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any other party may file suit or initiate arbitration proceedings to enforce such agreement without the need to again comply with the procedures set forth herein. In such event, the party taking action to enforce the agreement shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties pro rata) all costs incurred in enforcing such agreement, including without limitation, attorneys' fees and court costs.

Section 6. Binding Arbitration.

(a) Upon Termination of Mediation, either party shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Residential Construction Arbitration Rules in effect on the date of the Notice. If there are no Residential Construction Arbitration Rules currently in effect then the AAA's Construction Industry Arbitration Rules shall be utilized. Such Claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$250,000 or includes a demand for punitive damages, the dispute shall be heard and determined by three arbitrators. Otherwise, unless mutually agreed to by the parties, there shall be one arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

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

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

ARTICLE XIII

INSURANCE AND CASUALTY LOSSES; CONDEMNATION

The insurance other than title insurance that shall be carried upon the Property and the property of the Lot Owners shall be governed by the following provisions:

Section 1. Authority to purchase; named insured. All insurance policies upon the Properties shall be purchased by the Association. The named insured shall be the Association individually and as agent for the Owners, without naming them, and as

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agent for their mortgagees. Provisions shall be made for the issuance of the mortgagee endorsements and memoranda of insurance to the mortgagees of Owners. Such policies shall provide that payments by the insurer for losses shall be made to the Association or the insurance trustee designated below, and all policies and their endorsements shall be deposited with the Association or the insurance trustee as set forth herein.

Section 2. Personal Property of Lot Owner. Lot Owners should obtain coverage at their own expense upon their personal property and improvements within their Dwelling not covered by the Association and for their personal liability and living expense and such insurance shall not be the responsibility of the Association.

Section 3. Coverage

(a) Casualty. All buildings and improvements upon the Properties shall be insured in an amount equal to the insurable replacement value, excluding foundation and excavation costs, and all personal property included in the Common Elements shall be insured for its value, all as shall be determined annually by the Board of Directors of the Association. Coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief; and

(3) Hazard policies issued to protect buildings or Dwellings shall provide that the word "building", wherever used in the policy, shall include, but shall not necessarily be limited to fixtures, installations or additions comprising that part of the building within the unfurnished interior surfaces of the perimeter walls, floors and ceilings of the individual Dwellings initially installed or replacements thereof, of like kind and quality, in accordance with the original plans and specifications or as existed at the time the Lot was initially conveyed if the original plans and specifications are not available. However, the word "building" shall not include floor coverings, wall coverings or ceiling coverings, and shall not include electrical fixtures, appliances, air conditioning and heating equipment, water heaters or built in cabinets required to be replaced or repaired by the Lot Owner. With respect to the coverage provided by this paragraph, the Lot Owner shall be considered as an additional insured under the policy.

(b) Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including but not limited to hired

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vehicles, owned, and non-owned vehicle coverage, and with cross liability endorsements to cover liabilities of the Lot Owners as a group to a Lot Owner.

- (c) Worker's Compensation insurance to meet the requirements of law.
- (d) Flood Insurance, where required by federal or other regulatory authority.
- (e) Liability Insurance for its officers and directors or persons who are in control or disburse funds of the Association.
- (f) Such other insurance that Board of Directors of the Association shall determine from time to time to be desirable.

Section 4. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

Section 5. Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association or a named insurance trustee (hereinafter referred to as the "Insurance Trustee"), as Trustee, or to such Trustee in Florida with Trust Powers as may be designated as Insurance Trustee from time to time by the Board of Directors of the Association when required by this Declaration. The selection of the Insurance Trustee is subject to the approval of the Institutional Mortgagee holding the greatest dollar amount of First Mortgages against the Dwellings within the Properties. The Insurance Trustee shall not be liable for payment of premiums nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes stated herein for the benefit of the Owners and their mortgagees in the following shares, provided, however, such shares need not be set forth on the records of the Insurance Trustee.

(a) Dwellings. Proceeds on account of damage to Dwellings shall be held in the following undivided shares:

(1) When the building is to be restored: For the Owners of damaged Dwellings in proportion to the cost of repairing the damage suffered by each Owner, said cost to be determined by the Association.

(2) When the building is not to be restored: The Lot shall be owned by the Owner.

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(b) Mortgagees. In the event a mortgagee endorsement has been issued to a Dwelling, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear, provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Dwelling Owner and mortgagee pursuant to the provisions of this Declaration. Notwithstanding the foregoing, the mortgagee shall have the right to apply or have applied to the reduction of its mortgage debt any or all sums of insurance proceeds applicable to its mortgaged Lot in any of the following events:

(1) Its mortgage is not in good standing and is in default.

(2) Insurance proceeds are insufficient to restore or repair the building to the condition existing prior to the loss and additional monies are not available for such purpose.

(c) Insurance Trustee. An Insurance Trustee need not be appointed until there exists a major damage as defined elsewhere in this Article or until there shall have been a request by a First Mortgagee for such appointment.

Section 6. Distribution of proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) All expenses of the Insurance Trustee shall be paid first or provisions made for such payment.

