

Prepared by and return to:
Bert C. Simon, Esquire
Gartner, Brock and Simon
1660 Prudential Drive, Suite 203
Jacksonville, Florida 32207

**DECLARATION OF COVENANTS AND
RESTRICTIONS FOR
GRAND LANDINGS**

THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR GRAND LANDINGS (the "Declaration") is made by **THE RESERVE, LLC**, a Delaware limited liability company (the "Declarant") as of this 26TH day of April, 2007.

**ARTICLE I
INTRODUCTION AND DEFINITIONS**

1.1 Introduction

(a) Declarant is the owner of the real property located in Flagler County, Florida more particularly described on Exhibit "A" attached hereto (the "Property").

(b) Declarant hereby restricts the use of the Property and declares that the Property and all portions thereof (except to the extent specifically exempted herein) and all additions made in accordance with this Declaration, shall be held, occupied, sold, and transferred subject to the easements, restrictions, and covenants of this Declaration, the Club Declaration, and all Club Documents, which Declarant is imposing for the benefit of all owners of the Property or portions thereof for the purpose and with the intent of preserving the value and maintaining the desirability of the Property.

(c) Every Person acquiring title to any portion of the Property shall be deemed to have agreed to all of the terms and provisions of this Declaration and the Club Declaration, including the Club Documents, and shall be entitled to its benefits and subject to its obligations.

1.2 Definitions

Unless the context expressly requires otherwise, the words defined below whenever used in this Declaration and in the Governing Documents shall have the following meanings:

"Architectural Review Guidelines" means the most recent version of Grand Landings Architectural Review Guidelines promulgated by the Declarant from time to time, which sets forth architectural and landscaping guidelines and requirements for the construction of Residential Units on Lots.

"Architectural Review Committee" means the committee established under Article VIII hereof to review and approve or deny modifications, alterations, renovations, or reconstruction of the exterior of Residential Units or Lots.

"Assessment" means the Association's annual maintenance assessment for each Residential Unit as determined in accordance with the provisions of this Declaration, or an Owner's share of the common expenses or other charges from time to time assessed against an Owner by the Association. The Assessment shall not include any portion of the Club Dues.

"Association" means Grand Landings Master Homeowners' Association, a corporation not for profit organized pursuant to Chapter 617, Florida Statutes, its successors and assigns.

"Board" or "Board of Directors" means the Association's Board of Directors.

"Club" means The Grand Club, or all of the privately owned Club Property and Club Facilities.

“Club Charges” means those specific charges, service and/or use fees and charges established by Club Owner for individual services such as cart fees, greens fees, food and beverage charges, spa charges, services provided by an instructor, trainer or the like at the request of a Club Member (including, without limitation, tennis lessons, golf lessons, weight training and similar informative and educational lessons), as well as other charges for services not otherwise included in a dues related to a certain membership level in the Club.

“Club Declaration” means the Declaration of Covenants and Restrictions for The Grand Club, as may be amended from time to time, and each Supplemental Declaration of Covenants and Restrictions referring to the Club Declaration extending the terms thereof to additional property. The Club Declaration will be or is recorded in the Public Records of the County against title to the Property.

“Club Documents” means, collectively, the Club Declaration, as may be supplemented, the Club Membership Plan, and the Bylaws and Rules and Regulations associated with the Club, as may be amended from time to time.

“Club Dues” means the membership dues, fees, charges, and other expenses related to membership in the Club as set forth in the Club Membership Plan, as may be amended from time to time. Club Dues shall not include any portion of the Assessment.

“Club Facility” or “Club Facilities” means those facilities, improvements and personal property owned by Club Owner and operated by a Club Operator, which facilities, improvements and personal property are or may be located on Club Property. Club Facilities may be located in Flagler County as well as neighboring counties.

“Club Member” or “Club Members” means any person who is entitled to use the Club Facilities pursuant to the Club Documents.

“Club Membership Plan” means the membership plan for the offering of memberships in the Club and the rules, regulations, restrictions and policies associated with the Club, as may be amended from time to time.

“Club Operator” or “Club Operators” means the persons or entities operating a Club Facility, pursuant to a license agreement or other written agreement or authorization from the Club Owner.

“Club Owner” means the record owner, and any of its successors or assigns, from time to time of the Club, the Club Property and Club Facilities. The initial Club Owner shall be The Grand Club, LLC, a Delaware limited liability company, whose address is 10739 Deerwood Park Boulevard, Suite 300, Jacksonville, Florida 32256. Notwithstanding that Club Owner and Developer may be the same party, affiliates or related parties, each Owner acknowledges that Club Owner and Developer shall not be considered being one and the same and each shall be considered separate and apart and viewed in their separate capacities. The Club Owner shall not be deemed to be a member of the Association, but shall be subject to the covenants, conditions, restrictions and easements set forth in this Declaration, as the same may be applicable to the Club, Club Property or Club Facilities.

“Club Property” means the privately owned real property on which all or any portion of a Club Facility is constructed or intended to be constructed from time to time. The Club Property may consist of multiple, non-contiguous parcels of real property.

“Club Users” means the Club Owner, Club Facility Operators and their employees, agents, contractors, guests and invitees, and all Club Members and their guests and invitees.

“Common Areas” means all real property or any interest in real property from time to time owned by the Association or designated for ownership by the Association for the common use and enjoyment of all Owners, together with all improvements, fixtures, and tangible personal property now or hereafter situated thereon and all appurtenant easements. **THE COMMON AREAS DO NOT INCLUDE ANY PORTION OF THE CLUB PROPERTY.**

"Common Maintenance Areas" means all property from time to time designated by this Declaration or by the Declarant as a maintenance responsibility of the Association for the common use and enjoyment of all Owners, together with all improvements, fixtures, and tangible personal property now or hereafter situated thereon. Common Maintenance Areas may or may not be owned by the Association and may not be located within the Property. **THE COMMON MAINTENANCE AREAS DO NOT INCLUDE THE CLUB PROPERTY.**

"County" means Flagler County, Florida.

"Declaration" means this Declaration of Covenants and Restrictions for Grand Landings, and any supplemental declarations made in accordance herewith, and as may be amended from time to time.

"Declarant" means The Reserve, LLC, a Delaware limited liability company, whose address is 10739 Deerwood Park Boulevard, Suite 300, Jacksonville, Florida 32256, its successors and assigns to whom the rights of the Declarant hereunder are specifically assigned. Declarant may assign all or a portion of such rights in one or more assignments. In the event of a partial assignment, the assignee shall not be deemed the Declarant unless expressly stated in the assignment, but may exercise such rights of Declarant as are specifically assigned to it. Any assignment may be made on a non-exclusive basis.

"Governing Documents" collectively means this Declaration and any supplemental declarations made in accordance herewith, as amended from time to time, the Association's Articles of Incorporation (the "Articles"), the Association's By-Laws (the "By-Laws"), and the Club Declaration, as the same may be amended from time to time. Copies of the Articles are attached hereto as **Exhibit "B"**.

"Lakefront Lots" means all Lots having common boundaries with or containing within the Lot lines a portion of a lake or pond within the Property.

"Law" means any statute, ordinance, rule, regulation, or order adopted or enforced by the United States of America, or any agency, officer, or instrumentality thereof, or by the State of Florida, or any agency, officer, municipality, or political subdivision thereof, from time to time applicable to the Property or to any and all activities on or about the Property.

"Lot" means any plot of land shown on any recorded subdivision plat of the Property or portions thereof, which is intended as a building site for a Residential Unit, and which meets the minimum zoning and other governmental requirements for the construction and conveyance of fee simple title of a Residential Unit.

"Master Plan" means the conceptual plan for the development of the Property as determined by the Declarant from time to time, including the plan of development as described by the PUD Agreement. All references to the Master Plan shall be references to the latest revisions thereof.

"Members" means the members of the Association described in Article IV of this Declaration and in the Articles and By-Laws.

"Mortgage" means any mortgage, deed of trust, or other instrument validly transferring any interest in any Lot, or creating a lien on any Lot, in either case as security for performance of an obligation. The term "Mortgage" does not include judgments, involuntary liens, or liens arising by operation of Law. "First Mortgage" means any Mortgage constituting a lien prior in dignity to all other Mortgages encumbering the same property.

"Mortgagee" means the Person(s) named as the obligee under any First Mortgage, or the successor in interest to any such Person, including the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Authority and similar guarantors or insurers of First Mortgages.

"Owner" means the record owner, whether one or more Persons, of the fee simple title

to any Lot, including Declarant and contract sellers, but excluding contract buyers and any Person holding such fee simple title merely as security for the performance of an obligation. Owner does not include the Declarant, the Association, governmental authorities or utility companies as to their record ownership of the fee simple title to any portion of the Property that is not a Lot.

"Person" means any natural person or entity having legal capacity.

"Plat" means any subdivision plat of any portion of the Property recorded in the Public Records of the County and the recorded plat of any additional lands made subject to the provisions of this Declaration pursuant to the provisions hereof, and any amendments thereto.

"Property" means the real property in Flagler County, Florida, described in Exhibit "A" attached to this Declaration and such additions or deletions thereto as may be made in accordance with the provisions of this Declaration. **THE PROPERTY DOES NOT INCLUDE ANY PORTION OF THE CLUB PROPERTY.**

"PUD Agreement" means that certain The Grand Landings Planned Unit Development Agreement recorded at Official Records Book 1254, page 605 of the Public Records of Flagler County, Florida, as the same may be amended from time to time.

"Regulations" means any rules and regulations regarding the use of the Property duly adopted by the Association in accordance with the Governing Documents.

"Related Club Facility" means the Club Facility located in close proximity or contiguous to the Property and which has been designated a "Related Club Facility" by the Club Owner.

"Residential Unit or "RU" means any improved portion of the Property intended for use as a single family dwelling unit and which meets minimum governmental requirements for habitation as a dwelling unit, including without limitation, any single family attached or detached dwelling. Improvements shall constitute a Residential Unit at such time as construction of the improvement is sufficiently completed to receive final building inspection approval from the applicable governmental authorities or if such approval is not available, at such time as the improvements are substantially completed in accordance with applicable plans and specifications.

"Service Charges" means those costs and expenses for services such as intranet, Internet, television, radio telecommunications, and/or security services for the Lots and the Common Areas within the Property. Service Charges are collectable by the Association. Additional information is contained in paragraph 5.3 herein.

"SJRWMD Permit" means that St. Johns River Water Management District Permit identified in paragraph 3.6 hereof.

"Sports-Social Membership" means the minimum category of membership in the Club, which membership provides Club Members certain rights and privileges in the Club, the details of which are more fully set forth in the Club Membership Plan.

"Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, F.A.C.

"The Work" means the initial development of all or any portion of the Property pursuant to the Master Plan or the PUD Agreement by the construction and installation of streets, utility systems, community facilities, buildings, and other improvements, and the sale, lease, or other disposition of the Property as improved or unimproved parcels, but does not include the construction of individual Residential Units by Persons other than Declarant. Such term is to be broadly construed to include any and all activities, uses, structures, and improvements necessary, convenient, or

desirable to accomplish such construction and disposition.

