the members of his family, or to his tenants and contract purchasers who reside in his Home, subject to reasonable regulation by the Board.

Section 3. Parking. The Association, through its officers, committees and agents, is hereby empowered to establish parking regulations and to enforce these parking regulations by all means, lawful for such enforcement on Drives, including the removal of any violating vehicle by those so empowered.

Section 4. Easements for Pedestrian and Vehicular Traffic. In addition to the general easements for use of the Common Properties reserved herein, there shall be, and Developer hereby reserves and covenants for itself with respect to all portions of the Site, whether or not presently subjected to this Declaration and for and on behalf of all future Owners within Sonoma Lake that Developer and each and every Owner shall have a non-exclusive easement appurtenant to his Lot, for pedestrian and vehicular traffic over all Streets within the Site, subject to the parking provisions set forth in Section 3 of this Article II.

Section 5. Easements for Public Service Use. Developer hereby reserves and covenants for itself and all future Owners over all Lots within Sonoma Lake, the right to grant easements to those providing maintenance, repair and public services, including, but not limited to, utilities, grounds and landscaping maintenance, lawn service, and irrigation.

Section 6. Developer's Reserved Rights. Developer reserves the right to grant additional easements over the Common Property and to impose additional restrictions on its use so long as pursuant to its overall plans for development of Sonoma Lake, including but not limited to, for the purpose of access to any adjoining land.

Section 7. Waiver of Use. No Owner may exempt himself from personal liability for Assessments duly levied by the Association, or release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Properties by abandonment of his Lot.

Section 8. Title to the Common Properties. When title to all Lots (including any Lots on any additional property which is subsequently made subject hereto) have been conveyed by Developer to purchasers thereof, or on December 31, 1998, whichever first occurs, or sooner at the option of the Developer, the Developer shall convey to the Association the fee simple title to the Common Properties and the Association shall accept such conveyance. The Developer, and thereafter the Association, shall hold title to the Common Properties for the benefit of those persons entitled to use same under the provisions hereof. Developer may mortgage the Common Properties to finance the original development and construction thereof, provided that the lender recognizes the rights of the Owners hereunder.

ARTICLE III

MEMBERSHIP IN ASSOCIATION

Every Owner of a Lot, and the Developer, shall be a Member of the Association, and no Owner shall have more than one membership in the Association with respect to each Lot owned. Membership in the Association shall be mandatory for all owners and shall not be assignable, except to the successor in interest of the Owner's Lot, and every membership of an Owner in the Association shall be appurtenant to and inseparable from ownership of his Lot. Ownership of such Lot shall be the sole qualification for membership of an Owner in the Association.

ARTICLE IV

VOTING RIGHTS

There shall be such classes of Members in the Association as are from time to time established by the Articles or By-Laws. The voting rights of such Members shall be such, and votes shall be cast, as set forth in said documents.

Notwithstanding anything to the contrary in any of the aforesaid documents Developer shall have the right to appoint the Board of Directors of the Association until the first to occur of the following events: (i) until 6 months after Developer has developed and conveyed title to all the Lots within the Site, as it may be expanded, (ii) at any time that Developer voluntarily permits, or takes action which will permit, Members other than itself to elect a majority, (iii) December 31, 1988, or (iv) such earlier date or event as may be

required by law. The occurrence of the foregoing is hereafter called "Turnover".

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation for Assessments. The Developer hereby covenants and each Owner of a Lot, by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association the following:

- (a) Common assessments or expenses.
- (b) Special assessments for capital improvements and other special assessments.
- (c) Annual or special additional Lot assessments or charges.
- (d) Assessments due the Community.
- (e) An initial capital assessment in the amount of One Hundred Dollars (\$100.00) which shall be payable by each Owner in cash at the time title to the Lot is conveyed to the Owner by Developer.

Such assessments to be established and collected as hereinafter provided. All such assessments, together with interest thereon and costs of collection thereof as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, when delinquent, shall also be the personal obligation of the person or entity who was the Owner of such Lot at the time when the assessment fell due.

Section 2. Common Assessment.

(a) Purpose of Assessment. The Common assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Site and, in particular, for the maintenance, operation and replacement of the Common Properties or for maintenance, operation and replacement of any portions of each Lot for which the Association is responsible for maintenance and care.

(b) Basis for Assessment.

(1) Each Lot shall be assessed at a uniform rate whether or not such Lot has been conveyed to an Owner other than the Developer.

(2) The initial annual assessment shall commence on a date established by majority vote of the Board of Directors of the Association, provided such date shall be no later than the date of the conveyance of the first Lot from Developer to an Owner. Upon acceptance of the deed of conveyance of his Lot, the Owner shall be responsible for the balance of the assessment for the fiscal year of the Association in which the closing of the Lot shall occur and the installment of the assessment for the month of closing shall be prorated at closing.

(3) The capital assessment referred to in Article I(d) shall be the sole responsibility of the Owner first acquiring title to a Lot from Developer and Developer shall have no responsibility or obligation for such payment.

(c) Method of Assessment. By a vote of a majority of the Board of Directors of the Association, said Board shall fix the annual assessment upon the basis provided in subparagraph b above, provided however, that the annual assessments shall be sufficient to meet the obligations imposed by the Declaration. The Board shall set the date or dates such assessments shall become due. The Board may provide for collection of assessments (other than Common Assessments) annually or in monthly, quarterly or semi-annual installments, provided however, that upon default in the payment of any one or more installments, the entire balance of said assessment may be accelerated at the option of the Board and be declared due and payable in full.

(d) All Common Assessments shall be collected monthly.

Section 3. Special Assessment for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Properties or which serves all Lots whether or not located on the Common Properties, including fixtures and personal property related thereto, and provided that any such assessment shall have the assent of the Class B member or members and of 2/3 of the votes of the Class A Members (as defined in the Articles) voting in person or by proxy at a special meeting duly called for that purpose. In addition, the Association may levy a special assessment in the same manner as hereinabove described for the purpose of defraying, in whole or in part, the cost of any unusual or emergency matters that affect all of the members of the Association.

Section 4. Special Lot Assessments. In addition to the assessments authorized above, the Association may levy in any

assessment year a special assessment against a particular Lot (other than a Lot owned by Developer which has not been conveyed to an Owner) for the purpose of defraying, in whole or in part, the cost of any repair or replacement of a capital improvement upon such Lot requested by the Owners thereof, including fixtures and personal property related thereto. The Association may also levy a special assessment against an Owner who has caused the Association to incur special expenses due to willful or negligent acts of said Owners, their guests or agents.

Section 5. Community Assessments. To the extent not collected from the Owners directly by the Community, the Association shall collect assessments due the Community from the Owners and remit the same to the Community and shall perform such other duties and have such other responsibilities as are properly charged or delegated to it by the Community in accordance with the Declaration of Master Covenants, Conditions and Restrictions for the Vineyards and with the By-Laws of the Community.

Section 6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence with respect to the assessable Lots on the day of conveyance of the first Lot to an Owner who is not the Developer. The initial assessment on any assessable Lot shall be collected at the time of closing when title to said Lot is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the pro rata share of the annual assessment charged to his Lot from the date of closing to the end of such year.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within (10) days after the due date will bear interest from the due date at a percentage rate not to exceed 18% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot and interest, costs and reasonable attorneys' fees of any such action will be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage lien on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all Lot Owners. The Association, acting on behalf of the Owners, shall have the power to bid for an interest foreclosed at such foreclosure sale and to acquire

and hold, lease, mortgage and convey the same. No Owner may waive or otherwise avoid liability for the assessments provided for herein by nonuse of the Common Properties or abandonment of his Lot.

Section 8. Annual Budget. By a majority vote of the Board of Directors of the Association, the Board shall adopt an annual budget for the subsequent fiscal year, which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration will be met. Each Lot subject to assessments will be liable for an equal share of the total of such assessments.

Section 9. Certificate of Payment. The Treasurer of the Association, upon demand of any Owner liable for an assessment, shall furnish to said Owner a certificate in writing signed by a director, setting forth whether such assessment has been paid. Such certificate, when co-signed by the Secretary of the Association, shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 10. Real Estate Taxes. In the event the Common Properties are taxed separately from Lots, the Association shall include such taxes as part of the common assessments. In the event the Common Properties are taxed as a component of the value of the Lot owned by each Owner, it shall be the obligation of each Owner to promptly pay such taxes prior to their becoming a lien on the Lot.

Section 11. Annual Budget. The Board of Directors shall cause to be prepared an annual balance sheet and operating statement reflecting income and expenditures of the Association for each fiscal year, and shall cause a copy of each such statement to be distributed to each Member, and to each First Mortgagee which has filed a written request for copies of the same with the Board of Directors, in the manner provided in the By-Laws of the Association. At least sixty (60) days prior to the beginning of each fiscal year, the Board of Directors shall prepare and distribute to the membership of the Association a written, itemized (budget) of the expenses to be incurred by the Association during such year in performing its functions under this Declaration, which may include reasonable provision for contingencies and deposits into a reserve fund for maintenance of the Common Properties. At the end of any fiscal year of the Association, the Owners may determine that all excess funds remaining in the Association's operating account, over and above the amounts used for the operation of the Site, shall be returned to the Owners proportionately, or may be retained by the Association and used to reduce the following year's Common Assessments.

Section 12. Exempt Property. Common Expenses shall only be assessed against Lots which are subject to assessment under

the provisions hereof, and all other portions of Sonoma Lake shall be exempt therefrom.

Section 13. Notice of Claim of Lien. No action shall be brought to enforce any assessment lien herein, unless at least thirty (30) days has expired following the date a Notice of Claim of Lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Lot, and a copy thereof has been recorded by the Association in the office of the Clerk of the Circuit Court of Collier County, Florida; said Notice of Claim of Lien must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may at the Association's option include interest on the unpaid assessment at eighteen (18%) percent per annum, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant. Such Notice of Claim of Lien shall be signed and acknowledged by an officer of the Association. The lien shall continue until fully paid or otherwise satisfied.

Section 14. Foreclosure Sale. The assessment lien set forth herein may be foreclosed in the same manner as mortgages are foreclosed under Florida law. The Association, through duly authorized agents, shall have the power to bid on any Lot at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 15. Cumulative Remedies. The assessment liens and the right to foreclose and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 16. Subordination of the Lien to Mortgages. The lien securing the assessments provided for herein shall be subordinate to the lien of any First Mortgage (meaning any recorded mortgage with first priority or seniority over all other mortgages) made in good faith and for value and recorded prior to the date on which a Notice of Claim, pursuant to such lien, is recorded. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to the foreclosure or conveyance by deed in lieu thereof of a First Mortgage, shall extinguish the lien of such assessments as to installments which became due prior to such sale or transfer. However, no sale or transfer shall relieve such Lot from liability for any installments of assessments thereafter becoming due or from the lien thereof or from assessment for a prorated share of the unpaid costs coming due before such date if such unpaid costs are reallocated as a common expense.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. The Architectural Review Board. An Architectural Review Board consisting of three or more persons shall be appointed by the Class B Member or Members. After Class B Membership ceases the members of the Architectural Review Board shall be appointed by the Board of Directors of the Association, and such members of the Architectural Review Board shall serve as such for a period of time to be determined by the Board of Directors or until such time as any member of such Architectural Review Board shall resign therefrom or fail or refuse to serve thereon.

Section 2. Purpose. The Architectural Review Board shall regulate the external design, construction materials, appearance, use, location and maintenance of the Site and of any improvements thereon in such a manner as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography.

Section 3. Conditions. No Homes, or improvements, alterations, repairs, painting of the exterior of any Home or improvements, regardless of whether such painting involves the change of paint colors, excavations, changes in grade of other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the Developer to an Owner shall be made or done without the prior written approval of the Architectural Review Board. No building, fence, wall, landscaping, planting, swimming pool, garage, residence, or other structure of any kind shall be commenced, erected, maintained, or improved, altered, made or done without the prior written approval of the Architectural Review Board.

Section 4. Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove in writing an application within ninety (90) days after plans and specifications in writing have been submitted to it, in accordance with adopted procedures, approval will be deemed granted, but notwithstanding, all other conditions and restrictions herein contained or contained in the By-Laws or Book of Resolutions shall remain in full force and effect.

Section 5. Appeal. Any Owner may appeal an adverse Architectural Review Board decision to the Board of Directors of the Association who may reverse or modify such decision by the unanimous vote of the Directors.

ARTICLE VII

USE OF PROPERTY

Section 1. Protective Covenants. In order to maintain the Site as a desirable place to live for all Owners, the following protective covenants are made a part of this Declaration and shall be considered as the initial rules and regulations of the Association.

(a) Home Use. All Lots shall be used, improved and devoted exclusively to residential use. Except in the case of married persons with children and legal dependents, no more than (six) 6 persons may reside in a Home. Nothing herein shall be deemed to prevent the Owner from leasing a Home for residential use, subject to all of the provisions of this Declaration, Articles of Incorporation, and By-Laws, as the same may be amended from time to time. Time-shared ownership or use of Homes or Lots is prohibited.

(b) Nuisances. No nuisance shall be permitted to exist or operate on any Lot or Common Properties so as to be detrimental to any other property in the vicinity thereof, or to its occupants.

(c) Restrictions on Further Subdivision. No Lot shall be further subdivided or separated into smaller parcels by any Owner, and no portion less than all of any such Lot shall be conveyed or transferred by an Owner, provided that this shall not prohibit corrective deeds, or similar corrective instruments. No Owner shall grant any easement without the written consent of the Association.

(d) Pets. Except as provided herein, no animals, livestock or poultry of any kind shall be raised, bred or kept in any Home or on a Lot or on the Common Properties. Dogs, cats and other common household pets may be kept in Homes and on Lots, subject to such rules and regulations as may be adopted by the Association, so long as they are not bred, kept or maintained for commercial purposes. No animals shall be allowed to run loose at any time. If the Association determines that any animal is a nuisance, the Owner shall remove the animal from its Lot and Home. Upon a failure of the Owner to remove such animal, the Association shall be entitled to seek injunctive relief requiring the removal.

(e) Signs. No sign, advertisement or notice of any type or nature whatsoever shall be erected or displayed upon any Lot or Home or the Common Properties within the Site, except where express prior written approval of the size, shape, content and location thereof has been obtained from the Board of Directors, which approval may be withheld. The Developer shall be permitted to post and display advertising signs on the Site.