(b) If the damage for which the proceeds are paid is to be repaired or reconstructed the proceeds shall be paid to defray the cost thereof as provided herein. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners, remittances to Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, any mortgagee of a Lot.

(c) If it is determined in the manner provided herein that the damage for which proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners, remittances to Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, the mortgagee of a Lot.

(d) In making distribution to Owners and their mortgagees, the Insurance Trustee may rely upon a Certificate of the Association made by its President

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and Secretary as to the names of the Owners and their respective shares of the distribution.

Section 7. Association as Agent. The Association is hereby irrevocably appointed Agent for each Owner and for each Owner of any other interest in the Properties to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of a claim.

ARTICLE XIV
MAINTENANCE AND COMMON AREAS; DAMAGE; INSURANCE

Section 1. Maintenance of Common Area and Landscaping. All of the Common Area, all lawns and all original plantings, all storage areas and all personal property owned by the Association shall be maintained by and at the expense of the Association, unless otherwise specifically set forth herein. It is the intent and purpose of this provision that all landscaped areas, including without limitation trees, grass, shrubs and plantings; private access streets, storage areas, and parking spaces; gated access or entry gates, if applicable, paving; swimming pools and other recreation areas; drainage easements, all walks; and all other commonly owned facilities shall be maintained exclusively by the Association and not by any Owner or Owners individually, regardless of whether any of same are within the boundaries of any Lot, subject to the terms of Article IX, Section 19. The Association's maintenance responsibilities shall extend to and include maintenance of the decorative identification sign(s) for Cottages at Meadowbrooke, indicating the entrance to the Properties. This provision shall not limit the obligation of an Owner to maintain the exterior of his Dwelling, including patios and screened porches, except as otherwise maintained by the Association as identified in this Article. In the event that the need for maintenance or repair of the Common Area or any personal property owned by the Association is caused by the willful or negligent act of an Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be due and payable from the Owner, and shall be secured by a lien against such Owner's Lot as provided in Section 4 of this Article.

Section 2. Maintenance and Painting of Exterior of Dwellings. The Association, subject to the rights of the Owners and Declarant, as set forth herein and in any other recorded restrictions, shall be responsible for the painting of the exterior of the Dwellings. Such painting shall be performed at such times and by such persons as may be designated by the Board of Directors. The Association shall also be responsible for repair and replacement of roofs and gutters on the Dwellings. All other maintenance of the exterior of the Dwellings not designated herein as the responsibility of the Association shall be the responsibility of the Owner.

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Section 3. Care and Appearance of Dwellings. Each Dwelling shall be maintained in a structurally sound and neat and attractive manner, including glass, screened areas, and otherwise by and at the expense of the Owner. Upon the Owner's failure to do so, the ACC may, at its option, after giving the Owner thirty (30) days' written notice sent to his last known address, make repairs and/or improve the appearance of the Dwelling in a reasonable and workmanlike manner, with funds provided by the Association, and with the approval by two-thirds (2/3) vote of the Board of Directors. The Owner of such Dwelling shall reimburse the Association for any work above required, and to secure such reimbursement the Association shall have a lien upon the Lot enforceable as provided in Section 4 below.

Section 4. Lien Rights; Foreclosure. Upon performing any work described in Section 3 of this Article, or to secure any other sum payable by an Owner under the terms of this Declaration, the Association shall be entitled to file in the Public Records of Hillsborough County, Florida, a notice of its claim of lien by virtue of this contract with the Owner. Said notice shall state the cost of said work and shall contain a description of the Lot against which the enforcement of the lien is sought. The lien herein provided shall date from the time that the expense is incurred, but shall not be binding against creditors until said notice is recorded. Each Lot shall stand as security for any expense due to the Association pursuant to Article VII or this Article and for any other sums due from the Owner to the Association hereunder, and in connection with such Lot, and this provision shall also be binding on the Owner of such Lot at the time the expense or obligation is incurred, who shall be personally liable. The amount secured by the lien herein provided shall be due and payable upon demand and if not paid, said lien may be enforced by foreclosure in the same manner as a mortgage. The amount due and secured by said lien shall bear interest at the highest contract rate of interest permitted by Florida law from time to time, from the date of demand, and in any action to enforce payment the Association shall be entitled to recover costs and attorneys' fees, which shall also be secured by the lien being foreclosed. The Owner shall continue to be liable for assessments levied by the Association during the period of foreclosure and the same shall be secured by the lien foreclosed. The Association shall have the right to bid at the foreclosure sale and acquire title to the Lot. The lien herein provided shall be subordinate to the lien of any mortgage, encumbering any Lot, recorded prior to the recording of a notice of lien, in favor of any institutional lender or mortgage company or insured by the FHA or guaranteed by the VA, provided, however, that any such mortgagee when in possession, any purchaser at any foreclosure sale, any mortgagee accepting a deed in lieu of foreclosure, and all persons claiming by, through or under any of the same, shall hold title subject to the obligations and lien herein provided.

Section 5. Utilities; Equipment and Fixtures. All fixtures and equipment installed within a Lot, and all fixtures and equipment serving only one Dwelling including without limitation, utility lines, pipes, wires, conduits and the like, shall be maintained and kept in good repair by the Owner of the Lot or the Dwelling served by