ARTICLE II
PROPERTY RIGHTS AND COMMON AREAS

2.1 Common Areas.

(a) Conveyance of Common Areas. The Declarant will convey or cause to be conveyed to the Association in one (1) or more conveyances, and the Association shall accept the title to the Common Areas owned by Declarant at such time as in its sole discretion it deems appropriate. The conveyance shall be subject to taxes for the year of conveyance, restrictions, conditions, and limitations of record, and easements for ingress, egress, drainage, and utilities. Upon recordation of any deed or deeds conveying Common Areas to the Association, the Association shall be conclusively deemed to have accepted the conveyance evidenced by such deed or deeds.

(b) Right of the Declarant to Designate Property as Common Area or to Withdraw Property from the Common Area. Notwithstanding anything to the contrary contained in this Declaration, the Declarant shall have the right, in its sole discretion, to designate land, easements, use rights, and personal property owned by the Declarant as Common Areas provided only that such land shall be located within the Property or contiguous to the Property (for purposes of this subparagraph, property separated only by public or private roads, water bodies, or open space shall be deemed contiguous). For so long as the Declarant shall own any portion of the Property, the Declarant may, at any time, withdraw, or cause to be withdrawn, land from the Common Areas in the Declarant's sole discretion, except that if such withdrawal shall materially and adversely affect access or drainage to or from any Lot, the Declarant shall not have the right to withdraw the Common Area without the consent of the Owner of the affected Lot. Addition of land to and withdrawal of land from the Common Areas shall be evidenced by recording a deed or supplementary declaration in the public records of the County which shall specifically reference the addition or withdrawal. Withdrawal of land from the Common Areas by the Declarant shall terminate any and all easements and rights of use of the Owners in such land. No land owned by the Declarant shall be deemed to be Common Areas unless such land is expressly identified as Common Areas in this Declaration, as amended, or in supplemental declarations or in deeds to the Association, even if the Declarant consents or acquiesces to the use of such land by the Owners. In the event any land, easements, use rights, or personal property owned by the Association shall be withdrawn from the Common Areas pursuant to this Section, upon the Declarant's written request, the Association shall promptly execute and deliver to the Declarant any and all deeds, bills of sale, assignments or other conveyance documents as may be necessary or appropriate to confirm or effectuate the withdrawal of such Common Areas.

(c) Use by Declarant. Notwithstanding the transfer of ownership of the Common Areas to the Association, the Declarant shall have the right to use and occupy portions of the Common Areas without payment of any rents or use fees as a sales and marketing center until Declarant has sold all Lots within the Property but not greater than fifteen (15) years from the recording date of this Declaration. Declarant shall have the right to cause the Association to enter into a written agreement evidencing this right and no such agreement shall be deemed to be a violation of any fiduciary or other duty of the officers or directors of the Association authorizing or executing such written agreement. The Association shall also have the right and authority to allow, by rental agreement or otherwise, the use of Common Areas by Persons providing utility, telecommunications, security, or other services to the Property or the Club Property. The Association shall also have the right and authority to allow school, civic charitable social groups, and other non-profit organizations to use the Common Areas as determined from time to time by the Board of Directors, provided such use does not unreasonably interfere with the Owners use of the Common Areas.

2.2 Owner's Easements of Enjoyment. Every Owner of a Lot and his lessees have a nonexclusive right and easement of enjoyment in and to the Common Areas that is appurtenant to, and passes with, the title to every Lot subject to the easements and other property rights granted in this Article and to the following:

(a) Assessments. Assessments for maintenance, repair, and replacement of facilities, if any, situated upon the Common Areas as provided in this Declaration or other applicable

recorded instruments.

(b) Dedication. The right of the Owner of the Common Areas, with the consent of the Declarant if not the Owner of the Common Areas, to dedicate or transfer all or portions of the Common Areas or interests therein to any public agency, authority, or utility. Any dedication or transfer made by Declarant as part of The Work or prior to transfer of control of the Association to Owners other than Declarant shall not require the approval of the Owners or the Association. Any other dedication or transfer must be approved by two-thirds (2/3) or more of the Members of the Association at a meeting duly convened for such purpose, and must be evidenced by a recorded certificate of the Association executed by the Association with the formalities from time to time required for a deed under the laws of the State of Florida.

(c) Declarant. The rights of the Declarant hereunder to add or withdraw land from the Common Areas and to occupy and use portions of the Common Areas as a sales and marketing center.

(d) Rules and Regulations. The Association's right to adopt, alter, amend, rescind, and enforce reasonable Regulations governing the use of the Common Areas.

(e) Governing Documents. The provisions of the Governing Documents and all matters shown on any plat of all or part of the Property.

(f) Suspension of Use Rights. The Association has the authority to suspend for a reasonable period of time the right of a Member or a Member's family members, tenants, guests or invitees to use the Common Areas for violations of the Governing Documents or the Association's Regulations, as provided in the Governing Documents or applicable law. The suspension of use rights shall not impair a Member's or his tenant's right of ingress and egress to and from his Lot.

(g) Easements. The right of the Declarant and, following the conveyance of the Common Areas to the Association, the Board of Directors of the Association to grant easements for utilities or drainage across all or any part of the Common Areas to governmental entities, the Club Owner, or private parties as approved by the Declarant or the Board of Directors of the Association.

(h) Requirements of Law. The provisions of applicable Laws and all construction, water quality, environmental protection, and other permits issued in connection with the development of the Property.

(i) General. Real estate taxes and special assessments levied by governmental authorities having jurisdiction over the Common Areas and restrictions, limitations, easements of record.

The foregoing easements are limited to using the Common Areas for their intended purposes in a reasonable manner, and with respect to any particular use or activity, it is limited to those portions of the Common Areas from time to time improved or otherwise suitable for such use or activity.

2.3 Private Street Easement. Reference is made to the streets and other rights-of-way for ingress and egress shown on the Plat (the "Private Streets"). Declarant hereby grants to the Owners of Lots, the lawful occupants of Residential Units, the Association, the family members, employees, guests, invitees, and licensees of any of the foregoing, lawful delivery and pick up personnel, emergency medical and fire protection personnel, police and other authorities of the law, mail and parcel carriers, representatives of utilities authorized to serve the Property, holders of mortgages on the Property or any part thereof, and such other persons as Declarant may from time to time designate, a non-exclusive, perpetual easement for ingress and egress to and from the Lots and the Common Areas, across the Private Streets, subject to the right hereby reserved by Declarant, for itself and its successors, assigns, authorized agents, or designees, to install, erect, construct, and maintain electric, water, sewer, telecommunications, and other utility and drainage lines and facilities therein, and the right of Declarant to grant easements in, over, and under the Private Streets for any purpose deemed appropriate by Declarant. Declarant reserves to itself the right to limit, restrict, or deny ingress to any person, except Owners and their mortgagees, who, in the sole determination of Declarant, do not belong or have business on the Property, or who may create or participate in a

disturbance or nuisance on any part of the Property, or who are violating or may violate a provision of this Declaration. Declarant further reserves to itself the right, but not the obligation, to regulate all types of vehicular traffic and parking on all or any part of the Private Streets, and to require the removal of any shrub, tree, fence, wall, or other item which, in the sole opinion of Declarant impairs or obstructs the vision of a motorist on the Private Streets. Declarant reserves the right to assign in whole or in part the rights reserved herein to any Person, including the Association. The foregoing easements for ingress and egress are limited to using the Private Streets for their intended purpose in a reasonable manner, and with respect to any particular use or activity, it is limited to those portions of the Private Streets from time to time improved or otherwise suitable for such use or activity.

2.4 General Easements. All Lots are subject to perpetual easements:

(a) to the Association for ingress and egress and for the performance of the Association's duties hereunder;

(b) for the drainage of ground and surface waters in the manner established by Declarant as part of The Work. In addition to the easements shown on any Plat, each Lot is subject to perpetual drainage easements along each side Lot line in the amount of three (3) feet for the installation, maintenance, and use of drainage ditches, pipes, or other drainage facilities; and

(c) to the Association over all areas of the Surface Water or Stormwater Management System for access to operate, maintain, or repair the system. By this easement, the Association shall have the right to enter upon any portion of any Lot which is a part of the Surface Water or Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water or Stormwater Management System as required by the SJRWMD Permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including buffer areas or swales, without the prior written approval of the SJRWMD; and

(d) to Club Owner, Club Operator, and all Club Members, guests, invitees, licensees, employees, agents, contractors and designees of the Club Owner, Club Operator and the Club for ingress and egress over and across all streets and roadways that may exist on the Property for the purpose of accessing and utilizing the Club Property, together with all easements created under Article IX hereof; and

2.5 Property Boundary Fence. As part of The Work, Declarant may construct a privacy fence or landscaped buffers across some of the Lots and portions of the Common Areas to separate the Property or portions thereof, and provide a buffer from adjoining portions of the Property, right-of-ways, or other properties (the "Property Boundary Fence"). All Lots upon which portions of the Property Boundary Fence are located are subject to an exclusive perpetual easement for the location of the Property Boundary Fence. All such Lots are also subject to easements to the Association for the maintenance, repair, and replacement of the Property Boundary Fence and the landscaping associated therewith, which may be exercised by the Association if the Lot Owner fails to properly maintain the Property Boundary fence as hereinafter provided.

2.6 Plat Easements. Reference is made to the utilities, drainage, ingress and egress, non-access, and other easements shown on a Plat. The Declarant shall have the unrestricted right without the approval or joinder of any other Person to designate the use and to alienate, release, or otherwise assign the easements shown on a Plat unless such easements have been previously conveyed or dedicated. The easements may be used to construct, maintain, and operate water mains, drainage ditches, sewer lines, and other suitable installations for drainage and sewage disposal, or for the installation, maintenance, transmission, and use of electricity, gas, telephone, telecommunications, cable systems, and other utilities, whether or not the easements are shown on the Plat to be for drainage, utilities, or other purposes. The Owners of the Lots subject to easements shown on the Plat shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under the easement area. The Owner of a Lot subject to any easement shall not construct any improvements on the easement areas, nor alter the flow of drainage, nor landscape such areas with hedges, trees, or other landscape items that might interfere with the exercise of the easement rights. If any Owner constructs any improvements on such easement areas or landscapes such areas as aforesaid, the Owner of the Lot shall remove, at the

Owner's expense, the improvements or landscape items upon written request of Declarant, the Association, or the grantee of the easement. If the Owner fails to promptly remove improvements or landscaping, the Declarant, the Association, or the grantee of the easement may enter on the Lot and remove the improvements or landscaping at the expense of the Owner, who shall reimburse the cost of removal within fifteen (15) days of demand. The party removing the improvements or landscaping shall not be responsible for any damage caused by the removal and shall not be required to restore any portion of the Lot damaged by the removal.

2.7 Lake Related Easements. The Association is hereby granted perpetual unobstructed drainage easements through the lakes, marshes, and other wetlands situated in whole or in part on the Property that are a part of the Surface Water or Stormwater Management System for use and maintenance as an outfall for the drainage of storm and surface waters. Each Lakefront Lot is subject to an easement to the Association from the top of the lake embankment to the rear Lot lines (including any submerged portions of the Lot) for the installation, use, maintenance, repair, and replacement of stormwater filtration and retention systems and related facilities including bulkheads. The Association shall also have perpetual easements across each Lakefront Lot for ingress and egress to such lake for the purposes of exercising any right or performing any obligation provided in this Declaration, on a Plat, or by Law, subject to the provisions of paragraph 5.6 hereof. Any such rights or obligations shall not supersede the provisions of Article VII hereof that require Lakefront Owners to maintain the lake shoreline located adjacent to their property.