(f) Vehicles and Boats. Only vehicles (automobiles, trucks, vans and recreation vehicles, trailers, etc.) which can be kept in the garage of a Home shall be permitted on the Site except for those vehicles of an Owner's guests and invitees and repairmen and maintenance personnel whose vehicles are on the Site temporarily. Owners or authorized occupants must keep any boats stored on site in garages. Any boats that are of such size as will not permit the garage door to be closed with the boat inside the garage may not be kept on a Lot. The parking of any vehicle upon any other part of the Site is prohibited except in spaces expressly provided for guests or as may be approved in writing by the Board of Directors. Only vehicles bearing current license and registration tags and inspection certificates, as required pursuant to state law, shall be permitted to be parked on the Site. Designated parking spaces within the Common Properties are intended only for the temporary parking of vehicles belonging to Owners or their guests and are not to be used for long term parking unless authorized by the Board of Directors.

(g) Clothes Drying Facilities. No clothesline or other clothes-drying facility shall be permitted in any area of the Site or recreational area.

(h) Garbage and Trash Containers. All garbage and trash containers must be placed and maintained so as to render the same and the contents thereof hidden from view from streets and adjoining properties. No garbage or trash shall be placed anywhere except in containers as aforesaid.

(i) Antennas. No exterior radio, television or other electronic antenna, aerial or dish may be erected or maintained anywhere within the Site, except for any master antenna which may be installed by the Developer.

(j) Temporary Structures; Outbuildings. No structure of a temporary character, trailer, tent, shack, barn, shed, or other out building shall be permitted on any Lot at any time.

(k) Oil and Mining Operation. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or the Common Properties.

(l) Water Supply and Sewerage. No individual well or septic tank will be permitted on any Lot.

(m) Fuel Storage Tanks. No fuel or gas storage tanks may be permitted on any Lot. Notwithstanding, an Owner may keep

and maintain a small propane gas tank for gas barbecues and fireplaces, so long as located to the rear of the Home.

(n) Garage Sales. No garage sales or other similar commercial activities will be permitted to be held on a Lot without the prior written approval of the Board.

(o) Compliance. It shall be the responsibility of each Owner, family members of Owners, and their authorized guests and tenants, to conform and abide by the rules and regulations in regard to the use of the Site which may be adopted in writing from time to time by the Board of Directors of the Association and the Architectural Review Board, and to see that all persons using Owner's Home by, through and under him do likewise.

(p) Soliciting. No soliciting will be allowed at any time within the Site.

(q) Right of Inspection. Owners (with prior advance notice) shall allow the Board of Directors and of the agents and employees of the Association to enter any Lot for the purpose of maintenance, inspection and repair, or in the case of emergency, for any purpose, or to determine compliance with this Declaration.

(r) Amendments and Modifications. The Board of Directors and the Architectural Review Board may from time to time adopt rules or amend previously adopted rules and regulations governing the details of the operation, use, maintenance and control of the Lots and Homes, and any facilities or services made available to the Owners. A copy of the Rules and Regulations adopted from time to time as herein provided shall, from time to time, be posted in a conspicuous place.

(s) Violation. Upon violation of any of the Rules or Regulations, adopted as herein provided, or upon violations of any of the provisions of this Declaration by an Owner, or his family, tenants, or guests, the Association or any Owner, may bring an action for specific performance, declaratory decree or injunction. The successful party may recover costs and attorneys' fees in such suit.

(t) Employees of Association and Developer. Employees of the Association and employees, agents, and workmen of the Developer shall not be required to attend to any personal matters or business of Owners, nor shall they be permitted to leave the Site on any private business of Owners. The uses and functions of the employees shall be governed by the Board of Directors. In the event services are provided to Owners by any of the employees, agents or workmen of the Developer or the Association, neither the Developer nor the Association will assume any responsibility or be liable for, in any manner, the

quality of such services or work provided, nor do they warrant such services or work. In addition, neither the Developer nor the Association shall be liable for any injury to persons or damage to property resulting from any act or omission by those performing such works or services to Owners.

(u) Multiple Owners. If a Lot is owned by multiple individuals who belong to more than one family, by a fiduciary, a corporation, partnership or other entity, membership thereto and use thereof shall be exercised by only one individual and his or her family designated in writing by said persons as the one entitled to vote for and occupy said Home.

(v) Additional Rules and Regulations. The Developer, until it conveys the Common Properties, and thereafter the Board of Directors of the Association, may establish such additional rules and regulations as may be deemed for the best interests of the Association and its Members for purposes of enforcing the provisions of this Article.

(w) Exterior Improvements/Landscaping. No Owner of a Lot shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of any Home or buildings (including awnings, antennae, signs, storm shutters, screens, furniture, fixtures and equipment), or to any parking areas without the prior written consent of the Board of Directors of the Association. The Owner of a Lot may not plant vegetation, remove or alter existing vegetation or remove grass or sodded areas on his Lot without written consent of the Board of Directors of the Association.

(x) Obstruction of Lake View. No improvement to, or landscaping on, a Lot shall obstruct any lake view across the Lot from any of the Common Properties or from another Lot except for such as have been approved by the Architectural Review Board or the Board of Directors.

(y) Care of Lots and Homes. All parts of the Site shall be kept in clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. No use shall be made of any Lot or Home or of the Common Properties which would increase the rate of insurance upon the Site.

(z) Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Site or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof, as well as other applicable restrictions, shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the Site shall be the same as is elsewhere herein

specified with respect to other maintenance, repair and replacement.

(aa) Developer Exemption. Developer or its successors or assigns will undertake the work of constructing Lots and improvements. The completion of that work and the sale, rental and other disposal of Lots is essential to the establishment and welfare of the Site. Therefore, the Developer shall be exempt from such of the above restrictions (but not from other restrictions applicable to the Site imposed by other documents) in its use of the Homes as is reasonably necessary to permit it to develop and sell the Home including but not limited to using the Homes for sales models, offices, entertainment, etc.

(bb) Common Properties. The Common Properties shall be used only for the purposes for which they are intended to be used in the furnishing of services and facilities for the enjoyment of the Lots.

(cc) Vineyards Restrictions. There are other restrictions applicable to the Site and each Home and Lot contained in the Declaration of Master Covenants, Conditions and Restrictions for The Vineyards and in the Declaration of Protective Covenants, Conditions and Restrictions for Lot 7 and Option Parcel Lot 6, Tract F, The Vineyards Unit One of which the Site is a part. Use of the Site, each Lot and Home is also subject to such restrictions and the most restrictive of all will govern in the event of a conflict.

ARTICLE VIII

OWNER'S IMPROVEMENT TO LOTS

Each Lot Owner shall have the right, under the conditions herein set forth, and subject to regulations and criteria established by the Association, to make limited improvements to his Lot in the area to the rear (as defined by the Association) of each Owner's Lot. Such improvements will be limited to landscaping, swimming pools, decks and related equipment. Prior to making any improvement to such areas and as a condition thereto the Owner must first obtain written approval from the Association to and submit such plans, specifications, contracts, bonds and other documentation as the Association requires in accord with rules promulgated from time to time. Each Owner will be required to maintain such improvements or (or to bear the cost thereof) in the manner prescribed by the Association in its rules and regulations.

ARTICLE IX

MAINTENANCE, REPAIRS AND REPLACEMENTS

Responsibility for maintenance, repairs and replacements of the improvements located on the Site and property of Owners with Homes located or situated within the Site shall be as follows:

(1) Lot-Home Owners. Except as otherwise provided herein, each Home, and the fixtures, equipment and appliances comprising a part thereof, located therein or exclusively serving the same patios, pools and any other feature located on a Lot and exclusively serving the same, shall be maintained, kept in good repair and replaced by and at the expense of its Owner(s). All maintenance, repairs and/or replacements for which Owners are responsible and obligated to perform, which, if not performed or omitted, would affect other Homes or the appearance of the Owner's Home, shall be performed promptly as the need arises, and if the Lot Owner fails to promptly perform these, the Association shall have the right to perform these obligations and to assess the Lot Owner(s) for the charges therefor. The cost of any such work performed by the Association shall be secured by a lien upon the Lot in which the work was performed.

(2) Association. The Association shall be responsible for, and shall assess against and collect from the owners of all Lots on the Site, the costs of repainting all Homes within the Site and the costs of maintaining, repairing, replacing and keeping in clean and orderly condition (i) all of the Common Properties, (ii) utility installations located on Lots but serving more than one Lot, and (iii) all grassed or sodded areas, lawns, landscaping and vegetation. The Association shall, at the expense of the Owners of all Lots on the Site, repair any and all incidental damage to Homes resulting from maintenance, repairs and/or replacements of or to Common Properties.

ARTICLE X

INSURANCE

Section 1. Association. The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force any or all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be purchased for the benefit of the Association and Owners and their mortgagees, as their interests appear. A certificate evidencing a mortgagee endorsement shall be issued to the mortgagee of each Lot upon request. The Association shall purchase and carry insurance coverage as follows:

(a) Public liability insurance with respect to the Common Properties and with respect to operations on the Lots carried on by the Association in such amounts with such coverage and in such forms as shall be required by the Board of Directors of the Association to protect the Association and the owners of all Homes, including non-owned automobile, off-premises employee coverage, water damage and legal liability, with cross-liability, endorsements to cover liability of all Owners as a group to each Owner; and

(b) Workmen's compensation insurance to meet the requirements of law. The Association may purchase and carry such other insurance coverage as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interests of the Association and Home owners, or as an institutional lender may reasonably require while it holds a mortgage encumbering any Home.

Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. The cost of insurance premiums, and other incidental expenses, incurred by the Association in administering and carrying out the provisions of this Article, shall be assessed against and collected from the Owners as Common Expenses.

All policies of insurance obtained and purchased by the Association shall be for the benefit of the Association, the Owners and their mortgagees, as their interests may appear.

All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

Section 2. Owner's Casualty Insurance. Each Owner shall insure his Home for its full replacement value against all insurable casualties, including flood. If an Owner fails to do so then the Association shall have the right to obtain such insurance and charge the premium therefor to the Owner and shall have a lien on his Lot, in the priority set forth elsewhere herein for liens to secure Common Assessments to secure it. To this extent the Association has an insurable interest in each Home.

ARTICLE XI

DAMAGE OR DESTRUCTION BY FIRE OR OTHER CASUALTY

In the event of damage or destruction by fire or other casualty to a Home or to the property within a Lot, the Owner thereof shall, upon receipt of the insurance proceeds, repair or rebuild such damage or destroyed portions of the Home and

Lot in a good, workmanlike manner substantially the same as the original plans and specifications of said property. If the Owner refuses or fails to commence repairs or to commence the rebuilding of such property within sixty (60) days, the Association may repair or rebuild such property. The Owner must reimburse the Association for the amount actually expended for such repairs or reconstruction, and the Association shall have a lien securing such payment in the same manner provided herein for annual assessments. All such repairs or reconstruction must proceed in a diligent manner and be completed within ten (10) months from commencement of work.

ARTICLE XII

MORTGAGEE PROTECTION CLAUSE

The following provisions are for the benefit of First Mortgagees and to the extent these provisions conflict with any other provisions of the Declaration, these provisions shall control:

(a) Each holder of a First Mortgage encumbering any Lot, at its written request, is entitled to written notification from the Association of any default by the Mortgagor of such Lot in the performance of such Mortgagor's obligations under this Declaration, the Articles of Incorporation and By-Laws of the Association which default is not cured within thirty (30) days after the Association learns of such default.

(b) Any holder of a First Mortgage encumbering any Lot which obtains title to such Lot pursuant to the remedies provided in such Mortgage or by deed in lieu of foreclosure, shall take title to such Lot free and clear of any claims of unpaid assessments or charges due to the Association against such Lot which accrued prior to the acquisition of title to such Lot by the Mortgagee except to the extent a Notice of Claim therefor was filed prior to recording of said mortgage.

(c) Unless at least seventy-five per cent (75%) of First Mortgagees (based upon one vote for each Mortgage owned), and 75% of the Owners (other than Developer) have given their prior written approval, neither the Association nor the Owners shall:

(1) By act or omission seek to sell or transfer the Common Properties and the improvements thereon which are owned by the Association. The granting of easements for public utilities or for other purposes consistent with the intended use of such property by the Association or the Developer or the transfer of the Common Properties to an unincorporated association of the Owners in accordance with the Articles of incorporation of the Association shall

not be deemed a transfer within the meaning of this clause.

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot.

(3) By act or omission, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the exterior appearance of residential buildings.

(4) Fail to maintain fire and extended coverage on insurable Common Properties on a current replacement cost basis in an amount not less than one hundred per cent (100%) of the insurance value (based on current replacement cost) less such reasonable deductions as the Board may deem appropriate.

(5) Use hazard insurance proceeds for losses to the Common Properties for other than the repair, replacement or reconstruction of such improvements.

(6) Except as otherwise provided herein by reservation to Developer herein, amend this Declaration or the Articles of Incorporation or By-Laws of the Association in such a manner that the rights of any First Mortgagee will be adversely affected or the value of Lots reduced.

(d) First Mortgagees shall have the right to examine the books and records of the Association during normal business hours.

(e) All First Mortgagees who have registered their names with the Association shall be given (i) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration or the Articles of Incorporation or By-Laws of the Association and prior to the effective date of any termination of any agreement for professional management of the Common Properties following a decision of the Owners to assume self-management of the Common Properties; and (ii) immediate notice following any damage to the Common Properties whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000.00), and as soon as the Board learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Common Properties.

(f) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Properties facilities and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for

such property, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE XIII

ENCROACHMENTS - EASEMENTS

Section 1. Pipes, Wires, Ducts, Cables, Conduits, Public Utility Lines, etc. Each portion of the Site shall be subject to an easement in favor of all other portions thereof to locate utilities and provide drainage and support and to use, maintain and repair, pipes, wires, ducts, vents, cables, conduits, public utility lines and other similar or related facilities located in such portion of the Site and serving other portions thereof.