2.8 All Rights and Easements Appurtenant. The benefit of all rights and easements granted by this Article constitute a permanent appurtenance to, and pass with, the title to every portion of the Property enjoying such benefit. Whenever any such right or easement is described as nonexclusive by this Article, its benefit nevertheless is exclusive to the portions of the Property granted such benefit by this Article, unless this Article expressly grants such benefit to additional Persons. In no event does the benefit of any such easement extend to the general public.

2.9 Ownership Rights Limited to Those Enumerated. No transfer of title to any Lot passes any rights in and to the Common Areas, except as expressly enumerated in this Declaration. No provision in any deed or other instrument of conveyance of any interest in any Lot shall be construed as passing any right, title, or interest in the Common Areas, except as expressly provided in this Declaration. Any Owner may delegate his right of enjoyment and other rights in the Common Areas to any Persons from time to time lawfully occupying such Owner's Lot, subject to the Association's Regulations.

2.10 Platting and Subdivision Restrictions. Declarant may from time to time plat or replat all or any part of the Property owned by Declarant, and may widen or extend any right-of-way shown on the Plat or convert a Lot or other portions of the Property for use as a right-of-way or other uses, provided that Declarant owns the lands where such changes occur. Declarant may also establish covenants and restrictions and amendments thereto with respect to any such portion of the Property.

2.11 Club Property. THE CLUB PROPERTY SHALL BE OWNED, DEVELOPED, OPERATED, REPAIRED, AND MAINTAINED BY THE CLUB OWNER OR CLUB OPERATOR, AND NO LOT OWNER SHALL HAVE ANY OWNERSHIP INTEREST IN THE CLUB PROPERTY. THE CLUB, CLUB PROPERTY AND CLUB FACILITIES ARE NOT A PART OF THE COMMON AREAS OR COMMON MAINTENANCE AREAS AND ARE NOT AFFILIATED WITH THE ASSOCIATION. THE ASSOCIATION SHALL HAVE NO MAINTENANCE OBLIGATIONS WITH REGARD TO THE CLUB PROPERTY. ACCESS TO AND USE OF THE CLUB PROPERTY AND CLUB FACILITIES SHALL BE STRICTLY IN ACCORDANCE WITH THE CLUB DECLARATION, THE RULES, REGULATIONS, RESTRICTIONS AND POLICIES OF THE CLUB FACILITIES, CLUB OWNER OR CLUB OPERATOR, AND AS PROVIDED IN ARTICLE IX OF THIS DECLARATION. NOTWITHSTANDING THE FOREGOING, ALL OWNERS OF LOTS SHALL, BY ACCEPTANCE OF TITLE TO THE LOT, BE DEEMED TO HAVE ASSUMED THE OBLIGATION TO BECOME A CLUB MEMBER, AS PROVIDED IN THE CLUB DECLARATION, AND SUCH OWNER SHALL BE SUBJECT TO THE SAME MEMBERSHIP REQUIREMENTS, CLUB DUES, FEES, AND RULES, REGULATIONS, RESTRICTIONS AND POLICIES OF THE CLUB AND CLUB OWNER OR CLUB OPERATOR AS THE SAME ARE APPLICABLE TO OTHER CLUB MEMBERS.

ARTICLE III
USE RESTRICTIONS

3.1 Residential Use.

(a) Permissible Uses. Each Residential Unit and the Lot upon which the Residential Unit is constructed shall be used for single family residential purposes only, and no foster care homes, day care homes, or community residential homes are permitted. No trade, business, commercial activity, or profession may be conducted in, on, or from any Residential Unit or the Lot upon which the Residential Unit is constructed, except that a "home office" may be maintained within each Residential Unit, provided that: (i) no work or service is conducted on the Lot that can be seen or heard outside of the Residential Unit; and (ii) there is not a material increase in traffic to and from the Lot; and (iii) no one other than the Owner or lawful occupants of the Residential Unit shall regularly work at or visit the "home office" for business purposes. The letting, renting, or leasing of Residential Units for non-transient residential purposes shall not constitute a trade or business.

3.2 Architectural Standards.

(a) Initial Construction. No building, fence, wall, mailbox, swimming pool, driveway, or other improvements, including landscaping, shall be installed or constructed on a Lot, nor may the Lot be cleared for construction of improvements or the installation of landscaping, except in accordance with plans and specifications (including a site plan and landscape plan for the Lot) showing the nature, kind, height, color, materials, location, and other pertinent information (including samples of materials when requested) about the proposed improvements that have been approved in writing by the Declarant in accordance with the procedures described in Article VIII hereof.

(b) Modifications of Exteriors. An Owner may not cause or permit any alteration, modification, renovation, or reconstruction to be made to the exterior of his Residential Unit or Lot including driveways and landscaped areas, nor make any additions to the exterior of his Residential Unit including the installation of window air conditioners, except in accordance with plans and specifications (including site plans and landscaping plans when applicable) showing the nature, kind, height, color, materials, location, and other pertinent information (including material samples when requested) that have been approved by the Architectural Review Committee.

3.3 Minimum Square Footage. Residential Units shall have a minimum square footage of interior heated and air conditioned living area, exclusive of garages, porches and patios based on the Lot size. The minimum square footage shall be the most restrictive square footage permitted by either the PUD Agreement or the Architectural Review Guidelines.

3.4 Other Structures. Except as to items initially approved by the Declarant, no sheds, tanks, storage buildings, clothes lines, basketball hoops or support structures, children's play structures, dog houses, gazebos, swimming pools, or structures of any type, whether similar or dissimilar to those herein enumerated and whether intended to be temporary or permanent, may be erected on a Lot, unless approved by the Architectural Review Committee. Basketball hoops or support structures may not be attached to the Residential Unit and must be easily removed and stored within the Residential Unit when not in use. No shed or outbuilding of any kind shall be at any time used as a residence either temporarily or permanently. Prior to the start of construction of the Residential Unit, no trailer, mobile home, shed, or outbuildings shall be erected or permitted to remain on any Lot, nor shall any construction materials or other items be stored on the Lot, except as approved by Declarant.

3.5 Landscaping. In connection with the initial construction of a Residential Unit on a Lot, complete landscaping plans for the Lot shall be prepared and submitted with the Lot site plan and the Residential Unit plans and specifications as part of the architectural approval process. All landscaping plans shall include an automatic underground sprinkler system covering the entire Lot. Site plans and landscaping plans shall be designed to preserve, to the maximum practical extent, existing trees. No living trees measuring ten (10) inches or more in diameter at a point two (2) feet above the ground may be removed without the written approval of the Declarant unless located within five (5) feet of the approved location of the Residential Unit or within the approved driveway

location. Any Person removing trees in violation of this covenant shall pay to the Association a stipulated liquidated damage sum of Two Hundred Dollars (\$200.00) per inch of diameter measured two (2) feet above the ground for each tree.

3.6 Permits and Restrictions. Reference is made to the St. Johns River Water Management District ("SJRWMD") Permit No. 40-035-101006-1 and the United States Army Corp of Engineers ("USACE") Permit No. SAJ-2005-6007-JKM, copies of which are on file in the offices of the Association. The Property has been developed in accordance with requirements of these permits and the Association has the obligation to assure that all terms and conditions thereof are enforced. The Association shall have the right to bring an action, at law or in equity, against a Lot Owner violating such permits.

All Owners of Lots shall, by acceptance of title to the Lot, be deemed to have assumed the obligation to comply with the requirements of the foregoing permits as such relate to the Lot. Except as required or permitted by the foregoing permits issued by the USACE and SJRWMD, no Owner of a Lot shall alter, fill, dredge, place sod or excavate, or perform similar activities on any portion of their Lot which contains jurisdictional wetlands, uplands buffers, or conservation areas as established by the USACE or SJRWMD, unless and until such activity is authorized by or exempt from the requirements of USACE and SJRWMD. In the event that a Lot Owner violates the terms and conditions of such permits and for any reason the Declarant or the Association is cited therefor, the Lot Owner agrees to indemnify and hold the Declarant and the Association harmless from all costs arising in connection therewith, including without limitation all costs and attorneys' fees as well as costs of curing such violation.

3.7 Fences and Walls.

(a) General. Except as to items initially approved by the Declarant, no fences or walls of any kind shall be placed or installed on the Property without the written approval of the Architectural Review Committee. The foregoing includes the right to regulate the size, location, style, and color of all fences and walls, and to require styles and colors compatible with other fences and improvements. Hedges or dense vegetation are encouraged as a preferred method for privacy screening. Chain link or other forms of wire fences shall not be permitted.

(b) Property Boundary Fence. Without the prior written approval of the Declarant, the Property Boundary Fence, as described in Article II hereof, may not be removed, altered, or modified in any manner whatsoever nor used for any purpose except to provide privacy to the Property.

(c) Preservation of Easement Rights. Specific reference is made to the easements shown on the Plat and reserved in this Declaration. No fence, wall, or other improvement that interferes with exercise of these easement rights may be constructed, installed, or maintained in these easement areas. Any improvements or landscaping located in these easement areas are subject to removal at the expense of the Owner of the Lot when requested by Declarant, the Association, or the grantee of the easement.

3.8 Setback Lines. To assure that structures, driveways, and other improvements will be located with regard to adjacent residences and the topography of each Lot and to preserve trees, the Declarant shall have the right to approve the location of all structures and other improvements initially constructed on all Lots, subject to compliance with zoning regulations and the PUD Agreement.

3.9 Parking Restrictions, Garages, and Driveways.

(a) Parking. No vehicle, boat, mobile home, or trailer may be parked, stored, or repaired anywhere within the Property except that functional passenger automobiles, vans, motorcycles, and non-commercial trucks of one (1) ton capacity or less (collectively "Permitted Vehicles") may be parked in the garage or driveway of the Residential Unit, or in any approved parking areas on the Lot. Boats, trailers, motor homes, recreational vehicles, and other vehicles that are not Permitted Vehicles may be regularly parked only in the garage of a Residential Unit. No parking places may be constructed on any Lot, except as constructed in accordance with plans and specifications approved by Declarant. Commercial vehicles or any Permitted Vehicles with

advertising thereon shall not be parked within public view on a regular basis. Streets within the Property shall not be regularly used for parking. No inoperative vehicle of any type shall be allowed to remain either on or adjacent to any Lot for a continuous period in excess of forty-eight (48) hours; provided, however, this provision shall not apply to any such vehicle being kept in the garage of a Residential Unit and not visible from the street or neighboring Lots. Additional rules and regulations regarding the use, repair, and storage of vehicles on the Property may be promulgated from time to time by the Board. The Association may enforce the foregoing restrictions in any lawful manner, including the imposition of reasonable, uniform fines for willful or repeated violations. Nothing in this paragraph prohibits the emergency repair or servicing of Permitted Vehicles, so long as such repair or servicing is completed within forty-eight (48) hours, or the occasional parking of vehicles by delivery personnel or guests of Owners in a manner not complying with this paragraph. The foregoing parking restrictions shall not apply to operations relating to the Club.

(b) Garages. All Residential Units must be constructed with a garage (attached or detached) which shall contain at least two (2) standard size parking places usable for parking vehicles. All garage doors shall be kept closed when not in use and must have electric door openers which shall be maintained in a useful condition. Garage entrances for vehicles shall face toward a side or the front of the Lot as specified in the Architectural Review Guidelines. No garage shall be permanently enclosed or converted to another use.

(c) Driveways. All improved Lots shall have a paved driveway constructed of a material approved by the Declarant as part of the plans and specifications for the Residential Unit.

3.10 Antenna Systems. No antennas, masts, towers, poles, aerials, satellite dishes, or similar appurtenances shall be erected, constructed, or maintained on the exterior of any Residential Unit or Lot, except that two (2) satellite dishes of one (1) meter or less may be installed, subject to reasonable Architectural Review Criteria established by the Declarant and reviewed by the Architectural Review Committee regarding location and screening which do not unreasonably interfere with signal reception.

3.11 Occupancy and Leasing Restrictions.

(a) Occupancy. Each of the Residential Units shall be occupied only by the Owner or lessee of a Residential Unit, members of their family, their servants, and nonpaying social guests. Entire Residential Units may be rented provided the occupancy is only by the lessee and the members of their family, servants and nonpaying social guests. The occupancy of a Residential unit shall be limited to two (2) times the number of bedrooms in such Residential Unit.

(b) Lease Requirements. All rentals of Residential Units shall be documented by a written lease which shall set forth, among other things, the address of the Residential Unit, the name(s) of the tenants, the lease commencement date, and the term. A copy of the fully executed lease shall be delivered by the Owner to the secretary of the Association within five (5) days of the full execution of such lease. Rentals of less than ninety (90) consecutive days in duration or the operation of a rooming house, hostel, or hotel shall be deemed to be a commercial use for purposes of enforcement of this Declaration, and are prohibited. No more than two (2) leases may be executed for a Residential Unit during any twelve (12) month period based on the date of commencement of the lease. In the event that a tenant desires to extend its lease period, such extension period shall not be less than ninety (90) consecutive days. The tenants who are occupying a Residential Unit pursuant to a written lease shall be permitted to use the Common Areas during the lease term, provided that the tenants comply with any and all policies and Regulations of the Association and that the Owner assigns to such tenant and relinquishes its right to use the Common Areas during the lease term. In addition, such tenants may use the Owner's membership in the Club provided that such Owner assigns to such tenant and relinquishes its right to use the Club Property and Club Facilities during the lease term.

(c) Compliance. All tenants shall be subject to the terms and conditions of the Governing Documents and the Regulations promulgated thereunder as if such tenant were an Owner. In addition, if an Owner assigns to such tenant and relinquishes the right to use the Club Property and Club Facilities during the lease term, the tenants shall be subject to the Club Declaration and all rules, regulations, restrictions and policies of the Club Facilities. Each Owner agrees to cause his lessee, and the occupants or persons living with Owner or with his lessee to comply with the

Governing Documents and the Regulations promulgated thereunder, and, if applicable, the Club Declaration and all rules, regulations, restrictions and policies of the Club Facilities. Each Owner is responsible and liable for all violations and losses caused by such tenants or occupants, notwithstanding the fact that the occupants of the Residential Unit are also fully liable for any violation of such documents. In the event that a lessee or occupant violates a provision of the documents, the Board shall have the power to bring legal proceedings against the lessee to recover sums due for damages or injunctive relief, or for any other remedy available at law or equity. The Owner will be jointly and severally liable with the tenant to the Association for any amount (as determined in the sole discretion of the Association) which is required by the Association to repair any damage to any portion of the Property or to pay any claim for personal injury, death or damage to property caused by the act or omission of the tenant. Special assessments may be levied against the Lot for such amounts.

3.12 Animals. No animals, livestock, or poultry shall be raised, bred, or kept anywhere within the Property, except that common household pets may be kept by the occupants of each Residential Unit, provided such pets are not kept, bred, or maintained for any commercial purpose and provided further that such pets are neither dangerous nor a nuisance to the residents of the Property. No pet shall be allowed to run at large and all pets shall be kept within an enclosed area, which area must be clean, sanitary, and reasonably free of refuse and waste. No pets may be maintained, kept, cared for, or boarded for hire or remuneration and no kennels for boarding or operation shall be allowed. "Common household pets" means dogs, cats, domestic birds, and fish. Dogs must be kept on a leash or within enclosed areas at all times. The Association may establish a maximum number of pets that may be kept on a Lot.

3.13 Storage of Fuel Tanks, Garbage, and Trash Receptacles. All above ground tanks, cylinders, or containers for the storage of liquefied petroleum, gas or other fuels, garbage or trash, must be located inside of Residential Units or within side or rear yards and must be screened from view from adjacent Lots and the adjacent streets. Except for regular collection and disposal, no rubbish, trash, garbage, or other waste material or accumulations shall be kept, stored, or permitted anywhere within a Lot, except inside the Residential Unit, or in refuse containers concealed from view. Burning of trash, rubbish, garbage, leaves, or other materials in the open, by an incinerator or otherwise is not permitted.

3.14 Water and Sewage Utilities. All potable water and sewage facilities and service to the Property shall be supplied by the central water supply and sewage system installed by Declarant as part of The Work. No septic tank may be constructed on any Lot, and no wastewater may be discharged on the open ground or into the lakes.

3.15 Renewable Resource Devices. Nothing in this Declaration shall be deemed to prohibit the installation of energy devices based on renewable resources (e.g., solar collector panels); provided, however, that same shall be installed only in accordance with the reasonable standards adopted from time to time by the Architectural Review Committee and with such Committee's approval. Such devices may not be installed on the portion of the roof of a Residential Unit facing the adjacent street. The standards shall be reasonably calculated to maintain the aesthetic integrity of the Property without making the cost of the aforesaid devices prohibitively expensive.

3.16 Signs, Mailboxes, Banners, and Flags. No sign of any kind shall be displayed to public view within the Property, except customary address signs and a sign of reasonable size provided by a contractor for security services (provided that such sign is within ten (10) feet to the entrance of any Residential Unit) provided that such signs are in compliance with the Architectural Review Guidelines, except signs as may installed or maintained by the Declarant. All signs permitted by this subsection must be approved by the Declarant (as to initial construction of address signs) or the Architectural Review Committee. The size, design, and color of all mailboxes and the supporting structures must be approved by the Declarant and must comply with the United States Postal Service regulations. One (1) flag of the United States of America may be displayed on each Lot in accordance with the rules and regulations established by the Architectural Review Committee. No banners or other flags may be displayed on a Lot, except as permitted by Architectural Review Committee regulations.

3.17 Outdoor Drying of Laundry. Outdoor drying of laundry or other items must be done in areas that are completely screened from view from adjacent Lots and streets.

3.18 Window Treatments and Air Conditioners. No reflective foil, reflective glass, or other reflective material shall be installed or maintained on any windows of a Residential Unit. The portion of drapes, blinds, and other window coverings visible from the outside of the Residential Unit shall be a solid (non-patterned) color. No window air conditioning units shall be permitted. All exterior components of air conditioning units shall be screened from view from adjacent Lots and streets by approved fences, walls, or shrubbery, which items shall be installed to minimize noise from the air conditioning unit.

3.19 Security Alarms. Security alarms audible outside of the Residential Unit must be connected to a monitoring service that is able to shut-off the alarm, or the security alarm must automatically shut-off after not more than fifteen (15) minutes.

3.20 Noise.

(a) The Property is located in close proximity to the Flagler County Airport and the Declarant reserves the right permit use of a portion of the Property as a fly-in community. Accordingly, persons residing on the Property may occasionally hear audible noises emanating from aircrafts in the area. By acceptance

(b) Subject to the provisions of paragraph 3.20(a) above, all sounds emanating from within Residential Units or from Lots, including without limitation, talking, singing, television, radio, audio equipment, or musical instruments, shall be maintained from 10:00 p.m. until 7:00 a.m. at such volume as is not audible beyond the boundaries of the Lot from which it originates, and at all times so as not to constitute a nuisance or unreasonable annoyance to other occupants of the Property or Club Property. In addition, no activity or use shall be allowed upon the Property which causes annoyance, embarrassment or discomfort to Owners or their tenants or invitees, or which interferes with the peaceful possession and proper use and enjoyment of the Property, subject to the provisions of paragraph 3.20(a) above.

3.21 General Prohibitions and Indemnity. No Owner or their tenant shall be permitted to engage in any activity within the Property or Club Property or keep, store, or emit any object or substance which is violation of Law. In addition, no Owner or their tenant shall make any immoral, improper, offensive, or unlawful use of the Property or Club Property or any part thereof and shall observe all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. No Owner or their tenant shall commit any noxious, destructive, or offensive activity within the Property or Club Property, or shall do anything within the Property or Club Property that may constitute a nuisance to any other Person lawfully occupying any portion of the Property or Club Property. Each Owner shall defend, indemnify, and hold the Association or, if applicable, the Club Owner, and other Owners harmless against all loss from damage or waste caused by such Owner, or by any occupant of such Owner's property. Notwithstanding the foregoing, or any other provision of this Declaration to the contrary, an Owner's liability for unintentional acts or omissions is limited to the available proceeds of any insurance maintained by such Owner or the Association or, if applicable, the Club, if, at the time of such act or omission, such Owner or the Association or, if applicable, the Club, has reasonably adequate insurance in force. Collection of such proceeds is at the Association and Club's risk. To the extent from time to time available, the Association's and Club's insurance must provide for waiver of subrogation by the Association's or Club's insurer against any Owner because of any unintentional act or omission for which such Owner is responsible under this paragraph.

3.22 Casualty Damage. In the event of damage or destruction by fire or other casualty to the improvements on any portion of the Property, unless the improvements are completely destroyed, the Owner shall repair or rebuild such damaged or destroyed improvements in a good and workmanlike manner, within a reasonable time not to exceed one (1) year, unless the Owner has elected not to restore such improvements. In all cases, all debris must be removed and the parcel restored to an orderly condition as soon as possible, but not to exceed one hundred twenty (120) days after such damage or destruction.

3.23 Approved Builders. To assure that all construction undertaken on the Property is of first class quality and to ensure that all residences constructed on the Property conform to the architectural standards established from time to time pursuant to this Declaration, the construction of

any and all improvements on a Lot, including the Residential Unit and sidewalk, must be undertaken only by a builder who is then a member in good standing in the participating builder program established by Declarant (the "Approved Builders"). Declarant retains full authority to select or deny builders as Approved Builders. A list of current Approved Builders shall be available at the office of the Association.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

4.1 Membership in the Association. Every Owner of a Lot is a Member of the Association and is entitled to one (1) membership for each Lot owned. Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title to the Lot whereupon the membership of the previous Owner automatically terminates. No Person other than an Owner of a Lot may be a Member of the Association, and a membership in the Association may not be transferred or encumbered except by the transfer of title of the Lot to which it is appurtenant.

4.2 Classification. The Association has two (2) classes of voting membership:

(a) Class A. So long as there is Class B membership, Class A Members are all Lot Owners except Declarant. Class A Members are entitled to one (1) vote for each Lot owned by the Lot Owner, except as herein provided regarding the Declarant. Upon termination of Class B Membership, Class A Members are all Lot Owners, including Declarant so long as Declarant is an Owner.