Section 2. Construction and Sales. The Developer (and its agents, employees, contractors, subcontractors and suppliers) shall have an easement of ingress and egress over and across the Common Properties and all Lots for construction purposes. The Developer (and its agents, employees and designees) shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Common Properties for the purposes of advertising the sale of Lots.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Enforcement. This Declaration, the Articles of Incorporation and the By-Laws may be enforced as follows:

(a) Breach of any of the covenants contained in the Declaration or the By-Laws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings brought by any Owner, the Developer, or the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in an amount as the court may deem reasonable, in favor of the prevailing party as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

(b) The remedies herein provided for breach of the covenants contained in this Declaration or in the By-Laws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(c) The failure of the Association to enforce any of the covenants contained in this Declaration or in its By-Laws shall not constitute a waiver of the right to enforce the same thereafter.

(d) A breach of the covenants, conditions or restrictions contained in this Declaration or in the By-Laws, shall not affect or impair the lien or charge of any Mortgage made in good faith and for value on any Lot, provided, however, that any subsequent Owner of such Lot shall be bound by said covenants, whether such Owner's title was acquired by foreclosure sale or otherwise.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Term. The covenants and restrictions of this Declaration shall run with title and bind the property hereby encumbered, and shall inure to the benefit of and be enforceable by the Association, the Developer and the Owners of Lots subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for so long as the Site continues to exist and be used as it has been designed and developed by the Developer unless terminated as provided herein or until December 31, 2009, and thereafter for successive 10 year intervals unless at the occasion of each such period this Declaration is terminated as provided in Section 5 below.

Section 4. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of the Site as a residential community. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, and neuter shall each include the masculine, feminine and neuter.

Section 5. Amendments - Termination. This Declaration may be amended or terminated by (i) the affirmative vote or written consent of the Owners (and their mortgagees) holding not less than two-thirds (2/3) of the voting power of the Class "A" Membership of the Association together with the affirmative vote of the Class "B" Member (so long as the Class "B" Membership exists) or (ii) amended solely by the unilateral affirmative action of the Class "B" Member; provided, however, that no amendment adopted solely by the Class "B" Member shall be permitted which has a material adverse effect upon substantial rights of an Owner or First Mortgagee or the value of any part of the Site subject hereto. Nothing contained herein shall affect the right of the Developer to make such amendments as may otherwise be permitted herein.

Section 6. Recording. The termination of the Declaration in either of the foregoing ways shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of Collier County, Florida.

Section 7. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Properties to the public, or for any public use.

Section 8. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Site does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property.

Section 9. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

Section 10. Supplemental Declarations. From time to time Developer or its successors or assigns may execute and file Supplemental Declarations hereto for the purpose of subjecting additional land to the effect of this Declaration and for the purpose of designating and identifying additional land as Common Properties. Provided, however, notwithstanding the subsequent development of adjoining land by Developer nothing herein shall obligate Developer to file Supplemental Declarations with respect to any such land. Any such land shall only become part of Sonoma Lake or subject to the terms hereof when such a supplement is filed.

Section 11. Withdrawal and Modification. Anything herein to the contrary notwithstanding, the Developer reserves the absolute right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Site from the provisions of this Declaration. Provided, however, the right shall not permit the removal of any land containing improvements, facilities and amenities which are needed by or

were available for use by any Lot Owners at the time of acquiring their Homes.

IN WITNESS WHEREOF, Developer has caused this Declaration to be executed by its general partner on the date first above written.

Signed, Sealed and Delivered in the presence of:

NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership

Victoria K. Turner

By: PALISADES PROPERTIES, INC., its General Partner

James Allen Reese

By: W.V. Roberts
President



ATTEST:

Patricia J. Ferguson
Secretary

STATE OF NORTH CAROLINA)
COUNTY OF MECKLENBURG)

On this the 5th day of September, 1989, before me, a Notary Public in and for said county and state, personally appeared WILLIAM V. ROBERTS and PATRICIA J. FERGUSON, who acknowledged themselves to be the President and Secretary, respectively, of PALISADES PROPERTIES, INC., a Delaware corporation and general partner of NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Patricia G. Davies
Notary Public, State of North Carolina
My Commission Expires: 9/16/92

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JOINDER

NEW LENOX STATE BANK, an Illinois state bank, as Mortgagee of that certain mortgage on the above described property as the same is recorded in O.R. Book 1465, Pages 376 through 388, inclusive, of the Public Records of Collier County, Florida, hereby joins in the execution of this Declaration of Restrictive Covenants, Conditions, Restrictions and Easements for Sonoma Lake at The Vineyards (the "Declaration"), and by said Joiner agrees to subject itself, its successors and assigns, to the provisions of this Declaration.

WITNESSES:

Shiley Hansen

Jeanne Bunnister

[Corporate Seal]

NEW LENOX STATE BANK

By:

William R. Laughridge
President

ATTEST:

[Signature]
Secretary

STATE OF ILLINOIS

COUNTY OF Will

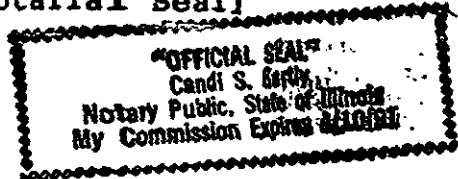
The foregoing instrument was acknowledged before me by William R. Laughridge as President, and Ronald W. Kotka as Secretary of NEW LENOX STATE BANK, an Illinois state bank, this 6th day of September, 1989.

Candi S. Eastly

Notary Public for Illinois

My Commission Expires: 4-10-91

[Notarial Seal]



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EXHIBIT 1

BEING all of SONOMA LAKE UNIT ONE, as shown in Plat Book 16, Pages 13-14 in the Public Records of Collier County, Florida, said tract being all of Lot 7 and a small portion of Lot 6 of Tract F of THE VINEYARDS, UNIT ONE, as recorded in Plat Book 14, Pages 96 and 97, of the Public Records of Collier County, Florida, said Lots being a subdivision of Tract "F", THE VINEYARDS, UNIT ONE, as recorded in Plat Book 14, Pages 67 through 74, inclusive, Public Records of Collier County, Florida.

The foregoing property was acquired by Warranty Deeds of Michael Procacci and Joseph Procacci dated September 15, 1988, and recorded at Official Records Book 1380, Page 1596 of the Public Records of Collier County, Florida, and dated June 8, 1989, and recorded at Official Records Book 1449, Page 161 of the Public Records of Collier County, Florida.

EXHIBIT 1

Recorded and Verified
in Official Records of
COLLIER COUNTY, FLORIDA
JAMES C GILES, CLERK

REC 12.00
PRM 14.00
DCC
INT
IND
DECLARATION OF RESTRICTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
SONOMA LAKE AT THE VINEYARDS

Relinquishing to ADDN Exhibits 2 and 3.

THIS DECLARATION is made as of the 5th day of September, 1989, by NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership qualified to do business in the State of Florida, (hereinafter called "Developer").

BACKGROUND

A. Developer is the owner of a parcel of land located in Collier County, Florida, legally described on Exhibit 1 hereto (the "Site") which Developer plans to develop with platted lots including certain facilities, for the common use and enjoyment of the owners of the Lots (hereafter defined) within the Site pursuant to a general plan of development, such development to be known as "Sonoma Lake at the Vineyards" (hereinafter "Sonoma Lake"); and

B. In order to (i) insure that such general plan of development is adhered to; (ii) establish certain continuing relationships in the form of mutual rights and obligations between Developer and the persons who acquire ownership of Homes developed in Sonoma Lake by Developer, and their respective successors, with respect to use, enjoyment and maintenance of certain areas and facilities (hereafter described); and (iii) protect, preserve and enhance the value of Sonoma Lake and the Homes constructed in it, Developer has determined that this Declaration, establishing certain easements, servitudes, restrictions, and conditions in the form of covenants running with the land shall be binding upon, enforceable against and inure to the benefit of all such present and future owners of property developed within Sonoma Lake and shall run with title to the land hereby and hereafter subjected to it; and

C. Developer desires to hereby subject the Site to the terms and conditions of this Declaration.

NOW, THEREFORE, Developer hereby declares that title to the Site, including, but not limited to, all Homes and Lots (as hereafter defined) now and hereafter existing thereon shall be held, sold, conveyed, encumbered, used and occupied subject to the terms and conditions of the Declaration as covenants running with the land enforceable as aforesaid.

ARTICLE I

DEFINITIONS

The following terms when used in this Declaration shall have the following meanings:

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COLLIER COUNTY

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(a) "Articles" means the Articles of Incorporation of the Association, as hereafter defined, a copy of which is attached as Exhibit 2.

(b) "Association" shall mean and refer to the Sonoma Lake Homeowners Association, Inc., a non-profit Florida corporation.

(c) "Board" means the Board of Directors of the Association.

(d) "By-Laws" means the By-Laws of the Association, a copy of which is attached as Exhibit 3.

(e) "Common Properties" shall mean and refer to the roadways and other portions of the Site which are not conveyed by the Developer to third parties and intended as the Site for a Home.

(f) "Community" shall mean and refer to The Vineyards Community Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

(g) "First Mortgagee" shall mean and refer to an institutional Lender, as hereafter defined, which holds a first mortgage encumbering a Lot as hereafter defined, and which has notified the Association in writing that it holds the same.

(h) "Institutional Lender" shall mean and refer to a commercial or savings bank, savings and loan association, mortgage company, life insurance company, pension fund, business trust or governmental agency or corporation, including, but not limited to, a real estate investment trust, or any assignee of a loan made by any such lender, or any private or governmental agency, corporation or institution which has insured or acquired the loan of the lender or any combination of the foregoing entities.

(i) "Home" means each one of the residences intended for residential use which is constructed on a Lot.

(j) "Lot" shall mean and refer to each of the areas identified as such on the plat for Sonoma Lake to be recorded in the Collier County Public Records, intended to be used as the site of a Home and title to which is subsequently conveyed to third parties by Developer. Use of the term includes the Lot and Home built on it, as the context dictates. If this Declaration is supplemented to subject additional land to its terms, then it will define additional lots.

(k) "Notice" shall mean and refer to:

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(i) Written notice delivered personally or mailed to the last known address of the intended recipient, in the manner set forth herein; or

(ii) Notice published at least once each week for two consecutive weeks in a newspaper having general circulation in Collier County, Florida; or

(iii) Notice given in any other manner provided in the By-Laws of the Association.

(l) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within any portion of the Site, but shall not mean or refer to any holder of a mortgage encumbering a Lot unless and until such holder has acquired title thereto pursuant to foreclosure or any proceeding or conveyance in lieu of foreclosure.

(m) "Streets" shall mean those private driving areas, terraces, cul-de-sacs and courts as from time to time are improved and exist within the Site, but does not include the driveway serving a single Lot.

(n) "Common Assessment or Expenses" shall mean the actual and estimated costs of: maintenance, management, operation, improvement to, repair and replacements of the Common Properties (including unpaid Special Assessments, as subsequently defined) including those costs not paid by the Owner responsible for payment; lake and drainage facility maintenance, the costs of any and all commonly metered utilities such as irrigation, cable or master television charges, and other commonly metered charges for the Common Properties (if any); costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of all utilities, gardening and other services benefiting the Common Properties or which services are provided to lot owners in respect to their lots by the Association, and all facilities thereon; the costs of fire, casualty and liability insurance, workmen's compensation insurance, and other insurance covering the Common Properties; the costs of bonding of the members of the management body; taxes paid by the Association, including any property taxes for the Common Properties; amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Properties, or portions thereof; and the costs of any other expenses incurred by the Association for any reason whatsoever in connection with the Common Properties for the benefit of all of the Owners.

In addition, "Common Assessment or Expenses" shall also include the expense of maintenance of all sodded grass, lawns, landscaping, vegetation and the irrigation system serving such

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areas located on all improved Lots within the Site; provided, however, the addition of landscaping not part of the original landscaping plan for each Lot shall be the individual responsibility of each Lot owner.

ARTICLE II

OWNER'S PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of ingress and egress and of use and enjoyment in, to and over the Common Properties which shall be appurtenant to and shall pass with title to said Owner's Lot, subject to the following provisions:

(a) The right of the Association to reasonably limit use of the Common Properties.

(b) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Properties.

(c) The right of the Association in accordance with its Articles of Incorporation and By-Laws and this Declaration, with the vote or written assent of two-thirds (2/3) of each class of Members (excluding therefrom the voting power of Developer) to borrow money for the purpose of improving the Common Properties, subject to the provisions of Article V of this Declaration, to mortgage, pledge, or hypothecate any or all of the real or personal property, owned by it, as security for money borrowed or debts incurred, provided that (1) the Developer consents to same so long as it remains a Member, and (2) the rights of any such mortgagee shall be subordinated to the use and enjoyment rights of the Owners herein.

(d) The right of the Association to suspend the voting rights and right to use the Common Properties (except to the extent needed as a means of ingress and egress) of an Owner for any period during which any assessment or dues against or due from his Lot remains unpaid and delinquent; and for a period not to exceed ninety (90) days for any single infraction of the published rules and regulations of the Association, provided that any suspension of such voting rights or right to use the Common Properties, shall be made only by the Board of Directors of the Association, after notice and an opportunity for a hearing as provided in the By-Laws of the Association.

(e) Subject to the provisions of Article V of this Declaration, the right of the Association to dedicate, release, alienate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication, release, alienation or transfer

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shall be effective, unless Members entitled to cast two-thirds (2/3) of the voting power of each class of Members therein (excluding the voting power of Developer), agree to such dedication, release, alienation or transfer, and with the consent thereto of the Developer so long as it remains a Member.

(f) The right of the Developer (and its sales agents, customers and representatives) to the non-exclusive use of the Common Properties without charge, for sales, display, access, ingress, egress and exhibit purposes.

Section 2. Delegation of Use. Any Owner may extend or delegate, as the case may be, in accordance with the By-Laws, his right of enjoyment to the Common Properties and facilities to the members of his family, or to his tenants and contract purchasers who reside in his Home, subject to reasonable regulation by the Board.

Section 3. Parking. The Association, through its officers, committees and agents, is hereby empowered to establish parking regulations and to enforce these parking regulations by all means, lawful for such enforcement on Drives, including the removal of any violating vehicle by those so empowered.

Section 4. Easements for Pedestrian and Vehicular Traffic. In addition to the general easements for use of the Common Properties reserved herein, there shall be, and Developer hereby reserves and covenants for itself with respect to all portions of the Site, whether or not presently subjected to this Declaration and for and on behalf of all future Owners within Sonoma Lake that Developer and each and every Owner shall have a non-exclusive easement appurtenant to his Lot, for pedestrian and vehicular traffic over all Streets within the Site, subject to the parking provisions set forth in Section 3 of this Article II.