(b) Class B. The Class B Member is Declarant who is entitled to ten (10) votes for each Lot and proposed Lot owned by Declarant within the Property. The provisions of Article VI of the Declaration exempting portions of the Property owned by the Declarant from the Association's assessments do not affect the calculation of the Class B Member's voting rights under this Article. The Class B membership will cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs first: (i) when the total outstanding votes of Members other than Declarant equal the total outstanding votes of the Declarant; (ii) ten (10) years from the recording date of this Declaration; or (iii) the effective date of the written waiver of the Class B voting rights by the Class B Member. For purposes of this subparagraph, "Members other than Declarant" shall not include builders, contractors, or others who purchase a Lot for the purposes of constructing improvements thereon for resale.

4.3 Co-Ownership. If more than one (1) Person holds the record title to any Lot, all such Persons are Members of the Association but only one vote may be cast with respect to such Lot, and no fractional votes are permitted. Each co-owner must file the name of the voting co-owner with the secretary of the Association to be entitled to vote at any meeting, unless such co-owners have filed a general voting authority with the secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held by husband and wife, either co-owner is entitled to cast the vote for such Lot unless and until a written voting authority is filed with the Association designating a voting co-owner. If title is held by a corporation, the secretary of the corporation shall file with the Association a certificate designating the authorized voting representative of the corporation, which shall be effective until rescinded by the corporation.

4.4 Inspection of Association Records. All books, records, and papers of the Association, including copies of the Governing Documents and the Regulations, must be open to inspection and copying at the Association's principal office located within the State of Florida during reasonable business hours by any Owner and by Declarant, so long as Declarant is a Member of the Association in accordance with the provisions set forth in the By-Laws. Such right of inspection may be exercised personally or by one (1) or more representatives. Upon request, the Association also will furnish to any such Person copies (certified, if requested) of any of its books, records, and other papers, although the Association may make a reasonable, uniform charge for such copies and certification.

4.5 Extraordinary Action. The Articles provide that certain actions of the Association as described in the Articles require the approval of a super-majority of the Members of the Association. In addition, any such action shall require the written approval of the Declarant for so long as the

Declarant is a member of the Association.

4.6 Amplification. The Members of the Association shall elect the Board of Directors of the Association, who shall manage the affairs of the Association. The Board of Directors shall appoint officers of the Association to administer the operation of the Association. The provisions of this Article are amplified by the Association's Articles and By-Laws, but no such amplification shall alter or amend substantially any of the rights or obligations of the Owners set forth in this Article. Declarant intends that the provisions of this Declaration and the Articles and By-Laws be interpreted and enforced to avoid inconsistencies or conflicting results. If any such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles or By-Laws to the contrary.

ARTICLE V

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

5.1 The Common Area.

(a) General. Subject to the rights of the Declarant and the Owners, as set forth in this Declaration, the Association has exclusive management and control of the Common Areas, and all of its improvements, fixtures, furnishings, equipment, and other related personal property. The Association shall maintain the Common Areas and all landscaping and personal property located on the Common Areas in a safe, clean, attractive, sanitary, and serviceable condition, and in good order and repair. The Association's duties with respect to the Common Areas commence upon substantial completion of each facility, whether or not title has been conveyed to the Association, and include the management, operation, maintenance, repair, replacement, and renewal of all improvements, equipment, and tangible personal property installed by Declarant as part of The Work, and any replacements or additions thereto made in accordance with the provisions of the Governing Documents. The Association shall have no rights or obligation with regard to management and control of the Club Property or Club Facilities as the Club Property and Club Facilities are not part of the Common Areas or Common Maintenance Areas.

(b) Insurance. The Association shall keep any insurable improvements located on the Common Areas or Common Maintenance Areas if the improvements are owned by the Association, if any, including fixtures and personal property of the Association, insured to the maximum insurable replacement value, as determined by the Board of Directors. The insurance shall provide coverage against loss or damage by fire or other hazards covered by a standard extended coverage endorsement and such other risks as from time to time are customarily covered with respect to improvements similar in construction, location, and use, including vandalism and malicious mischief and flood and water damage, if the Common Areas are at any time located in a federally designated flood area and flood insurance is available under the National Flood Insurance Program. The Association shall carry public liability insurance in amounts and with coverage as determined by the Board of Directors, but not less than One Million Dollars (\$1,000,000.00) for bodily injury and property damage for any single occurrence. To the extent from time to time available, the Association's insurance must provide for waiver of subrogation by the Association's insurer against any Owner because of unintentional acts or omissions.

5.2 Common Maintenance Areas. The cost of maintaining, repairing, or replacing any Common Maintenance Areas designated as such by the Declarant, the Association, or this Declaration and the improvements and personal property located thereon, shall be a common expense of the Association payable by all Lot Owners as set forth herein.

(a) Lake Maintenance. The Association shall maintain the lakes and ponds that are a part of the Surface Water or Stormwater Management System in accordance with applicable permits and governmental requirements, notwithstanding that a portion of any lake or pond may be located within one or more Lots. Subject to the rights of the Declarant and the County, and other governmental authorities, the Association shall be responsible to maintain in good condition the water quality of the lakes and ponds and to control the growth and removal of plants and fungi within the lakes. The Association shall also maintain those portions of PUD Agreement designated by applicable permit as conservation tracts, stormwater management tracts, or similar designations, in accordance with all permit requirements, rules, and regulations promulgated by all local, state, and federal authorities having jurisdiction.

(b) Surface Water Management. The Association shall operate and maintain the Surface Water Management System in accordance with the permits issued by the Florida Department of Environmental Protection, the SJRWMD, and the USACE and all regulations or conditions applicable thereto, including all lakes, littoral areas, retention areas, drainage easements, "Private Easements" shown on a Plat, control structures, underdrains, culverts, and filtration systems. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance, or other Surface Water or Stormwater management capabilities as permitted by the SJRWMD. Any repair or reconstruction of the Surface Water Management System shall be as permitted, or if modified, as approved by the SJRWMD. All maintenance obligations of the Surface Water Management System of the Association shall be performed as ordered by the Board of Directors of the Association, and the cost of such maintenance incurred by the Association pursuant to this subparagraph shall be a common expense of the Association to be collected and paid by the Lot Owners in the manner prescribed by this Declaration. Any modification of the Common Areas that would adversely affect the Surface Water or Stormwater Management System must have the prior approval of the SJRWMD and the Declarant.

(c) Landscaped and Grassed Areas.

(i) The Association shall maintain, repair, and replace all landscaping and grassed areas: (A) within the rights-of-way within the Property, unless a Lot fronts thereon, in which case the Lot Owner shall maintain the area; (B) at the entranceways to the Property, including any entranceways to subdivisions within the Property; (C) on or about lift station sites or other utility parcels within the Property; (D) which have been designated on the Plat or the Master Plan as landscaped buffer zones or landscaped areas; and (E) which have been designated as Common Maintenance Areas by the Declarant, except such portions of the aforesaid areas to be maintained by Lot Owners under the provisions of Article VII hereof. The foregoing shall include all sprinkler systems, pumps, and other related improvements installed by Declarant in such areas.

(ii) Declarant grants to the Association a revocable license to use the water drawn from the lakes within the Property or reclaimed water supplied to the Association for the purpose of irrigating the above described landscaped areas, subject to applicable permits and the rights of the Declarant. The Declarant shall have the sole right to allocate the usage of the water among itself, the Association, the Club Owner, Club Operator and others, but agrees to make available lake water to the Association for irrigation to the extent the water supply is sufficient, as determined by the Declarant. Following transfer of control of the Association from the Declarant to Lot Owners, the Association shall have the sole right to determine water supply allocation as it applies to the above described landscaped areas.

(iii) Also, Declarant grants to Club Owner a non-exclusive perpetual easement to use the water drawn from the lakes within the Property or reclaimed water supplied to the Association for the purpose of irrigating the Club Property and related landscaped areas, subject to applicable permits and the rights of the Declarant.

(d) Signage. The Association shall also maintain signage within the Property identifying the Property. The cost of maintaining the entry signage and landscaping and other signs identifying the Property is a common expense of the Association to be collected and paid by the Lot Owners in the manner prescribed by this Declaration.

(e) Street Lights. The Association shall be responsible to pay electricity charges and the cost of maintenance for the street lights located within the Private Street right-of-ways of the Property. Such cost shall be collected by the Association as a common expense.

5.3 Services.

(a) General. The Association may obtain and pay for the services of any Person, including the Declarant, to manage its affairs to the extent it deems advisable and may contract for such other personnel as the Association determines are necessary, convenient, or desirable for the proper operation of the Common Areas or the performance of the Association's responsibilities

hereunder, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts.. The Association may obtain and pay for legal and accounting services necessary, convenient, or desirable in connection with the operation of the Property or the enforcement of the Governing Documents or the Regulations.

(b) Connected Community. The Declarant or the Association is authorized and empowered to enter into agreements or to assume agreements with the providers of intranet, Internet, television, and radio telecommunications, and/or security services for the Lots and the Common Areas within the Property. The Declarant and the Association are also authorized and empowered to lease or otherwise allow the occupancy of portions of the Common Areas by such service providers for the installation of equipment and operation of such services with or without the payment of consideration. The costs and expenses for such services are deemed to be Service Charges and are collectable by the Association. Each Owner by acceptance of the deed to his Lot shall be deemed to have acknowledged the benefits to his Lot derived from any such agreements and to pay all Service Charges thereunder applicable to his Lot, whether or not such Owner uses such services. The Association shall not be responsible or liable for the performance or non-performance of such service providers, but shall use reasonably diligent efforts to enforce adequate performance under such agreement for the benefit of the Owners. If such agreements are entered into by the Declarant or the Association, the addition of extra service shall be a direct cost obligation of the Owner to the service provider. By acceptance of a deed or other conveyance of title to any Lot, each Owner of a Lot is deemed to have granted an easement to Declarant, the Association or its assigns, or such service provider as is reasonably required to provide for the installation and maintenance of such services.

5.4 Regulations. The Association is empowered from time to time to adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Property and the Common Areas so long as such rules and regulations are consistent with the rights and duties established by the Governing Documents. The validity of the Regulations and their enforcement shall be determined by a standard of reasonableness for the purpose of protecting the value, marketability, and desirability of the Property. The Regulations initially shall be promulgated by the Board of Directors and may be amended by a majority vote of the Board of Directors. For so long as Declarant owns any portion of the Property, no regulation, decision, amendment, or other action that reasonably may have the effect of waiving, lessening, or otherwise interfering with the scope or enforcement of any restriction imposed on the Property by this Declaration will be valid without the written approval of the Declarant. No Owner or other Person occupying any portion of the Property, or any invitee, shall violate the Regulations and at all times shall do all things reasonably necessary to comply with the Regulations. Wherever any provisions of this Article prohibit any activity, condition, or structure within the Property except as permitted by the Regulations, such restriction or prohibition is self executing unless and until the Association issues Regulations expressly permitting the same. The Association's procedures for enforcing its Regulations at all times shall provide the affected Owner with reasonable prior notice and opportunity to be heard, in person or through representatives of the Owner's choosing.

5.5 Implied Rights. The Association may exercise any right, power, or privilege given to it expressly by the Governing Documents and every other right, power, or privilege so granted or reasonably necessary, convenient, or desirable to effectuate the exercise of any right, power, or privilege so granted.

5.6 Access by Association. The Association has a right of entry onto all portions of the Property to the extent reasonably necessary to exercise any right granted or to discharge any duty imposed by the Governing Documents, or for any other purpose reasonably related to the Association's performance of any duty imposed, or exercise of any right granted, by the Governing Documents. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable times and upon reasonable notice whenever circumstances permit, except in the event of an emergency and only then to the extent necessary to prevent personal injury or property damage. No Owner shall withhold consent arbitrarily to entry by the Association for the purpose of discharging any duty or right if such entry is upon reasonable notice, at a reasonable time, and in a peaceful and reasonable manner. The Association's right of entry may be exercised by its agents, employees, contractors, and managers.

5.7 Restriction on Capital Improvements. All capital improvements to the Common Areas, except for replacement or repair of those items installed by Declarant as part of The Work,

and except for personal property related to the Common Areas, must be approved by the Declarant so long as there is a Class B membership and two-thirds (2/3) of the Lot Owners present in person or by proxy and voting at a meeting duly convened for such purpose.

5.8 Reserves. The Association shall establish and maintain an adequate reserve fund for the repair and replacement of improvements and personal property that the Association is obligated to maintain under the provisions of the Governing Documents. Reserves, as determined from time to time by the Board of Directors, shall be funded from the annual maintenance assessment described in Article VI hereof.

ARTICLE VI

COVENANTS FOR ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation for Assessments.

(a) Assessments. Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association any annual or supplemental assessments and any special assessments established and levied pursuant to the terms of this Declaration, including, without limitation, the Assessments and Service Charges. Assessments shall be fixed, established, and collected from time to time as hereinafter provided. All such assessments and charges together with interest thereon from due date at the highest lawful rate and costs of collection thereof, including reasonable attorneys' fees, shall be the personal obligation of the Owner of the Lot at the time the assessments or charges were made. In addition, the assessments and charges against Lots shall be secured by a lien in favor of the Association as set forth herein. No Owner of a Lot may waive or otherwise escape liability for the assessments or charges provided for herein by non-use of the Common Areas or common services or abandonment of his Lot.

(b) Exempt Property. The following property shall be exempt from the assessments and charges provided for herein: (i) Common Areas; (ii) lands owned by Declarant which have not been annexed to this Property by this Declaration or any Supplemental Declaration; (iii) lands dedicated to any governmental authority or public utility; (iv) Club Property; and (v) Lots owned by Declarant during the period of time the Declarant subsidizes the Common Expenses of the Association. No other property shall be exempt from these assessments, charges or liens.

6.2 Annual Maintenance Assessments.

(a) General.

(i) The annual maintenance assessments levied by the Association must be used exclusively to promote the recreation, health, safety, and welfare of the Lot Owners, residents, and occupants of the Property, and for the operation, management, maintenance, repair, renewal, and replacement of the Common Areas and the Common Maintenance Areas (including maintenance of adequate reserves), the payment of any cost sharing or other agreements to which the Association is a party, and for the performance of the Association's duties under the Governing Documents. The annual assessment shall be used to fund all general activities and expenses of the Association incurred in the administration of the powers and duties granted under the Governing Documents and pursuant to Law, including the maintenance of adequate reserve accounts.

(ii) The Board of Directors of the Association shall determine annual assessments in accordance with the provisions of this Article to meet the projected financial needs of the Association. Subject to subparagraph (b) of this paragraph, the Board's decision as to the amount of the annual assessment and manner of collection shall be dispositive. The Board shall determine the date of commencement, the amount of the assessments, and any payment schedule for each fiscal year. The Board shall prepare or cause to be prepared a roster of the Owners and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member of the Association during normal business hours.

(b) Amount.

(i) Until January 1 of the year immediately following the recording date of this Declaration, the maximum annual maintenance assessment shall be One Thousand Two Hundred Dollars (\$1,200.00) for each Assessment. The Board of Directors may fix the Assessment at an amount not in excess of the maximum.

(ii) Commencing with the fiscal year beginning January 1 of the year immediately following the recording date of this Declaration and each year thereafter, the Board of Directors, at its annual meeting next preceding such date, and each respective January 1 thereafter, shall set the amount of the maximum annual Assessment for the following year provided that the maximum annual Assessment may not be increased more than fifteen percent (15%) above the maximum annual Assessment for the previous year unless approved by two-thirds (2/3) of the Members present in person or by proxy and voting at a meeting duly convened as provided hereunder.

(c) Rate of Assessment. Lots shall be assessed uniformly in the amount determined by the Board from time to time in accordance with this Article.

(d) Commencement of Annual Assessment. The annual assessment begins as to all Lots within the Property on the first day of the month following conveyance of the first Lot to an Owner other than Declarant. If the operation of this Declaration is extended to additional lands, as provided herein, then the annual assessment begins against all Lots within such extension on the first day of the first month following the recording in the Public Records of the County of an amendment to this Declaration extending the operation of the Declaration to all or part of such additional lands. The first annual assessment against all Lots shall be prorated according to the number of months then remaining in the fiscal year. The first annual assessment against any parcel shall be prorated according to the number of months then remaining in the fiscal year.

6.3 Club Dues. As indicated above, the Club Owner, or its designee, shall collect from each Lot Owner the Club Dues associated with a Sports-Social Membership in the Club. If a Lot Owner elects at his option to obtain an additional membership category in the Club other than the Sports-Social Membership (a category of membership which is required to be maintained by each Lot Owner pursuant to this Declaration and the Club Declaration), that amount which is in excess of the Club Dues associated with the Sports-Social Membership Category shall also be collected by the Club Owner, or its designee. The Club Dues shall commence on the date of conveyance of Title to a Lot from Declarant, or other private party, to an Owner, unless agreed to in writing and signed by the Declarant. The Club Dues are set forth in the Club Membership Plan, as may be amended from time to time. The Club Operator may increase the annual dues associated with membership in the Club in an amount not to exceed fifteen percent (15%) per annum, as more particularly set forth in the Club Membership Plan. The Club Dues shall be an amount that is in addition to the Assessment collected by the Association from Lot Owners. Pursuant to the Club Declaration and the terms of this Declaration, the Club Dues are and shall constitute a lien against each Owner's title to his Lot, which lien may be enforced directly by the Association pursuant to the powers of lien enforcement set forth in this Declaration and the Club Declaration. No Owner of a Lot may waive or otherwise escape liability for the Club Dues provided for herein and in the Club Declaration by non-use of his membership privileges in the Club or abandonment of his Lot.

6.4 Special Assessments. The Association may levy special assessments payable in one (1) or more installments applicable to that year only for the purpose of defraying, in whole or in part, any expense that is not reasonably expected to be incurred on a regular basis, including the cost of any purchase of additional real property for the use and benefit of Owners, or construction, reconstruction, renewal, repair, or replacement of a capital improvement upon the Common Areas; provided that such assessment is approved by two-thirds (2/3) of those Members present in person or by proxy and voting at a meeting duly convened for such purpose.

6.5 Property Taxes. The Association shall timely pay all ad valorem real estate taxes, special assessments and other taxes, if any, levied on the Common Areas, and shall assess each Lot Owner for his proportionate amount thereof (based on Assessments). At the Board's discretion, such assessment may be payable in a lump sum within thirty (30) days after notice or all or any portion thereof may be assessed as a part of the annual maintenance assessment described above. Each year

the Board shall determine after receiving notice of the amount of taxes due whether such assessment shall be levied and its amount.

6.6 Specific Assessments. Any indebtedness of an Owner to the Association arising under any provision of the Governing Documents, including any indemnity, or by contract express or implied, or because of any act or omission of the Owner or any occupant of such Owner's Lot, or arising by reason of any Owner's failure to properly maintain those portions of the exterior of his Lot and Unit as herein provided, also may be assessed by the Association against the Owner's Lot after the Owner fails to pay it when due and the default continues for thirty (30) days after written notice.

6.7 Uniformity of Assessments. The annual maintenance assessment and any special assessments for the Common Areas against all Lots within the Property must be uniform, except that while Declarant is in control of the Association any Lots owned by Declarant shall be exempt from assessments during the time that Declarant shall have agreed to fund the deficits, if any, between the total of the assessments payable by Lot Owners other than Declarant and other income of the Association, and the operating expenses of the Association during the applicable period. Declarant shall be obligated to fund such deficits only as they are actually incurred by the Association. The Declarant hereby agrees to pay such deficits of the operating expenses of the Association until the first to occur of: (i) the date that a majority of the Board of Directors is elected by Lot Owners other than Declarant; or (ii) the date of Declarant's notice to the Association that it will no longer fund operating deficits of the Association. This provision is not and shall not be construed as a guaranty or representation as to the level of assessment imposed under the provisions of this Article. Upon transfer of title of a Declarant owned Lot other than for purposes of completing The Work, such lands shall be assessed in the applicable amount established against other Owners, prorated as of, and commencing with, the month following the date of transfer of title, except as otherwise provided herein.

6.8 Certificate of Payment. The Association shall furnish to any interested Person a certificate signed by an officer of the Association setting forth whether assessments against a specific lands have been paid and, if not, its unpaid balance. To defray its costs, the Association may impose a reasonable, uniform charge for issuing such certificates. A properly executed certificate of the Association as to the status of assessments is binding on the Association as of the date of issuance.

6.9 Lien for Assessments. All sums assessed to any Lot, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, are secured by a lien which is hereby reserved for the benefit of the Association and which shall be enforceable through appropriate legal proceedings. The Association may record a notice of lien signed by an officer of the Association against any portion of the Property when any assessment is delinquent. Each such assessment, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, also is the personal obligation of the Person who was the Owner of such portion of the Property when the assessment fell due. The personal obligation for delinquent assessments does not pass to an Owner's successors in title, however, unless assumed expressly in writing.

6.10 Remedies.

(a) Personal Obligation. Any assessment not paid within thirty (30) days after its due date shall be delinquent and shall bear interest from the due date, at the rate established from time to time by the Board of Directors of the Association, not to exceed the maximum lawful rate from time to time permitted under the laws of the State of Florida, nor to be less than ten percent (10%) per annum. The Association may bring an action at law against any Owner personally obligated to pay such assessment or charge, or foreclose its lien against the Owner's property. No Owner may waive or otherwise escape liability for the assessment or charge by nonuse of the Common Areas or by abandonment of such Lot or by nonuse of the Club, or for any other reason except as determined by a court of competent jurisdiction. A suit to recover a money judgment for unpaid assessments or charges may be maintained without foreclosing, waiving, or otherwise impairing the Association's lien, or its priority.

(b) Foreclosure. The Association's lien against Lots may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Owner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees, and any assessments or

charges against his property that become due during the period of foreclosure. All such costs, expenses, assessments, and charges are secured by the lien foreclosed. The Association has the right to bid at the legal sale to acquire the property foreclosed, or to acquire such property by deed or other proceeding or conveyance in lieu of foreclosure, and thereafter to hold, convey, lease, encumber, and otherwise deal with such property as an owner, but for purposes of resale only.

6.11 Homesteads. By acceptance of a deed or other conveyance of title to any Lot, the Owner of each Lot is deemed to acknowledge that the assessments established by this Article are for the improvement and maintenance of any homestead thereon and that the Association's lien has priority over any such homestead.