Section 5. Easements for Public Service Use. Developer hereby reserves and covenants for itself and all future Owners over all Lots within Sonoma Lake, the right to grant easements to those providing maintenance, repair and public services, including, but not limited to, utilities, grounds and landscaping maintenance, lawn service, and irrigation.

Section 6. Developer's Reserved Rights. Developer reserves the right to grant additional easements over the Common Property and to impose additional restrictions on its use so long as pursuant to its overall plans for development of Sonoma Lake, including but not limited to, for the purpose of access to any adjoining land.

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Section 7. Waiver of Use. No Owner may exempt himself from personal liability for Assessments duly levied by the Association, or release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Properties by abandonment of his Lot.

Section 8. Title to the Common Properties. When title to all Lots (including any Lots on any additional property which is subsequently made subject hereto) have been conveyed by Developer to purchasers thereof, or on December 31, 1998, whichever first occurs, or sooner at the option of the Developer, the Developer shall convey to the Association the fee simple title to the Common Properties and the Association shall accept such conveyance. The Developer, and thereafter the Association, shall hold title to the Common Properties for the benefit of those persons entitled to use same under the provisions hereof. Developer may mortgage the Common Properties to finance the original development and construction thereof, provided that the lender recognizes the rights of the Owners hereunder.

ARTICLE III

MEMBERSHIP IN ASSOCIATION

Every Owner of a Lot, and the Developer, shall be a Member of the Association, and no Owner shall have more than one membership in the Association with respect to each Lot owned. Membership in the Association shall be mandatory for all owners and shall not be assignable, except to the successor in interest of the Owner's Lot, and every membership of an Owner in the Association shall be appurtenant to and inseparable from ownership of his Lot. Ownership of such Lot shall be the sole qualification for membership of an Owner in the Association.

ARTICLE IV

VOTING RIGHTS

There shall be such classes of Members in the Association as are from time to time established by the Articles or By-Laws. The voting rights of such Members shall be such, and votes shall be cast, as set forth in said documents.

Notwithstanding anything to the contrary in any of the aforesaid documents Developer shall have the right to appoint the Board of Directors of the Association until the first to occur of the following events: (i) until 6 months after Developer has developed and conveyed title to all the Lots within the Site, as it may be expanded, (ii) at any time that Developer voluntarily permits, or takes action which will permit, Members other than itself to elect a majority, (iii) December 31, 1988, or (iv) such earlier date or event as may be

required by law. The occurrence of the foregoing is hereafter called "Turnover".

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation for Assessments. The Developer hereby covenants and each Owner of a Lot, by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association the following:

- (a) Common assessments or expenses.
- (b) Special assessments for capital improvements and other special assessments.
- (c) Annual or special additional Lot assessments or charges.
- (d) Assessments due the Community.
- (e) An initial capital assessment in the amount of One Hundred Dollars (\$100.00) which shall be payable by each Owner in cash at the time title to the Lot is conveyed to the Owner by Developer.

Such assessments to be established and collected as hereinafter provided. All such assessments, together with interest thereon and costs of collection thereof as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, when delinquent, shall also be the personal obligation of the person or entity who was the Owner of such Lot at the time when the assessment fell due.

Section 2. Common Assessment.

(a) Purpose of Assessment. The Common assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Site and, in particular, for the maintenance, operation and replacement of the Common Properties or for maintenance, operation and replacement of any portions of each Lot for which the Association is responsible for maintenance and care.

(b) Basis for Assessment.

(1) Each Lot shall be assessed at a uniform rate whether or not such Lot has been conveyed to an Owner other than the Developer.

(2) The initial annual assessment shall commence on a date established by majority vote of the Board of Directors of the Association, provided such date shall be no later than the date of the conveyance of the first Lot from Developer to an Owner. Upon acceptance of the deed of conveyance of his Lot, the Owner shall be responsible for the balance of the assessment for the fiscal year of the Association in which the closing of the Lot shall occur and the installment of the assessment for the month of closing shall be prorated at closing.

(3) The capital assessment referred to in Article I(d) shall be the sole responsibility of the Owner first acquiring title to a Lot from Developer and Developer shall have no responsibility or obligation for such payment.

(c) Method of Assessment. By a vote of a majority of the Board of Directors of the Association, said Board shall fix the annual assessment upon the basis provided in subparagraph b above, provided however, that the annual assessments shall be sufficient to meet the obligations imposed by the Declaration. The Board shall set the date or dates such assessments shall become due. The Board may provide for collection of assessments (other than Common Assessments) annually or in monthly, quarterly or semi-annual installments, provided however, that upon default in the payment of any one or more installments, the entire balance of said assessment may be accelerated at the option of the Board and be declared due and payable in full.

(d) All Common Assessments shall be collected monthly.

Section 3. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Properties or which serves all Lots whether or not located on the Common Properties, including fixtures and personal property related thereto, and provided that any such assessment shall have the assent of the Class B member or members and of 2/3 of the votes of the Class A Members (as defined in the Articles) voting in person or by proxy at a special meeting duly called for that purpose. In addition, the Association may levy a special assessment in the same manner as hereinabove described for the purpose of defraying, in whole or in part, the cost of any unusual or emergency matters that affect all of the members of the Association.

Section 4. Special Lot Assessments. In addition to the assessments authorized above, the Association may levy in any

assessment year a special assessment against a particular Lot (other than a Lot owned by Developer which has not been conveyed to an Owner) for the purpose of defraying, in whole or in part, the cost of any repair or replacement of a capital improvement upon such Lot requested by the Owners thereof, including fixtures and personal property related thereto. The Association may also levy a special assessment against an Owner who has caused the Association to incur special expenses due to willful or negligent acts of said Owners, their guests or agents.

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Section 5. Community Assessments. To the extent not collected from the Owners directly by the Community, the Association shall collect assessments due the Community from the Owners and remit the same to the Community and shall perform such other duties and have such other responsibilities as are properly charged or delegated to it by the Community in accordance with the Declaration of Master Covenants, Conditions and Restrictions for the Vineyards and with the By-Laws of the Community.

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Section 6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence with respect to the assessable Lots on the day of conveyance of the first Lot to an Owner who is not the Developer. The initial assessment on any assessable Lot shall be collected at the time of closing when title to said Lot is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the pro rata share of the annual assessment charged to his Lot from the date of closing to the end of such year.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within (10) days after the due date will bear interest from the due date at a percentage rate not to exceed 18% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot and interest, costs and reasonable attorneys' fees of any such action will be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage lien on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all Lot Owners. The Association, acting on behalf of the Owners, shall have the power to bid for an interest foreclosed at such foreclosure sale and to acquire

and hold, lease, mortgage and convey the same. No Owner may waive or otherwise avoid liability for the assessments provided for herein by nonuse of the Common Properties or abandonment of his Lot.

Section 8. Annual Budget. By a majority vote of the Board of Directors of the Association, the Board shall adopt an annual budget for the subsequent fiscal year, which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration will be met. Each Lot subject to assessments will be liable for an equal share of the total of such assessments.

Section 9. Certificate of Payment. The Treasurer of the Association, upon demand of any Owner liable for an assessment, shall furnish to said Owner a certificate in writing signed by a director, setting forth whether such assessment has been paid. Such certificate, when co-signed by the Secretary of the Association, shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 10. Real Estate Taxes. In the event the Common Properties are taxed separately from Lots, the Association shall include such taxes as part of the common assessments. In the event the Common Properties are taxed as a component of the value of the Lot owned by each Owner, it shall be the obligation of each Owner to promptly pay such taxes prior to their becoming a lien on the Lot.

Section 11. Annual Budget. The Board of Directors shall cause to be prepared an annual balance sheet and operating statement reflecting income and expenditures of the Association for each fiscal year, and shall cause a copy of each such statement to be distributed to each Member, and to each First Mortgagee which has filed a written request for copies of the same with the Board of Directors, in the manner provided in the By-Laws of the Association. At least sixty (60) days prior to the beginning of each fiscal year, the Board of Directors shall prepare and distribute to the membership of the Association a written, itemized (budget) of the expenses to be incurred by the Association during such year in performing its functions under this Declaration, which may include reasonable provision for contingencies and deposits into a reserve fund for maintenance of the Common Properties. At the end of any fiscal year of the Association, the Owners may determine that all excess funds remaining in the Association's operating account, over and above the amounts used for the operation of the Site, shall be returned to the Owners proportionately, or may be retained by the Association and used to reduce the following year's Common Assessments.

Section 12. Exempt Property. Common Expenses shall only be assessed against Lots which are subject to assessment under

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the provisions hereof, and all other portions of Sonoma Lake shall be exempt therefrom.

Section 13. Notice of Claim of Lien. No action shall be brought to enforce any assessment lien herein, unless at least thirty (30) days has expired following the date a Notice of Claim of Lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Lot, and a copy thereof has been recorded by the Association in the office of the Clerk of the Circuit Court of Collier County, Florida; said Notice of Claim of Lien must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may at the Association's option include interest on the unpaid assessment at eighteen (18%) percent per annum, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant. Such Notice of Claim of Lien shall be signed and acknowledged by an officer of the Association. The lien shall continue until fully paid or otherwise satisfied.

Section 14. Foreclosure Sale. The assessment lien set forth herein may be foreclosed in the same manner as mortgages are foreclosed under Florida law. The Association, through duly authorized agents, shall have the power to bid on any Lot at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 15. Cumulative Remedies. The assessment liens and the right to foreclose and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 16. Subordination of the Lien to Mortgages. The lien securing the assessments provided for herein shall be subordinate to the lien of any First Mortgage (meaning any recorded mortgage with first priority or seniority over all other mortgages) made in good faith and for value and recorded prior to the date on which a Notice of Claim, pursuant to such lien, is recorded. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to the foreclosure or conveyance by deed in lieu thereof of a First Mortgage, shall extinguish the lien of such assessments as to installments which became due prior to such sale or transfer. However, no sale or transfer shall relieve such Lot from liability for any installments of assessments thereafter becoming due or from the lien thereof or from assessment for a prorated share of the unpaid costs coming due before such date if such unpaid costs are reallocated as a common expense.

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ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. The Architectural Review Board. An Architectural Review Board consisting of three or more persons shall be appointed by the Class B Member or Members. After Class B Membership ceases the members of the Architectural Review Board shall be appointed by the Board of Directors of the Association, and such members of the Architectural Review Board shall serve as such for a period of time to be determined by the Board of Directors or until such time as any member of such Architectural Review Board shall resign therefrom or fail or refuse to serve thereon.

Section 2. Purpose. The Architectural Review Board shall regulate the external design, construction materials, appearance, use, location and maintenance of the Site and of any improvements thereon in such a manner as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography.

Section 3. Conditions. No Homes, or improvements, alterations, repairs, painting of the exterior of any Home or improvements, regardless of whether such painting involves the change of paint colors, excavations, changes in grade of other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the Developer to an Owner shall be made or done without the prior written approval of the Architectural Review Board. No building, fence, wall, landscaping, planting, swimming pool, garage, residence, or other structure of any kind shall be commenced, erected, maintained, or improved, altered, made or done without the prior written approval of the Architectural Review Board.

Section 4. Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove in writing an application within ninety (90) days after plans and specifications in writing have been submitted to it, in accordance with adopted procedures, approval will be deemed granted, but notwithstanding, all other conditions and restrictions herein contained or contained in the By-Laws or Book of Resolutions shall remain in full force and effect.

Section 5. Appeal. Any Owner may appeal an adverse Architectural Review Board decision to the Board of Directors of the Association who may reverse or modify such decision by the unanimous vote of the Directors.

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ARTICLE VII

USE OF PROPERTY

Section 1. Protective Covenants. In order to maintain the Site as a desirable place to live for all Owners, the following protective covenants are made a part of this Declaration and shall be considered as the initial rules and regulations of the Association.

(a) Home Use. All Lots shall be used, improved and devoted exclusively to residential use. Except in the case of married persons with children and legal dependents, no more than (six) 6 persons may reside in a Home. Nothing herein shall be deemed to prevent the Owner from leasing a Home for residential use, subject to all of the provisions of this Declaration, Articles of Incorporation, and By-Laws, as the same may be amended from time to time. Time-shared ownership or use of Homes or Lots is prohibited.

(b) Nuisances. No nuisance shall be permitted to exist or operate on any Lot or Common Properties so as to be detrimental to any other property in the vicinity thereof, or to its occupants.

(c) Restrictions on Further Subdivision. No Lot shall be further subdivided or separated into smaller parcels by any Owner, and no portion less than all of any such Lot shall be conveyed or transferred by an Owner, provided that this shall not prohibit corrective deeds, or similar corrective instruments. No Owner shall grant any easement without the written consent of the Association.

(d) Pets. Except as provided herein, no animals, livestock or poultry of any kind shall be raised, bred or kept in any Home or on a Lot or on the Common Properties. Dogs, cats and other common household pets may be kept in Homes and on Lots, subject to such rules and regulations as may be adopted by the Association, so long as they are not bred, kept or maintained for commercial purposes. No animals shall be allowed to run loose at any time. If the Association determines that any animal is a nuisance, the Owner shall remove the animal from its Lot and Home. Upon a failure of the Owner to remove such animal, the Association shall be entitled to seek injunctive relief requiring the removal.

(e) Signs. No sign, advertisement or notice of any type or nature whatsoever shall be erected or displayed upon any Lot or Home or the Common Properties within the Site, except where express prior written approval of the size, shape, content and location thereof has been obtained from the Board of Directors, which approval may be withheld. The Developer shall be permitted to post and display advertising signs on the Site.

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(f) Vehicles and Boats. Only vehicles (automobiles, trucks, vans and recreation vehicles, trailers, etc.) which can be kept in the garage of a Home shall be permitted on the Site except for those vehicles of an Owner's guests and invitees and repairmen and maintenance personnel whose vehicles are on the Site temporarily. Owners or authorized occupants must keep any boats stored on site in garages. Any boats that are of such size as will not permit the garage door to be closed with the boat inside the garage may not be kept on a Lot. The parking of any vehicle upon any other part of the Site is prohibited except in spaces expressly provided for guests or as may be approved in writing by the Board of Directors. Only vehicles bearing current license and registration tags and inspection certificates, as required pursuant to state law, shall be permitted to be parked on the Site. Designated parking spaces within the Common Properties are intended only for the temporary parking of vehicles belonging to Owners or their guests and are not to be used for long term parking unless authorized by the Board of Directors.