6.12 Subordination of Lien. The liens for the assessments and dues provided in this Article are subordinate to the lien of any First Mortgage, unless such lien for assessments or dues was recorded prior to the recording of the Mortgage. The sale or transfer of any portion of the Property does not affect the lien for assessments or dues, except that the sale or transfer pursuant to a First Mortgage foreclosure or any proceeding or conveyance in lieu thereof, extinguishes the lien for assessments or dues as to payment that became due before such sale or transfer, unless such assessments or dues were secured by a claim of lien for assessments or dues that is recorded prior to recording of said First Mortgage. Any assessment or due extinguished by the foreclosure of a First Mortgage or conveyance in lieu thereof, shall be deemed to be an expense of the Association (to the extent such due relates only to Sports-Social Membership) collectible from all Owners (including the foreclosing First Mortgagee) in accordance with the Association's normal assessment procedures. No such sale or transfer relieves such portion of the Property from liability for assessments or dues thereafter becoming due, or from the lien. The Association shall report to any First Mortgagee any assessments or dues remaining unpaid for more than thirty (30) days and shall give such First Mortgagee thirty (30) days in which to cure such delinquency before instituting foreclosure proceedings, provided the First Mortgagee has given the Association written notice of its mortgage, designating by a proper legal description the portion of the Property encumbered and stating the address to which notices shall be given. Nothing herein shall be construed to impose on the First Mortgagee any duty to collect assessments or dues.

ARTICLE VII

OBLIGATIONS OF OWNERS

7.1 Maintenance.

(a) General. Each Owner at his expense shall maintain in a good order and repair and keep in an attractive condition, free from overgrown weeds and rubbish, all portions of his Lot, and the improvements located thereon. Each Owner of a Lot on which improvements have been constructed shall maintain the lawn and other landscaped areas located in the public right-of-way or Common Areas, if any, between his Property line and the paved portion of the street in a neat and attractive condition. Landscape maintenance shall include regular lawn mowing, fertilizing, pest control, irrigation, and edging. Owners of Lakefront Lots shall keep the shoreline of the lake free of litter and debris. Each Owner of a Lot upon which improvements have not been constructed shall, at a minimum, cause such Lot to be regularly maintained in accordance with city regulations and the Regulations. In the event any Lot Owner is in violation of this paragraph, the Association shall have the authority to perform such maintenance obligations the Lot Owner has failed to perform. Owners who violate this paragraph shall be required to pay to the Association any and all costs incurred by the Association to maintain such Lot.

(b) Lot Landscaping. Unless Declarant has designated lawn maintenance as a Common Responsibility and has recorded a Supplemental Declaration pursuant to paragraph 10.1(c) hereof, each Owner shall maintain all portions of the landscaping and lawns located on his Lot in a neat and attractive condition. If the Declarant elects to transfer landscape maintenance responsibility to the Association, the Association shall assume the transferred responsibility and shall assess each affected Owner for his proportionate share of the total cost incurred by the Association. Landscape maintenance shall include regular lawn mowing, edging and fertilization. Regular irrigation of landscaped areas shall in any case remain the responsibility of the Lot Owner. Maintenance and repair of the irrigation system is the Lot Owner's responsibility, unless damage to the system is caused by the Association or its contractors.

7.2 Casualty Damage. In the event of damage or destruction by fire or other casualty to the improvements on any portion of the Property, the Owner shall repair or rebuild such damaged or destroyed improvements in a good workmanlike manner, within a reasonable time not to exceed one (1) year. All debris must be removed and the Lot restored to an orderly condition as soon as possible, but not to exceed one hundred twenty (120) days after such damage or destruction.

ARTICLE VIII **ARCHITECTURAL CONTROL**

8.1 Architectural Approval.

(a) General. The Declarant has reserved to itself and the Association full authority to regulate the appearance of the exterior of the Lots and the Residential Units and all other structures and improvements constructed or installed in the Property to: (a) assure harmony of external design and location in relation to surrounding buildings and topography; (b) protect and conserve the value, marketability, and desirability of the Property as a residential community; (c) maintain, to the extent reasonably practical, the exterior appearance of the improvements and landscaping located on the Property in substantially the same appearance and condition as existed at the completion of construction of the approved Residential Units, subject to normal wear and tear that cannot be avoided by normal maintenance; and (d) maintain compatibility of external appearance among the improvements located on the Property. Except for all construction relating to The Work and items installed by Declarant as part of The Work, the Declarant's prior approval is required for any and all construction of any improvements of any nature whatsoever within the Property. The power to regulate includes the power to prohibit and require the removal (when constructed or modified without approval), of those exterior appearances, uses or activities inconsistent with the provisions of this Declaration, or contrary to the best interests of other Owners in maintaining the value, marketability, and desirability of the Property as a residential community. The Declarant, and following assignment to the Association, the Association may adopt, rescind, and amend Architectural Review Criteria in connection with the foregoing, provided, that such rules and regulations are consistent with the provisions of this Declaration.

(b) Assignment to Association. The Declarant shall retain the right of architectural approval of Residential Units and related improvements until the first to occur of: i) construction of a new Residential Unit on the last vacant Lot in the Property; or ii) the effective date of an assignment of the architectural approval rights herein reserved from Declarant to the Association. Declarant may assign, and the Association shall accept, all or some of the architectural approval rights herein reserved. Notwithstanding anything to the contrary set forth in the Governing Documents, initial construction and modifications to initial construction shall not be subject to approval by the Architectural Review Committee. The Declarant shall retain exclusive control over initial construction of the Residential Units, notwithstanding the turnover of control of the Association to Class A Members.

(c) Architectural Review Committee. The Declarant and, following assignment, the Association shall appoint a standing committee identified as the Architectural Review Committee, composed of two (2) or more persons who need not be Owners to review and approve or deny all alterations, additions, renovations, or reconstruction of improvements previously approved by the Declarant. The Architectural Review Committee does not have the authority to approve matters contrary to the provisions of this Declaration or the Architectural Criteria or to approve matters disapproved by the Declarant. Refusal to approve any alterations, additions, or other modifications may be based on any grounds, including purely aesthetic ones, which in the sole discretion of the Architectural Review Committee are deemed sufficient to ensure the value, marketability, and desirability of the Property. Any change in the exterior appearance of any building, wall, fence, or other structure or improvements, and any change in the appearance of landscaping, shall be deemed an alteration requiring approval; provided, however, that lights, flags, and other decorations customary for holidays shall not require approval hereunder (but may be regulated as to quantity, nature, hours of operation, and how long they may remain in place). Since each situation is unique, the Architectural Review Committee may vary its standards among the various portions of the Property in approving or disapproving requests submitted to it hereunder to reflect differing characteristics. Accordingly, approval or disapproval of a request pertaining to one Lot shall not serve as precedent for a similar request from an Owner of another Lot where there are relevant characteristics distinguishing one from the other.

(d) Miscellaneous. The Declarant or, following assignment, the Association may retain the services of an architect, landscape architect, or designer (the "Professional Advisor") to assist in the architectural review process. No member of the Architectural Review Committee shall be entitled to compensation for services performed, except that the Professional Advisor, if any, may be paid a uniform reasonable fee approved by the Declarant or the Board of Directors of the Association, plus any actual expenses incurred in the performance of their duties. The fee and an estimation of expenses shall be paid by the applicant for approval at the time the application is submitted as hereinafter provided.

8.2 Applications. All applications for architectural approval must be accompanied by detailed and complete plans and specifications, including a site plan showing existing trees ten inches (10") or more in diameter two (2) feet above ground level, exterior elevations of structures, landscaping plan, floor plan, and samples of exterior finishes and colors, all of which shall be in such detail and shall contain such items as the Declarant, the Association, or the Architectural Review Committee shall reasonably require. The Declarant, the Association, or the Architectural Review Committee shall respond to the applicant within twenty (20) days after receipt of the application either approving, disapproving for specific reasons, or requesting additional information. All approvals must be in writing.

8.3 Inspection. The Declarant, the Association, or the Architectural Review Committee, or their designate, may inspect construction to assure compliance with the approved plans and specifications and, if requested by an Owner, shall issue a certificate of compliance if the improvements substantially comply with the approved plans and specifications and any non-compliance does not materially violate the provisions of this Declaration or the Architectural Criteria.

8.4 Limited Liability. In connection with all reviews, acceptances, inspections, permissions, consents, or required approvals by or from the Declarant or the Association or the Architectural Review Committee, neither the Declarant, the Association, the Board of Directors, the Professional Advisor or members of the Architectural Review Committee shall be liable to an Owner or to any other Person on account of any claim, liability, damage, or expense suffered or incurred by or threatened against an Owner or such other Person arising out of or in any way related to the subject matter of any such reviews, inspections, consents, or required approvals, whether granted or denied. Architectural approvals shall not be deemed to be a representation or opinion as to compliance with applicable zoning and building code requirements, or that the proposed improvements have been properly designed or constructed, or that they are fit for their intended purpose.

ARTICLE IX

THE CLUB

9.1 General. The Club is an operation independent and apart from the Association, and the Club Property and Club Facilities are not part of the Common Areas. The number of Club Facilities may be modified, enlarged or reduced from time to time in the sole discretion of the Club Owner. The Club Owner and Club Operator may change from time to time (i.e. the Declarant may sell the Club or transfer ownership of the Club to an affiliate or third party, and the Club Operator may assign its right and obligations with respect to the Club to an affiliate or third party), subject to the terms and conditions of the Club Declaration, including, without limitation, the Association's right to purchase the Related Club Facility (to the extent applicable) as provided in the Club Declaration. Notwithstanding that a Club Owner and Club Operator may be the same party, neither shall be considered an agent of the other. At all times, the Declarant and Club Owner shall be considered separate and viewed in their separate capacities. No failure to act by Declarant shall at any time be considered a failure to act of Club Owner, or vice versa, and shall not serve as the basis for any excuse, justification, waiver or indulgence to the Owners with regard to their prompt, full, complete and continuous performance of their obligations and covenants hereunder and under the Club Declaration. The Declarant, Club Owner, and Club Operator make no representation, warranty, or guaranty that any of the Club Facilities will remain available for use by Owners. The Club Owner reserves the right to add to, modify, delete from, sell, or discontinue operations of the Club and Club Property, at any time, pursuant to the Club Declaration.

9.2 Membership Required. Each Owner, by acceptance of the deed to its Lot, acknowledges and agrees that the Club is integrated into the scheme of development for the Property and are complimentary to use of the Lot; therefore, each Lot Owner shall be required, at the time such Owner closes and takes title to such Lot, to apply for, obtain, and, thereafter, maintain at a minimum a Sports-Social Membership in the Club, as provided in the Club Declaration, for so long as the Owner owns a Lot within the Property. Each Owner shall automatically be accepted for membership in the Club at such basic membership level. The option of an Owner to obtain a different membership level in the Club shall be subject to the payment by the Owner of the applicable initiation fee and the terms and conditions of the Club Declaration and the Club Membership Plan. In accordance with such membership, each Owner shall be subject to the same rules, regulations, fees, charges, and expenses associated with membership in the Club as are applicable to other Club Members. Owners shall receive a credit for the amount of the initiation fee for the most basic membership level, which credit will transfer to a subsequent buyer of the Owner's Lot on resale for use in acquiring a Sports-Social Membership. If such resale buyer elects to apply for and acquires a level of membership other than a Sports-Social Membership, such resale buyer shall be responsible for the full initiation fee for such membership level, together with sales tax thereon, less the amount of the initiation fee credit transferred to such resale buyer. Each Owner shall be responsible for the payment of Club Dues associated with such Owner's membership category.