(g) Clothes Drying Facilities. No clothesline or other clothes-drying facility shall be permitted in any area of the Site or recreational area.

(h) Garbage and Trash Containers. All garbage and trash containers must be placed and maintained so as to render the same and the contents thereof hidden from view from streets and adjoining properties. No garbage or trash shall be placed anywhere except in containers as aforesaid.

(i) Antennas. No exterior radio, television or other electronic antenna, aerial or dish may be erected or maintained anywhere within the Site, except for any master antenna which may be installed by the Developer.

(j) Temporary Structures; Outbuildings. No structure of a temporary character, trailer, tent, shack, barn, shed, or other out building shall be permitted on any Lot at any time.

(k) Oil and Mining Operation. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or the Common Properties.

(l) Water Supply and Sewerage. No individual well or septic tank will be permitted on any Lot.

(m) Fuel Storage Tanks. No fuel or gas storage tanks may be permitted on any Lot. Notwithstanding, an Owner may keep

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and maintain a small propane gas tank for gas barbecues and fireplaces, so long as located to the rear of the Home.

(n) Garage Sales. No garage sales or other similar commercial activities will be permitted to be held on a Lot without the prior written approval of the Board.

(o) Compliance. It shall be the responsibility of each Owner, family members of Owners, and their authorized guests and tenants, to conform and abide by the rules and regulations in regard to the use of the Site which may be adopted in writing from time to time by the Board of Directors of the Association and the Architectural Review Board, and to see that all persons using Owner's Home by, through and under him do likewise.

(p) Soliciting. No soliciting will be allowed at any time within the Site.

(q) Right of Inspection. Owners (with prior advance notice) shall allow the Board of Directors and of the agents and employees of the Association to enter any Lot for the purpose of maintenance, inspection and repair, or in the case of emergency, for any purpose, or to determine compliance with this Declaration.

(r) Amendments and Modifications. The Board of Directors and the Architectural Review Board may from time to time adopt rules or amend previously adopted rules and regulations governing the details of the operation, use, maintenance and control of the Lots and Homes, and any facilities or services made available to the Owners. A copy of the Rules and Regulations adopted from time to time as herein provided shall, from time to time, be posted in a conspicuous place.

(s) Violation. Upon violation of any of the Rules or Regulations, adopted as herein provided, or upon violations of any of the provisions of this Declaration by an Owner, or his family, tenants, or guests, the Association or any Owner, may bring an action for specific performance, declaratory decree or injunction. The successful party may recover costs and attorneys' fees in such suit.

(t) Employees of Association and Developer. Employees of the Association and employees, agents, and workmen of the Developer shall not be required to attend to any personal matters or business of Owners, nor shall they be permitted to leave the Site on any private business of Owners. The uses and functions of the employees shall be governed by the Board of Directors. In the event services are provided to Owners by any of the employees, agents or workmen of the Developer or the Association, neither the Developer nor the Association will assume any responsibility or be liable for, in any manner, the

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quality of such services or work provided, nor do they warrant such services or work. In addition, neither the Developer nor the Association shall be liable for any injury to persons or damage to property resulting from any act or omission by those performing such works or services to Owners.

(u) Multiple Owners. If a Lot is owned by multiple individuals who belong to more than one family, by a fiduciary, a corporation, partnership or other entity, membership thereto and use thereof shall be exercised by only one individual and his or her family designated in writing by said persons as the one entitled to vote for and occupy said Home.

(v) Additional Rules and Regulations. The Developer, until it conveys the Common Properties, and thereafter the Board of Directors of the Association, may establish such additional rules and regulations as may be deemed for the best interests of the Association and its Members for purposes of enforcing the provisions of this Article.

(w) Exterior Improvements/Landscaping. No Owner of a Lot shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of any Home or buildings (including awnings, antennae, signs, storm shutters, screens, furniture, fixtures and equipment), or to any parking areas without the prior written consent of the Board of Directors of the Association. The Owner of a Lot may not plant vegetation, remove or alter existing vegetation or remove grass or sodded areas on his Lot without written consent of the Board of Directors of the Association.

(x) Obstruction of Lake View. No improvement to, or landscaping on, a Lot shall obstruct any lake view across the Lot from any of the Common Properties or from another Lot except for such as have been approved by the Architectural Review Board or the Board of Directors.

(y) Care of Lots and Homes. All parts of the Site shall be kept in clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. No use shall be made of any Lot or Home or of the Common Properties which would increase the rate of insurance upon the Site.

(z) Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Site or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof, as well as other applicable restrictions, shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the Site shall be the same as is elsewhere herein

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specified with respect to other maintenance, repair and replacement.

(aa) Developer Exemption. Developer or its successors or assigns will undertake the work of constructing Lots and improvements. The completion of that work and the sale, rental and other disposal of Lots is essential to the establishment and welfare of the Site. Therefore, the Developer shall be exempt from such of the above restrictions (but not from other restrictions applicable to the Site imposed by other documents) in its use of the Homes as is reasonably necessary to permit it to develop and sell the Home including but not limited to using the Homes for sales models, offices, entertainment, etc.

(bb) Common Properties. The Common Properties shall be used only for the purposes for which they are intended to be used in the furnishing of services and facilities for the enjoyment of the Lots.

(cc) Vineyards Restrictions. There are other restrictions applicable to the Site and each Home and Lot contained in the Declaration of Master Covenants, Conditions and Restrictions for The Vineyards and in the Declaration of Protective Covenants, Conditions and Restrictions for Lot 7 and Option Parcel Lot 6, Tract F, The Vineyards Unit One of which the Site is a part. Use of the Site, each Lot and Home is also subject to such restrictions and the most restrictive of all will govern in the event of a conflict.

ARTICLE VIII

OWNER'S IMPROVEMENT TO LOTS

Each Lot Owner shall have the right, under the conditions herein set forth, and subject to regulations and criteria established by the Association, to make limited improvements to his Lot in the area to the rear (as defined by the Association) of each Owner's Lot. Such improvements will be limited to landscaping, swimming pools, decks and related equipment. Prior to making any improvement to such areas and as a condition thereto the Owner must first obtain written approval from the Association to and submit such plans, specifications, contracts, bonds and other documentation as the Association requires in accord with rules promulgated from time to time. Each Owner will be required to maintain such improvements or (or to bear the cost thereof) in the manner prescribed by the Association in its rules and regulations.

ARTICLE IX

MAINTENANCE, REPAIRS AND REPLACEMENTS

Responsibility for maintenance, repairs and replacements of the improvements located on the Site and property of Owners with Homes located or situated within the Site shall be as follows:

(1) Lot-Home Owners. Except as otherwise provided herein, each Home, and the fixtures, equipment and appliances comprising a part thereof, located therein or exclusively serving the same patios, pools and any other feature located on a Lot and exclusively serving the same, shall be maintained, kept in good repair and replaced by and at the expense of its Owner(s). All maintenance, repairs and/or replacements for which Owners are responsible and obligated to perform, which, if not performed or omitted, would affect other Homes or the appearance of the Owner's Home, shall be performed promptly as the need arises, and if the Lot Owner fails to promptly perform these, the Association shall have the right to perform these obligations and to assess the Lot Owner(s) for the charges therefor. The cost of any such work performed by the Association shall be secured by a lien upon the Lot in which the work was performed.

(2) Association. The Association shall be responsible for, and shall assess against and collect from the owners of all Lots on the Site, the costs of repainting all Homes within the Site and the costs of maintaining, repairing, replacing and keeping in clean and orderly condition (i) all of the Common Properties, (ii) utility installations located on Lots but serving more than one Lot, and (iii) all grassed or sodded areas, lawns, landscaping and vegetation. The Association shall, at the expense of the Owners of all Lots on the Site, repair any and all incidental damage to Homes resulting from maintenance, repairs and/or replacements of or to Common Properties.

ARTICLE X

INSURANCE

Section 1. Association. The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force any or all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be purchased for the benefit of the Association and Owners and their mortgagees, as their interests appear. A certificate evidencing a mortgagee endorsement shall be issued to the mortgagee of each Lot upon request. The Association shall purchase and carry insurance coverage as follows:

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(a) Public liability insurance with respect to the Common Properties and with respect to operations on the Lots carried on by the Association in such amounts with such coverage and in such forms as shall be required by the Board of Directors of the Association to protect the Association and the owners of all Homes, including non-owned automobile, off-premises employee coverage, water damage and legal liability, with cross-liability, endorsements to cover liability of all Owners as a group to each Owner; and

(b) Workmen's compensation insurance to meet the requirements of law. The Association may purchase and carry such other insurance coverage as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interests of the Association and Home owners, or as an institutional lender may reasonably require while it holds a mortgage encumbering any Home.

Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. The cost of insurance premiums, and other incidental expenses, incurred by the Association in administering and carrying out the provisions of this Article, shall be assessed against and collected from the Owners as Common Expenses.

All policies of insurance obtained and purchased by the Association shall be for the benefit of the Association, the Owners and their mortgagees, as their interests may appear.

All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

Section 2. Owner's Casualty Insurance. Each Owner shall insure his Home for its full replacement value against all insurable casualties, including flood. If an Owner fails to do so then the Association shall have the right to obtain such insurance and charge the premium therefor to the Owner and shall have a lien on his Lot, in the priority set forth elsewhere herein for liens to secure Common Assessments to secure it. To this extent the Association has an insurable interest in each Home.

ARTICLE XI

DAMAGE OR DESTRUCTION BY FIRE OR OTHER CASUALTY

In the event of damage or destruction by fire or other casualty to a Home or to the property within a Lot, the Owner thereof shall, upon receipt of the insurance proceeds, repair or rebuild such damage or destroyed portions of the Home and

Lot in a good, workmanlike manner substantially the same as the original plans and specifications of said property. If the Owner refuses or fails to commence repairs or to commence the rebuilding of such property within sixty (60) days, the Association may repair or rebuild such property. The Owner must reimburse the Association for the amount actually expended for such repairs or reconstruction, and the Association shall have a lien securing such payment in the same manner provided herein for annual assessments. All such repairs or reconstruction must proceed in a diligent manner and be completed within ten (10) months from commencement of work.

ARTICLE XII

MORTGAGEE PROTECTION CLAUSE

The following provisions are for the benefit of First Mortgagees and to the extent these provisions conflict with any other provisions of the Declaration, these provisions shall control:

(a) Each holder of a First Mortgage encumbering any Lot, at its written request, is entitled to written notification from the Association of any default by the Mortgagor of such Lot in the performance of such Mortgagor's obligations under this Declaration, the Articles of Incorporation and By-Laws of the Association which default is not cured within thirty (30) days after the Association learns of such default.

(b) Any holder of a First Mortgage encumbering any Lot which obtains title to such Lot pursuant to the remedies provided in such Mortgage or by deed in lieu of foreclosure, shall take title to such Lot free and clear of any claims of unpaid assessments or charges due to the Association against such Lot which accrued prior to the acquisition of title to such Lot by the Mortgagee except to the extent a Notice of Claim therefor was filed prior to recording of said mortgage.

(c) Unless at least seventy-five per cent (75%) of First Mortgagees (based upon one vote for each Mortgage owned), and 75% of the Owners (other than Developer) have given their prior written approval, neither the Association nor the Owners shall:

(1) By act or omission seek to sell or transfer the Common Properties and the improvements thereon which are owned by the Association. The granting of easements for public utilities or for other purposes consistent with the intended use of such property by the Association or the Developer or the transfer of the Common Properties to an unincorporated association of the Owners in accordance with the Articles of incorporation of the Association shall

not be deemed a transfer within the meaning of this clause.

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot.

(3) By act or omission, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the exterior appearance of residential buildings.

(4) Fail to maintain fire and extended coverage on insurable Common Properties on a current replacement cost basis in an amount not less than one hundred per cent (100%) of the insurance value (based on current replacement cost) less such reasonable deductions as the Board may deem appropriate.

(5) Use hazard insurance proceeds for losses to the Common Properties for other than the repair, replacement or reconstruction of such improvements.

(6) Except as otherwise provided herein by reservation to Developer herein, amend this Declaration or the Articles of Incorporation or By-Laws of the Association in such a manner that the rights of any First Mortgagee will be adversely affected or the value of Lots reduced.

(d) First Mortgagees shall have the right to examine the books and records of the Association during normal business hours.

(e) All First Mortgagees who have registered their names with the Association shall be given (i) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration or the Articles of Incorporation or By-Laws of the Association and prior to the effective date of any termination of any agreement for professional management of the Common Properties following a decision of the Owners to assume self-management of the Common Properties; and (ii) immediate notice following any damage to the Common Properties whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000.00), and as soon as the Board learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Common Properties.

(f) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Properties facilities and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for

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such property, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE XIII

ENCROACHMENTS - EASEMENTS

Section 1. Pipes, Wires, Ducts, Cables, Conduits, Public Utility Lines, etc. Each portion of the Site shall be subject to an easement in favor of all other portions thereof to locate utilities and provide drainage and support and to use, maintain and repair, pipes, wires, ducts, vents, cables, conduits, public utility lines and other similar or related facilities located in such portion of the Site and serving other portions thereof.

Section 2. Construction and Sales. The Developer (and its agents, employees, contractors, subcontractors and suppliers) shall have an easement of ingress and egress over and across the Common Properties and all Lots for construction purposes. The Developer (and its agents, employees and designees) shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Common Properties for the purposes of advertising the sale of Lots.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Enforcement. This Declaration, the Articles of Incorporation and the By-Laws may be enforced as follows:

(a) Breach of any of the covenants contained in the Declaration or the By-Laws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings brought by any Owner, the Developer, or the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in an amount as the court may deem reasonable, in favor of the prevailing party as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

(b) The remedies herein provided for breach of the covenants contained in this Declaration or in the By-Laws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(c) The failure of the Association to enforce any of the covenants contained in this Declaration or in its By-Laws shall not constitute a waiver of the right to enforce the same thereafter.

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(d) A breach of the covenants, conditions or restrictions contained in this Declaration or in the By-Laws, shall not affect or impair the lien or charge of any Mortgage made in good faith and for value on any Lot, provided, however, that any subsequent Owner of such Lot shall be bound by said covenants, whether such Owner's title was acquired by foreclosure sale or otherwise.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Term. The covenants and restrictions of this Declaration shall run with title and bind the property hereby encumbered, and shall inure to the benefit of and be enforceable by the Association, the Developer and the Owners of Lots subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for so long as the Site continues to exist and be used as it has been designed and developed by the Developer unless terminated as provided herein or until December 31, 2009, and thereafter for successive 10 year intervals unless at the occasion of each such period this Declaration is terminated as provided in Section 5 below.

Section 4. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of the Site as a residential community. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, and neuter shall each include the masculine, feminine and neuter.

Section 5. Amendments - Termination. This Declaration may be amended or terminated by (i) the affirmative vote or written consent of the Owners (and their mortgagees) holding not less than two-thirds (2/3) of the voting power of the Class "A" Membership of the Association together with the affirmative vote of the Class "B" Member (so long as the Class "B" Membership exists) or (ii) amended solely by the unilateral affirmative action of the Class "B" Member; provided, however, that no amendment adopted solely by the Class "B" Member shall be permitted which has a material adverse effect upon substantial rights of an Owner or First Mortgagee or the value of any part of the Site subject hereto. Nothing contained herein shall affect the right of the Developer to make such amendments as may otherwise be permitted herein.

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Section 6. Recording. The termination of the Declaration in either of the foregoing ways shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of Collier County, Florida.

Section 7. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Properties to the public, or for any public use.

Section 8. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Site does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property.

Section 9. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

Section 10. Supplemental Declarations. From time to time Developer or its successors or assigns may execute and file Supplemental Declarations hereto for the purpose of subjecting additional land to the effect of this Declaration and for the purpose of designating and identifying additional land as Common Properties. Provided, however, notwithstanding the subsequent development of adjoining land by Developer nothing herein shall obligate Developer to file Supplemental Declarations with respect to any such land. Any such land shall only become part of Sonoma Lake or subject to the terms hereof when such a supplement is filed.

Section 11. Withdrawal and Modification. Anything herein to the contrary notwithstanding, the Developer reserves the absolute right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Site from the provisions of this Declaration. Provided, however, the right shall not permit the removal of any land containing improvements, facilities and amenities which are needed by or

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were available for use by any Lot Owners at the time of acquiring their Homes.

IN WITNESS WHEREOF, Developer has caused this Declaration to be executed by its general partner on the date first above written.

Signed, Sealed and Delivered in the presence of:

NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership

Victoria R. Turner
Quynh Lan Reese

By: PALISADES PROPERTIES, INC., its General Partner

By: W.V. Roberts
President

[Corporate Seal]

ATTEST:

Patricia J. Ferguson
Secretary

STATE OF NORTH CAROLINA)
COUNTY OF MECKLENBURG)

On this the 5th day of September, 1989, before me, a Notary Public in and for said county and state, personally appeared WILLIAM V. ROBERTS and PATRICIA J. FERGUSON, who acknowledged themselves to be the President and Secretary, respectively, of PALISADES PROPERTIES, INC., a Delaware corporation and general partner of NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Patricia G. Davies
Notary Public
[Notarial Seal]

Patricia L. Davies
Notary Public, State of North Carolina
My Commission Expires: 9/16/92

[JAR:pgd-279]

JOINDER

NEW LENOX STATE BANK, an Illinois state bank, as Mortgagee of that certain mortgage on the above described property as the same is recorded in O.R. Book 1465, Pages 376 through 388, inclusive, of the Public Records of Collier County, Florida, hereby joins in the execution of this Declaration of Restrictive Covenants, Conditions, Restrictions and Easements for Sonoma Lake at The Vineyards (the "Declaration"), and by said Joinder agrees to subject itself, its successors and assigns, to the provisions of this Declaration.

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WITNESSES:

NEW LENOX STATE BANK

Whitley Hanson
Jeanne Burnett
[Corporate Seal]

By: [Signature]
President

ATTEST: [Signature]
Secretary

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STATE OF ILLINOIS

COUNTY OF Will

The foregoing instrument was acknowledged before me by William B. Laughridge as President, and Ronald W. Koka as Secretary of NEW LENOX STATE BANK, an Illinois state bank, this 6th day of September, 1989.

Candi S. Eastly
Notary Public for Illinois
My Commission Expires: 4-10-91

[Notarial Seal]

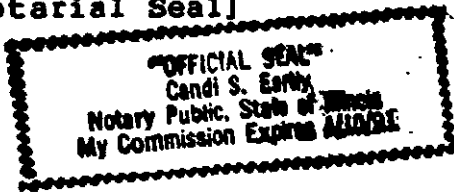


EXHIBIT 1

BEING all of SONOMA LAKE UNIT ONE, as shown in Plat Book 16, Pages 13-14 in the Public Records of Collier County, Florida, said tract being all of Lot 7 and a small portion of Lot 6 of Tract F of THE VINEYARDS, UNIT ONE, as recorded in Plat Book 14, Pages 96 and 97, of the Public Records of Collier County, Florida, said Lots being a subdivision of Tract "F", THE VINEYARDS, UNIT ONE, as recorded in Plat Book 14, Pages 67 through 74, inclusive, Public Records of Collier County, Florida.

The foregoing property was acquired by Warranty Deeds of Michael Procacci and Joseph Procacci dated September 15, 1988, and recorded at Official Records Book 1380, Page 1596 of the Public Records of Collier County, Florida, and dated June 8, 1989, and recorded at Official Records Book 1449, Page 161 of the Public Records of Collier County, Florida.

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State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of SONOMA LAKE HOMEOWNERS ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on September 11, 1989, as shown by the records of this office.

The document number of this corporation is N34182.

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Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 14th day of September, 1989.



CR2EO22 (6-88)

Jim Smith
Secretary of State



ARTICLES OF INCORPORATION
OF
SONOMA LAKE HOMEOWNERS ASSOCIATION, INC.
A CORPORATION NOT FOR PROFIT

1959 SEP 11 11 12 59

TALLAHASSEE, FL

The undersigned by these Articles associate themselves for the purpose of forming a corporation not for profit pursuant to the provisions of Chapter 617, Florida Statutes, and certify as follows:

ARTICLE I

NAME AND PRINCIPAL OFFICE

The name of the corporation shall be and is SONOMA LAKE HOMEOWNERS ASSOCIATION, INC. For convenience the corporation shall be referred to in these Articles as the "Association". The initial principal office of the Association shall be initially located at 4501 Tamiami Trail North, Suite 200, Naples, Florida 33940.

ARTICLE II

DEFINITIONS

Unless a contrary intent is apparent, terms used in these Articles of Incorporation shall have the same meaning as set forth in the Declaration of Restrictive Covenants, Conditions, Restrictions and Easements for Sonoma Lake at the Vineyards (the Declaration) to be recorded in the Public Records of Collier County, Florida, with respect to the land described in Exhibit 1 hereto, being known as "Sonoma Lake". Pursuant to the terms of the Declaration the Developer, hereafter defined,

may file supplements to the Declaration to subject additional land to its terms thereby expanding and enlarging the property subject to it.

ARTICLE III

PURPOSE

This corporation is organized to establish an association of the Owners of Homes in Sonoma Lake. This organization shall have the following specific purposes:

1. To provide for maintenance of areas and structures as may be placed under the jurisdiction of this corporation by means of the Declaration.

2. To regulate the use of areas and structures as may be placed under the jurisdiction of this corporation by means of the Declaration.

3. To promote the health, safety and welfare of the residents of Sonoma Lake, including the provision of services to such residents.

4. To enforce the provisions of the Declaration, which the Association has the responsibility to enforce.

5. To maintain, repair, operate and manage such common and private areas and structures, including, without limitation, any water management system approved by any governmental agency, drainage easements and streets.

6. To represent the Owners at meetings of the Vineyards Communities Association, Inc.

7. The purpose of this corporation will not include or permit pecuniary gain or profit or distribution of its income to its Members, Officers or Directors.

ARTICLE IV

POWERS AND DUTIES

This Association shall have and exercise all rights and powers conferred upon corporations under the laws of the State

of Florida consistent with these Articles and the Declaration. The corporation shall also have all of the powers and authority reasonably necessary or appropriate to carry out duties imposed upon it by the Declaration including, but not limited to, the following:

1. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as defined in the Declaration.

2. To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments and assessment liens pursuant to the terms of the Declaration, to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all licenses, taxes for governmental charges levied or imposed against the property of the corporation.

3. To acquire (by gift, purchase or lease), to own, hold, improve, insure, build upon, operate, maintain, replace and to repair, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, and to contract improvements and to repair, remodel and demolish the same, on any property that is owned or leased by the Association.

4. To borrow money, and with the consent of owners holding two-thirds (2/3) of the votes of the Association, mortgage, pledge, deed and trust, or hypothecate any or all of its real or personal property, including any lien rights it may have, as security for money borrowed or debts incurred.

5. To participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes or to annex additional property and common areas, provided that such mergers, consolidation or organization shall have the consent of owners holding two-thirds (2/3) of the votes of the Association.

6. To make and amend reasonable regulations and Bylaws respecting the use of any property or facilities over which the Association may have control, jurisdiction for administrative responsibilities, and to provide the penalties for the violation of any such regulation.

7. To contract for the maintenance of such recreational facilities, and other areas in improvements as may be placed under the jurisdiction of this Association either by the Declaration or by resolution adopted by the Association's Board of Directors.

8. To employ such legal counsel, accountants and other agents or employees as may be deemed necessary for the protection and furtherance of the interest of the Association and of its members and to carry out the purpose of the Association.

9. To maintain, repair, operate and manage such common and private areas and structures, including, without limitation, any water management system approved by any governmental agency, drainage easements and streets.

10. To hold all property deeded to the Association in trust for the use and benefit of the Owners in Sonoma Lake.

ARTICLE V

MEMBERSHIP

Every person or entity who is the record owner of a Lot in Sonoma Lake, as defined in the Declaration, as it may be amended or supplemented, shall be a member of this Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Membership rights and duties shall be subject to and controlled by the Declaration, which is in the form of a covenant running with the land. The Developer of Sonoma Lake shall also be a member.

ARTICLE VIVOTING RIGHTS

This Association shall have two (2) classes of voting memberships:

Class A: Class A Members shall be all of those Owners as defined in Article V. Except as hereafter provided, the Developer will not be a Class A member. There shall be one (1) vote appurtenant to each Lot owned by a Class A Member. When more than one (1) person holds an interest in any Lot, all such persons shall be members, and the vote for such Lots shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot. The Bylaws may establish procedures for voting when title to a Lot is held in the name of a corporation or more than one person or entity.

Class B: There shall be one (1) Class B Member, the Developer, Naples Ventures Limited Partnership, a North Carolina limited partnership authorized to transact business in the State of Florida. The Class B Member shall have 100 votes in the affairs of the Association.

Notwithstanding any provision to the contrary herein, the Developer as the Class B Member shall have the right to elect or appoint the Board of Directors of the Association until the occurrence of the first to occur of the following events:

(1) Six (6) months after the Developer has conveyed title to all of the Lots in Sonoma Lake; or

(2) At the earlier time that the Developer, in its sole discretion, voluntarily converts its Class B membership to Class A membership; or

(3) December 31, 1998.

(4) Such earlier date or event as may be required by law.

Upon the occurrence of the earliest of the foregoing events to occur, the then existing Class A members shall be obligated to elect the Board and assume control of the Association. The Class B membership shall also cease and convert to a Class A membership to the extent of Lots owned by the Developer) at such time.

ARTICLE VII

DIRECTORS

The affairs of the Association shall be managed by a Board of Directors, who need not be members of the Association. The initial Board of Directors shall consist of three (3) Directors. The number of Directors may be increased by the Bylaws, but shall never be less than three (3) Directors. The names and addresses of the persons who are to initially act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
William V. Roberts	Suite 305, One Fairview Plaza 5960 Fairview Road Charlotte, North Carolina 28210
Patricia J. Ferguson	Suite 305, One Fairview Plaza 5960 Fairview Road Charlotte, North Carolina 28210

Name
Roger Fine'

Address
Suite 200,
4501 Tamiami Trail No.
Naples, Florida 33940

Except as otherwise provided in these Articles of Incorporation, the Directors may, by law, fix the terms of office for all Directors. However, unless contrary provisions are made by law, each Director's terms of office shall be for one (1) year, provided that all Directors shall continue in office until their successors are duly elected and installed. There shall be at each annual meeting of the Association an election of Directors. Directors may serve successive annual terms without limitation.

A majority of the Directors currently serving as such shall constitute a quorum at meetings of the Board. Except as herein otherwise specified, the decision of a majority of the Directors present at a meeting at which a quorum is present shall be required and shall be sufficient to authorize any action on behalf of the Board. Each Director shall be entitled to one (1) vote on every matter presented to the Board of Directors.

Any meeting of the members of the Board of Directors of the Association may be held within or without the State of Florida.

ARTICLE VIIIOFFICERS

The affairs of this Association shall be administered by the officers designated herein. The officers shall be elected by the Board of Directors and shall serve at the pleasure of the Board of Directors. The name and address of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

<u>Office</u>	<u>Name</u>	<u>Address</u>
President and Treasurer	William V. Roberts	Suite 305, One Fairview Plaza 5960 Fairview Road Charlotte, NC 28210
Vice-President and Secretary	Roger Fine'	Suite 200 4501 Tamiami Trail No. Naples, FL 33940

ARTICLE IXDISSOLUTION

This Association may be dissolved with the assent given in writing and signed by the affirmative vote of not less than seventy-five (75%) percent of votes of the members of the Association. Upon dissolution of this Association, other than incident to a merger or consolidation, its assets, both real and personal, shall be dedicated to an appropriate public agency to be used for the purposes similar to those for which the Association was formed.

ARTICLE XSUBSCRIBERS

The names and residence addresses of the subscribing incorporators of these Articles of Incorporation are:

<u>Name</u>	<u>Address</u>
William V. Roberts	Suite 305, One Fairview Plaza 5960 Fairview Road Charlotte, NC 28210
Patricia J. Ferguson	Suite 305, One Fairview Plaza 5960 Fairview Road Charlotte, NC 28210
Roger Fine'	4501 Tamiami Trail No. Naples, FL 33940

ARTICLE XIINDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a part or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is guilty of willful misfeasance or malfeasance in the performance of his

duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XII

REGISTERED OFFICE

The address of the corporation's initial registered office is: 4501 Tamiami Trail North, Suite 200, Naples, Florida 33940.

The name of this corporation's initial registered agent at the above address is: Roger Fine'.

ARTICLE XIII

BY-LAWS

The first Bylaws of this corporation shall be adopted by the Board of Directors and may be altered, amended or rescinded by the members in the manner provided by the Bylaws.

ARTICLE XIV

AMENDMENTS

Amendments to these Articles may be made and adopted upon the following conditions:

1. A notice of the proposed amendment shall be included in the notice of the members' meeting which shall consider the amendment. The meeting may be the annual meeting or a special meeting.

2. There is an affirmative vote of two-thirds (2/3) of the membership votes entitled to be cast.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, we, the undersigned, constituting the subscribing incorporators of this corporation, have executed this Articles of Incorporation, this 5th day of September, 1989.

SUBSCRIBERS:

W.V. Roberts

William V. Roberts

Patricia J. Ferguson

Patricia J. Ferguson

Roger Fine

Roger Fine

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STATE OF FLORIDA)
COUNTY OF COLLIER)

The foregoing instrument was acknowledged before me by Roger Fine' this 7th day of September, 1989.

Diana Barron
Notary Public for the State
of Florida

My Commission Expires: NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXPIRES OCT. 5,
BONDED THROUGH GENERAL INS. CO.

STATE OF NORTH CAROLINA)
COUNTY OF MECKLENBURG)

The foregoing instrument was acknowledged before me by William V. Roberts and Patricia J. Ferguson this 5th day of September, 1989.

Patricia H. Davies
Notary Public for the State
of North Carolina

My Commission Expires: 9/16/92

EXHIBIT 1Legal Description of Sonoma Lake:

BEING all of SONOMA LAKE UNIT ONE, as shown in Plat Book 16, Pages 13-14 in the Public Records of Collier County, Florida, said tract being all of Lot 7 and a small portion of Lot 6 of Tract F of THE VINEYARDS, UNIT ONE, as recorded in Plat Book 14, Pages 96 and 97, of the Public Records of Collier County, Florida, said Lots being a subdivision of Tract "F", THE VINEYARDS, UNIT ONE, as recorded in Plat Book 14, Pages 67 through 74, inclusive, Public Records of Collier County, Florida.

**CERTIFICATE DESIGNATING REGISTERED AGENT
AND REGISTERED OFFICE**

FILED

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In compliance with Florida Statutes Sections 48.091 and 617.023, the following is submitted:

Sonoma Lake Homeowners Association, Inc. desiring to organize as a corporation not for profit under the laws of the State of Florida has designated 4501 Tamiami Trail North, Suite 200, Naples, Florida 33940, as its initial Registered Office and has named Roger Fine' located at said address as its initial Registered Agent.

W.V. Roberts

William V. Roberts, Incorporator

Patricia J. Ferguson

Patricia J. Ferguson, Incorporator

Roger Fine'

Roger Fine', Incorporator

Having been named Registered Agent for the above-stated corporation, at the designated Registered Office, the undersigned hereby accepts said appointment, and agrees to comply with the provisions of Florida Statutes Section 48.091 relative to keeping open said office.

Roger Fine'

Roger Fine', Registered Agent

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EXHIBIT (3)

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**BYLAWS
OF
SONOMA LAKE HOMEOWNERS ASSOCIATION, INC.**

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**BY-LAWS
OF
SONOMA LAKE HOMEOWNERS ASSOCIATION, INC.**

I. IDENTITY.

A. These are the By-Laws of SONOMA LAKE HOMEOWNERS ASSOCIATION, INC., a non-profit Florida corporation. The Association has been organized for the purpose of administering the operation and management of the Common Properties and improvements of SONOMA LAKE in accordance with the Declaration of Restrictive Covenants, Conditions, Restrictions and Easements (the Declaration) for said Site to be recorded in the Public Records of Collier County, Florida, subjecting the land therein described to the terms thereof.

B. The provisions of these By-Laws are subject to the provisions of the Articles. A copy of the Articles and a copy of these By-Laws will be annexed, as Exhibits, to the Declaration which will be recorded in the Public Records of Collier County, Florida. The terms and provisions used in the Articles and Declaration shall control wherever the same may conflict herewith and bear the same meaning herein as is given to them in such documents.

C. All members of the Association and their invitees, including, without limitation, all present or future owners and tenants of Lot Sites or any of the facilities thereof in any manner, are subject to these By-Laws, the Articles and the Declaration.

D. The office of the Association shall be initially located at 4501 Tamiami Trail North, Suite 200, Naples, Florida, or at such place as may be established by resolution of the Board of Directors.

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

F. The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation Not For Profit", and the year of incorporation.

II. MEMBERSHIP, VOTING QUORUM, PROXIES.

A. The qualification of Members of the Association (the "Members"), the manner of their admission to Membership and the termination of such Membership, and voting by Members, shall be as set forth in the Articles, the provisions of which are incorporated herein by reference.

B. A quorum at meetings of Members shall consist of persons present in person or by proxy entitled to cast a majority of the aggregate votes of both classes of the entire

Membership combined. The joinder of a Member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. The vote of the Owner(s) of a Lot owned by more than one (1) natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, by one (1) natural person designated by the Owner(s) of such Lot as the "Primary Occupant" thereof. In each instance where title to a Lot is proposed to be conveyed or is otherwise to become vested in more than one (1) natural person (except a husband and wife as tenants by the entirety), or a corporation, a trust, or any other entity, the prospective Owner(s) shall, by written instrument signed by all persons and entities who will hold title to the Lot, designate one (1) natural person as the Primary Occupant. The instrument designating the Primary Occupant shall be filed with the Association. The Primary Occupant of the Lot shall be the only person entitled to cast or exercise, in person or by proxy, the vote of the Owner(s) of such Lot at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

D. Evidence of the approval or disapproval of the Owner(s) of a Lot upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the vote of such Owner as if in an Association meeting.

E. Except where otherwise required under the provisions of the Articles, these By-Laws or the Declaration, or where the same may otherwise be required by law, the affirmative vote of a majority of the votes of both classes of the members combined, represented in person or by proxy at any meeting of the Members duly called and at which a quorum is present, voting the number of votes which each has shall be binding upon the members.

F. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

A. The annual meeting of Members shall be held, at the office of the Association or such other place in Collier

County, Florida, as may be specified in the notice of the meeting, at 7:00 P. M. on the last Tuesday in February of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding business day.

B. Special meetings of Members shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such Officers upon receipt of a written request from Members owning a majority of the Lots, and must be called by such Officers upon written petition calling for recall of one (1) or more Directors by the Owners of at least twenty (20%) percent of the Lots in the Site.

C. Notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member (unless waived in writing). Each notice shall be written or printed and shall state the time and place of and purpose for which the meeting is called. Each notice shall be given to each Member not less than thirty (15) days nor more than sixty (30) days prior to the date set for the meeting, and shall be mailed by first class mail or delivered personally to each Member. If delivered personally, receipt of the notice shall be signed by the Member, indicating the date received. If mailed, such notice shall be deemed properly given when deposited in the United States mail addressed to the Member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Proof of mailing shall be given by the affidavit of the person giving the notice. Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before, at, or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the Membership required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the By-Laws or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum or the required percentage of attendance if greater than a quorum, is present. When a meeting is adjourned to another date, time or place and the date, time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken, no further notice shall be necessary.

D. At meetings of Members, the Chairman of the Board, or in his absence, the President, shall preside, or in the absence

of both, the Members present shall select a chairman of the meeting.

E. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

- (1) Calling of the roll and certifying of proxies;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Reading or waiver of reading of minutes of previous meeting of Members;
- (4) Reports of Officers;
- (5) Reports of Committees;
- (6) Appointment by Chairman of inspectors of election;
- (7) Election of Directors;
- (8) Unfinished business;
- (9) New business;
- (10) Adjournment.

F. If at any time it is necessary for the membership of the Association, as members of the Vineyards Community Association, (the "Community") or any successor organization which includes the members of the Association in its membership, to vote on any matters concerning the Community, the board may call a special meeting of the Association for the purpose of determining how its members desire to vote on such matters. At the special meeting the members of the Association shall vote on such matters and a majority of the votes cast, assuming a quorum is present, shall be decisive. The board shall then cast all votes allocated to the Association by the Community in the manner so decided by the membership.

IV. BOARD OF DIRECTORS.

A. The Articles of Incorporation control the election, number and qualification of the Board of Directors.

B. The organizational meeting of a newly elected or designated Board shall be held within a reasonable time after their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary; provided that a quorum shall be present.

C. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived. Owners shall have the right to attend all meetings of the Board, but no Owner shall have the right to speak or otherwise participate in the meetings without the permission of the Board.

D. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than three (3) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

E. Adequate notice of all meetings of the Board shall be placed conspicuously on the Common Properties at least forty-eight (48) hours in advance, except in an emergency. Notice of meetings of the Board may be waived only in the event of emergency where circumstances exist which pose such a danger to person or property that prompt action is required. In such event, such notice shall be given as is practical under the circumstances. Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

F. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these By-Laws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these By-Laws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. No member of the Board may vote by proxy or secret ballot at a meeting of the Board, nor may a Director abstain from voting except in cases of conflict of interest.

G. The presiding Officer of meetings of the Board shall be the Chairman of the Board if such Officer has been elected, or, if not, the President of the Association. In the absence

of the presiding Officer, the Directors present shall designate one of their number to preside.

H. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of Florida, the Articles, these By-Laws and the Declaration.

I. The first Board of Directors of the Association shall be comprised of the three (3) persons designated as such in the Articles, who shall serve until their successors are designated by Developer or elected at the first annual meeting of the Members. Should any member of the first Board be unable to serve for any reason, Developer shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

J. Directors who have been elected by Owners other than Developer may be removed from office with or without cause in the following manner:

(1) The Owners of twenty (20%) percent of the Lots upon a written petition calling for the recall or removal of one (1) or more of the members of the Board of Directors, may call a special meeting of the Owners for that purpose.

(2) The first order of business at the meeting shall be the election of a person to preside over the meeting. The election shall be by vote of the majority of the Owners present at the meeting.

(3) If the petition calls for the recall or removal of more than one (1) member of the Board of Directors, the questions of removal shall be divided as to each recalled member of the Board of Directors upon the request of any one Owner present at the meeting and eligible to vote.

(4) Any member of the Board of Directors who is the subject of the recall petition shall be given a reasonable opportunity to speak at the meeting prior to the vote on the question of removal.

(5) The vote necessary for removal shall be a majority of all Owners, including those voting by proxy or absentee ballot.

(6) If any member or members of the Board of Directors is removed at the special meeting, the vacancy(ies) shall be filled by the remaining Directors in the manner provided herein.

If all Directors are removed at the special meeting, an election shall be held at the special meeting to fill the vacancies for the remainder of the term or terms of office. The Members may for such purpose recess or adjourn the meeting for a period not to exceed thirty (30) days, with a call to reconvene for the purpose of the election at a specific date, time and place.

V. ADDITIONAL PROVISIONS - MEETINGS OF MEMBERS AND DIRECTORS.

A. Notwithstanding anything contained in these By-Laws to the contrary, any meeting of Members or the Board may be held at any place, within or without the State of Florida, designated in the notice of any such meeting, or notice of which is properly waived.

B. So long as Developer (as defined in the Articles) has the right to elect or appoint the Board to the extent provided by law, Board action may be taken by telephone conference and informal action of the Board shall be effective if the resolutions adopted by such action are signed by all Directors.

VI. OFFICERS.

A. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other Officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other Officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board.

B. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not-for-profit, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

C. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and

exercise such other powers and perform such other duties as shall be prescribed by the Board.

D. The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the giving and serving of all notices to the Members and Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a corporation not-for-profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

E. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

F. The compensation of all Officers and employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association, nor preclude contracting with a Director for the management of the Site.

VII. FISCAL MANAGEMENT.

The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

A. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. Such account shall designate the name and mailing address of the Owner(s) of each Lot, the amount of each assessment against the Owner(s) of each Lot, the due date thereof, all amounts paid, and the balance due upon each assessment.

B. The Board shall adopt for, and in advance of, each calendar year, a budget showing the estimated costs of performing all of the functions of the Association for the year. Each budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the Owner(s) of each Lot and the due date(s) and amounts of installments thereof. Copies of

the proposed budget and proposed assessments shall be transmitted to each Member on or before January 1 of the year for which the budget is made. If any budget is subsequently amended, a copy shall be furnished each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies. Further, nothing herein contained shall be construed as a limitation upon the collection by the Association of any Community assessment when and as made by the Community in accordance with its By-Laws and with the Declaration of Master Covenants, Conditions and Restrictions for The Vineyards.

C. A copy of the proposed annual budget of the Association shall be mailed to the Owners of Lots not less than thirty (30) days prior to the meeting of the Board at which the budget will be considered, together with a notice of the time and place of the meeting. Such meeting of the Board shall be open to such Owners. When a budget is adopted by the Board, upon written application of twenty (20%) percent of the Owners, a special meeting of the Owners shall be held upon not less than ten (10) days written notice to each Owner, but within thirty (30) days of the delivery of such application to the Board or any member thereof, at which special meeting Owners may only consider and enact a revision of the budget. Any such revision of the budget shall require a vote of not less than two-thirds ($2/3$) of the whole number of votes of all Members of the Association.

The Board may in any event first propose a budget to the Owners at any such meeting of members or by writing, and if such budget or proposed budget be approved by a majority of the whole number of votes of all Members, such budget may not thereafter be re-examined by the Owners in the manner hereinabove set forth.

D. Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to each Lot owner. Assessments shall be made against Lot owners pursuant to procedures established by the Board, and in accordance with terms of the Declaration and the Articles. Lot owners shall be liable to pay assessments not less often than quarterly. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these By-Laws.

E. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board, in which all monies of the Association shall be deposited. Withdrawal of monies from such bank(s) shall be only by checks signed by such persons as are designated by the Board.

F. A review of the accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be mailed or furnished by personal delivery to each Member not later than April 1 of the year following the year for which the report is made. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications.

VIII. PARLIAMENTARY RULES.

Roberts' Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Articles, these By-Laws or the laws of Florida.

IX. AMENDMENTS TO BY-LAWS.

A. Amendments to these By-Laws may be proposed by the Board, acting upon vote of a majority of the Directors, or by Members owning a majority of the Lots subject to the Declaration, whether meeting as Members or by instrument in writing signed by them.

B. Upon any amendment or amendments to these By-Laws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or acting Chief Executive Officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided that proposed amendments to the By-Laws may be considered and voted upon at annual meetings of the Members.

C. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of Members holding two-thirds ($\frac{2}{3}$) of the votes in the Association. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Collier County, Florida, within thirty (30) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

D. At any meeting held to consider such amendment or amendments to these By-Laws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

E. Notwithstanding the foregoing provisions of this Article IX, no amendment to these By-Laws which shall abridge, amend and/or alter the right of the Developer to designate the members of each Board of Directors of the Association, as provided in the Articles, may be adopted or become effective without the prior written consent of Developer.

X. RULES AND REGULATIONS.

Rules and Regulations governing the use of the Lots and the Common Properties of the Association and the conduct of Owners, occupants and guests shall be adopted in the following manner:

A. Initial Rules and Regulations. At its first meeting, the Board of Directors of the Association (all of whom shall have been designated by Developer in accordance with the Articles of Incorporation and these By-Laws) may adopt an initial set of Rules and Regulations which, after adoption, shall be annexed to these By-Laws in the form of an Exhibit.

B. Amendment to Rules and Regulations. The Board of Directors may from time to time, by majority vote at a duly called meeting of the Board, adopt, modify, amend, add to, or detract from the Rules and Regulations; provided, however, a majority of the Lot Owners present and voting at a meeting of the Members at which a quorum is present may override the Board with respect to any such changes. All changes to the Rules and Regulations made by the Board shall be mailed by first class mail to each Lot Owner not less than thirty (30) days prior to the effective date of the change. No modification, amendment, addition or detractation to the Rules and Regulations may be adopted by the Board if it would conflict with a provision of the Declaration.

C. Enforcement of Rules and Regulations. All violations of Rules and Regulations or of any provisions of the Declaration, Articles and/or By-Laws shall be reported immediately to a member of the Board of Directors, an Association officer and/or the management agent. Disagreements concerning violations, including, without limitation, disagreements regarding the proper interpretation and effect of Rules and Regulations or other provisions of the Declaration shall be presented to and determined by the Board of Directors of the Association, whose interpretation and/or whose remedial action shall be dispositive. In the event that any person,

firm or entity subject to the Rules and Regulations, or other provisions of the Declaration, fails to abide by them, as they are interpreted by the Board of Directors, they shall be liable to be fined by the Association for each such failure to comply, or other violation. Such fine shall be collected by the Association and shall be an asset of the Association. If the Board of Directors of the Association deems it necessary, it may seek all available remedies and may bring action at law or in equity to enforce the Rules and Regulations, or other provisions of the Declaration, including the provision herein for fines. In the event any such action is instituted, and reduced to judgment in favor of the Association, the Association shall in addition be entitled to recover its costs and attorneys' fees (at the trial level and at all levels of appeal).

I hereby certify that the foregoing were adopted as the By-Laws of SONOMA LAKE HOMEOWNERS ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida.



Secretary

SONOMA LAKE

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SUPPLEMENTAL DECLARATION OF RESTRICTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SONOMA LAKE AT THE VINEYARDS

THIS SUPPLEMENTAL DECLARATION is made this 28th day of October, 1992, to be effective on December 1, 1992, by NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership, qualified to do business in the State of Florida (hereinafter called "Developer").

PRELIMINARY STATEMENT:

Developer has heretofore caused to be filed in the Official Records of Collier County, Florida, a Declaration of Restrictive Covenants, Conditions, Restrictions and Easements for Sonoma Lake at The Vineyards, original filed September 12, 1989 at 9:56 A.M. and re-recorded on April 24, 1990 at 12:27 P.M. (the "Declaration"). The Declaration is recorded in Official Records Book 1523 at Page 601 of the Collier County Records.

On February 27, 1991, at 11:12 A.M., Developer caused to be filed in the Official Records of Collier County a Declaration of Removal of Property from Sonoma Lake at The Vineyards, by which instrument Developer withdrew twenty (20) residential lots from the Sonoma Lake development subject to reannexation by Developer by the filing of subsequent Supplemental Declarations. This instrument is recorded in Official Records Book 1456 at Page 1595 of the Collier County Records.

Developer now desires to hereby subject Lots 12, 13 and 14 of the Sonoma Lake development to the terms and conditions of the Declaration pursuant to the provisions of Section 10 of Article XIV thereof.

NOW, THEREFORE, Developer hereby declares that title to Lots 12, 13 and 14 of SONOMA LAKE, UNIT ONE, as shown in Plat Book 16, Pages 13 through 14, in the Official Records of Collier County, Florida, shall be held, sold, conveyed, encumbered, used and occupied subject to the terms and conditions of that certain Declaration of Restrictive Covenants, Conditions, Restrictions and Easements for Sonoma Lake at The Vineyards, as amended, as covenants running with the land enforceable in accordance with the terms and conditions of said Declaration.

This Supplemental Declaration shall be effective as of December 1, 1992.

DRAWN BY AND
MAIL TO:
JERRY ALAN REESE
WEINSTIN & STURGES, P.A.
P. O. BOX 32248
CHARLOTTE, NC 28232-2248

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IN WITNESS WHEREOF, Developer has caused this instrument to be executed by its general partner as of the day first above written.

Signed, sealed and delivered in the presence of:

NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership

By: PALISADES PROPERTIES, INC., its General Partner

James M. Clusen
Robert E. Galen
[Corporate Seal]

By: William V. Roberts
William V. Roberts, President

ATTEST:

Patricia J. Ferguson
Patricia J. Ferguson, Secretary

STATE OF NORTH CAROLINA)
COUNTY OF MECKLENBURG)

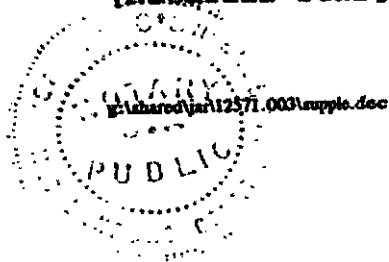
On this 28 day of October, 1992, before me, a Notary Public in and for said County and State, personally appeared William V. Roberts and Patricia J. Ferguson, who acknowledged themselves to be the President and Secretary, respectively, of PALISADES PROPERTIES, INC., a Delaware corporation and general partner of NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Susan D. O'Shields
Notary Public

My Commission Expires: 3/12/96

[Notarial Seal]



Recorded and Verified
in Office: Records of
COLLIER COUNTY, FLORIDA
JAMES C GILES CLERK

**FOURTH SUPPLEMENTAL DECLARATION OF RESTRICTIVE
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR SONOMA LAKE AT THE VINEYARDS**

THIS FOURTH SUPPLEMENTAL DECLARATION is made as of August 30, 1993, by **NAPLES VENTURES LIMITED PARTNERSHIP**, a North Carolina limited partnership, qualified to do business in the State of Florida (hereinafter called "Developer").

PRELIMINARY STATEMENT:

Developer has heretofore caused to be filed in the Official Records of Collier County, Florida, a Declaration of Restrictive Covenants, Conditions, Restrictions and Easements for Sonoma Lake at The Vineyards, originally filed September 12, 1989 at 9:56 A.M. and re-recorded on April 24, 1990 at 12:27 P.M. (the "Declaration"). The Declaration is recorded in Official Records Book 1523 at Page 601 of the Collier County Records.

On February 27, 1991, at 11:12 A.M., Developer caused to be filed in the Official Records of Collier County a Declaration of Removal of Property from Sonoma Lake at The Vineyards, by which instrument Developer withdrew twenty (20) residential lots from the Sonoma Lake development subject to reannexation by Developer by the filing of subsequent Supplemental Declarations. This instrument is recorded in Official Records Book 1595 at Page 1407 of the Collier County Records.

On November 5, 1992, at 10:33 A.M., Developer caused to be filed in the Official Records of Collier County a Supplemental Declaration by which instrument Developer reannexed Lots 12, 13 and 14 into the Sonoma Lake Development. This instrument is recorded in Official Records Book 1768 at Page 676 of the Collier County Records.

On March 23, 1993, at 10:39 A.M., Developer caused to be filed in the Official Records of Collier County a Second Supplemental Declaration by which instrument Developer reannexed Lots 7, 8, 15, 16 and 25 into the Sonoma Lake Development. This instrument is recorded in Official Records Book 1808 at Page 43 of the Collier County Records.

On May 5, 1993, at 12:28 P.M., Developer caused to be filed in the Official Records of Collier County a Third Supplemental Declaration by which instrument Developer reannexed Lots 10, 22 and 24 into the Sonoma Lake Development. This instrument is recorded in Official Records Book 1822 at Page 1716 of the Collier County Records.

Developer now desires to hereby subject Lots 5, 6, 9, 11, 17, 18, 19, 20 and 21 of the Sonoma Lake development to the terms and conditions of the Declaration pursuant to the provisions of Section 10 of Article XIV thereof.

Drawn by and Mail to:
JERRY ALAN REESE
WEINSTEIN & STURGES, P.A.
P. O. Box 32248
Charlotte, NC 28232-7248

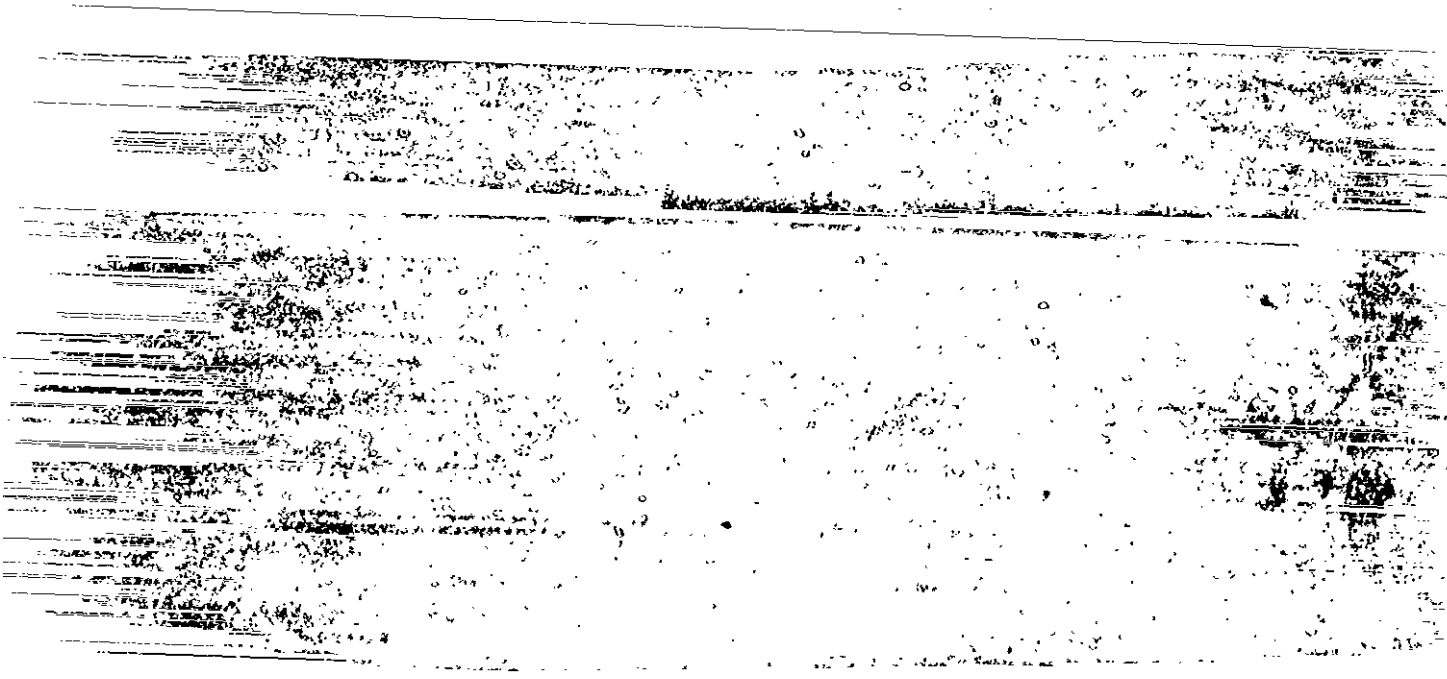
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NOW, THEREFORE, Developer hereby declares that title to Lots 5, 6, 9, 11, 17, 18, 19, 20 and 21 of SONOMA LAKE, UNIT ONE, as shown in Plat Book 16, Pages 13 through 14, in the Official Records of Collier County, Florida, shall be held, sold, conveyed, encumbered, used and occupied subject to the terms and conditions of that certain Declaration of Restrictive Covenants, Conditions, Restrictions and Easements for Sonoma Lake at The Vineyards, as amended, as covenants running with the land enforceable in accordance with the terms and conditions of said Declaration.

This Fourth Supplemental Declaration shall be effective as of August 30, 1993.

IN WITNESS WHEREOF, Developer has caused this instrument to be executed by its general partner as of the day first above written.

Signed, sealed and delivered
in the presence of:

NAPLES VENTURES LIMITED PARTNERSHIP,
a North Carolina limited partnership

By: PALISADES PROPERTIES, INC.,
its General Partner

By: WV Roberts
William V. Roberts, President

[Corporate Seal]

ATTEST:

Patricia J. Ferguson
Patricia J. Ferguson, Secretary

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

On this 2nd day of September, 1993, before me, a Notary Public in and for said County and State, personally appeared William V. Roberts and Patricia J. Ferguson, who acknowledged themselves to be the President and Secretary, respectively, of PALISADES PROPERTIES, INC., a Delaware corporation and general partner of NAPLES VENTURES LIMITED PARTNERSHIP, a North Carolina limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Patricia A. Egan
Notary Public

Recorded and Verified
in Official Records of
COLLIER COUNTY, FLORIDA
DWIGHT E. BROCK, CLERK