9.3 Creation of Lien and Personal Obligation for Club Dues. The payment of Club Dues and Club Charges is required. In consideration for constructing and providing Owners use of the Club, the Club Property and the Club Facilities, each Owner, by acceptance of a deed to a Lot or Residential Unit, whether or not it shall be so expressed in any such deed or conveyance, including any purchaser at a judicial sale, shall be deemed to have specifically covenanted and agreed to accept a Sports-Social Membership in the Club (subject to availability) and to pay all Club Dues and Club Charges, as set forth in the Club Membership Plan, as may be modified from time to time. Club Dues and Club Charges shall be paid to the Club Owner on a quarterly basis. The Club Owner reserves the right from time to time to change the payment period or the person to whom payments are made, such as the Club Operator. Notwithstanding the foregoing, Club Owner may require an Owner to pay Club Dues on an annual or other payment period basis, in advance, based upon an unfavorable prior payment history or other financial concerns with regard to such Owner, in the sole discretion of the Club Owner. As described in the Club Membership Plan, the Club offers various membership levels of privileges and rights associated with the Club at differing amounts of Club Dues. All Club Dues associated with an Owner's membership level together with interest thereon from due date at the highest lawful rate and costs of collection thereof, including reasonable attorneys' fees, shall be the personal obligation of the Owner of the Lot at the time the Club Dues were due. The Club Dues shall be secured by a lien in favor of the Club Owner as set forth herein. No Owner of a Lot may waive or otherwise escape liability for the Club Dues provided for herein by non-use of the Club Facilities or abandonment of his Lot. If an Owner elects to obtain one or more higher categories of membership in the Club than the Sports-Social Membership, each Owner shall be responsible for all Club Dues associated with such higher membership category.

9.4 No Liability. By acceptance of Title to a Lot, each Owner acknowledges that use of the Club Property and Club Facilities shall be totally at the risk of those individuals using such property and facilities and that the Association, the Declarant, the Club Owner, and the Club Operator shall not be liable for the negligence of any party in connection with such Owner's use of the Club Property or Club Facilities.

9.5 Nuisance. No Owner or their tenant shall perform any noxious, destructive, or offensive activity within the Lots, Common Areas, Club Property, or Club Facilities nor do anything within the Lots, Common Areas, Club Property or Club Facilities that may constitute a nuisance to any other person lawfully occupying any portion of the Club Property.

9.6 Right to Purchase the Related Club Facility. The Association shall have a right to Purchase the Related Club Facility as provided in the Club Declaration.

9.7 Agreement. It is the Declarant's intention that the Association and the Club Owner and Club Operator shall cooperate to the maximum extent possible to promote the value, marketability, and desirability of the Property, including upholding the standards of the Property. Nothing in this Declaration shall limit the ability of the Club Owner or Club Operator to modify or

amend the Club Declaration, or any other documents, rules, regulations, or policies related to the Club.

9.8 Private Street Easements. Declarant hereby grants to Club Owner, Club Operator, and all Club Members, guests, invites, licensees, employees, agents, contractors and designees of the Club Owner, Club Operator and the Club a non-exclusive easement for ingress and egress over all roadways located within the Property reasonably necessary to travel from the publicly dedicated rights of way to the Club Property and over those portions of the Property reasonably necessary for the operation, maintenance, repair and replacement of the Club or Club Property. In addition, Club Members, guests, invites, employees, agents, contractors and designees of the Club, Club Owner and Club Operator shall have the right to park their vehicles upon the roadways located within the Property, if parking on Club Property is insufficient to accommodate such vehicles. The foregoing easements for ingress and egress are limited to using the Private Streets for their intended purpose in a reasonable manner, and with respect to any particular use or activity, it is limited to those portions of the Private Streets from time to time improved or otherwise suitable for such use or activity.

9.8 Amendment. Any amendment to this Article or any provision which may alter the Club Owner's or Club Operator's rights or obligations shall require the written approval of the Club Owner; provided, however, the foregoing shall not apply to amendments by the Declarant.

ARTICLE X **OPERATION AND EXTENSION**

10.1 Declarant's Additions.

(a) General. The Declarant shall have the right, at any time and from time to time, to bring within the scheme of this Declaration the lands, or any portion thereof, constituting part of the Master Plan. Declarant shall also have the right, at any time and from time to time, to bring within the scheme of this Declaration additional properties, provided that (i) any such additional properties shall be adjacent or contiguous to Property already subjected to this Declaration (for purposes of this Declaration, property separated by public or private roads, lakes, conservation areas, or open landscaped areas shall be deemed contiguous), (ii) the addition of such property shall be reasonably consistent with the common scheme for development set forth in this Declaration and in the Master Plan, and (iii) such additional properties and the owner or owners thereof, if other than the Declarant, shall become, upon their inclusion within the Property, subject to assessments for Association expenses.

(b) Supplementary Declaration. The addition of property to this Declaration shall be made and evidenced by filing in the public records of the County, a supplementary declaration of covenants and restrictions with respect to the property to be added. In addition, such supplementary declaration may contain such additions to or modifications of the provisions of this Declaration, including modifications in the method or rate of assessment for common expenses which may be applicable to the additional property and as may be necessary or desirable to reflect the different character, if any, of the additional property that is the subject of the supplementary declaration, provided that all such modifications are reasonably consistent with the common scheme for development set forth in the Declaration and in the Master Plan. Such supplementary declaration shall become effective upon being recorded in the public records of the County. Declarant reserves the right to so amend and supplement this Declaration without the consent or joinder of this Association, or the Owners or mortgagees of the Property, or any portion thereof, or any other party; provided, however, if the Veterans Administration has insured or guaranteed any mortgages encumbering lands within the Property, any such annexation: (i) must be evidenced by a supplementary declaration recorded within fifteen (15) years of the date this Declaration is recorded; and (ii) shall be subject to a determination by the Veterans Administration that such annexation is in accord with the general plan previously approved by the Veterans Administration, which determination shall be deemed to have been affirmatively made and approval granted, if the Veterans Administration shall not have disapproved the proposed annexation within thirty (30) days of the date of submission of the requested approval.

(c) Additional Declarations. Declarant reserves the right, as the Property is developed and offered for sale, to subject portions thereof to additional specific covenants and restrictions which apply only to each portion as defined and described in each such set of additional

covenants and restrictions. Such additional covenants may also provide for additional property owners' associations having administrative responsibility and control over certain portions of the Property. All such additional covenants and restrictions shall be reasonably consistent with the common scheme of development set forth in this Declaration and in the Master Plan.

10.2 Other Extensions. The extension of the provisions of this Declaration to any lands other than as set forth above requires the approval of two-thirds (2/3) of each class of the Members of the Association. Such extension shall become effective upon recording an amendment to this Declaration, executed by the Association and the Owners of all interests in lands to which the provisions of this Declaration are extended with the formalities from time to time required for a deed under the laws of the State of Florida.

ARTICLE XI

GENERAL PROVISIONS

11.1 Enforcement.

(a) Legal Proceedings. The Declarant, the Association, or any Lot Owner, or the Club Owner or Club Operator, has the right to enforce by any appropriate proceeding all restrictions, covenants, and easements now or hereafter imposed by, or pursuant to, the provisions of the Governing Documents. The prevailing party in any litigation to enforce any provision of the Governing Documents or any of the Regulations shall be entitled to recover all costs and expenses, including reasonable attorneys' fees incurred in trial and appellate proceedings. If the Association, or the Club Owner or Club Operator, is the prevailing party against any Owner, such costs and expenses, including reasonable attorneys' fees, may be assessed against the Owner's Lot, as provided in this Declaration. If any Owner or class of Owners is a prevailing party against any other Owner or class of Owners, such Owner or Owners may be reimbursed by the Association for all or any part of the costs and expenses incurred, including reasonable attorneys' fees, in the discretion of the Board of Directors.

(b) No Waiver. Failure by the Declarant, the Association, or by any Owner, or the Club Owner or Club Operator, to enforce any covenant, restriction, or Regulation will not constitute a waiver of the right to do so at any time, nor shall such failure to enforce create any liability for the Declarant, the Association, the Club Owner, or the Club Operator to any Owner or any other Person.

(c) SJRWMD. Notwithstanding any other provisions contained elsewhere in this Declaration, the USACE and SJRWMD shall have the rights and powers enumerated in this paragraph. The USACE and SJRWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, and repair of the Surface Water or Stormwater Management System and/or jurisdictional lands subject to the regulation of the USACE or SJRWMD. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted, or if modified, as approved by the SJRWMD. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the Surface Water or Stormwater Management System and the permits must be assigned to and accepted by an entity approved by the USACE and SJRWMD.

(d) Fines and Suspension of Rights.

(i) By the Association.

a. Use Rights. The Association may suspend the use of recreational facilities or other common facilities located within the Common Areas by a Club Member or a Club Member's family members, tenants, guests, or invitees for violation of the Governing Documents or the Regulations pertaining to the use of such facilities for a period not to exceed ninety (90) days. The Board of Directors shall consider, among other factors, the nature of the violation and the number of prior violations of the same or similar rules or regulations by the violator. The Association may also levy reasonable fines for violations of the Governing Documents or the Regulations. The imposition of fines or suspension of use rights require the Association to comply with the notice and hearing requirements set forth in the By-Laws.

(b) Voting Rights. The Association may also suspend the voting

rights of Club Members for non-payment of annual assessments as set forth in the By-Laws.

(ii) By the Club Owner or Club Operator. The Club Owner or Club Operator may suspend the use of one or more Club Facilities by a Club Member or a Club Member's family members, tenants, guests, or invitees for violation of the rules, regulations, and policies of the Club for a period not to exceed ninety (90) days. The Club Owner or Club Operator shall consider, among other factors, the nature of the violation and the number of prior violations of the same or similar rules or regulations by the violator. The Club Owner or Club Operator may also levy reasonable fines for violations of such rules, regulations, and policies. The imposition of fines or suspension of use rights requires the Club Owner or Club Operator to comply with the notice and hearing requirements set forth in the By-Laws.

11.2 Term and Renewal. The provisions of this Declaration shall run with and be binding on the Property, and all other lands to which it may hereafter be extended as provided herein, and shall be binding on all Persons having any right, title, or interest therein, their respective heirs, successors, and assigns and shall inure to the benefit of and be enforceable by the Declarant, the Association, the Club Owner, the Club Operator, or any Owner, their respective heirs, successors, and assigns, for a period of forty (40) years from the date this Declaration is recorded, whereupon these provisions shall be extended automatically for successive renewal periods of ten (10) years each, unless sixty-seven percent (67%) of the then Owners elect not to reimpose them as evidenced by an instrument executed by such Owners and recorded during the six (6) months immediately preceding the beginning of any renewal period.

11.3 Amendment.

(a) Declarant. For so long as there is a Class B membership, the Declarant reserves and shall have the sole right without the joinder or consent of any Owner, the Association, the Club Owner, the Club Operator, the holder of any mortgage, lien, or other encumbrance affecting the Property, or any other Person: (i) to amend this Declaration to comply with any requirements of a governmental agency, institutional First Mortgagee, or other person (including the Federal National Mortgage Association, Veterans Administration, or the Federal Housing Authority) willing to make, insure, guaranty, or purchase mortgage loans secured by a Lot; (ii) to amend this Declaration or the other Legal Documents to cure any ambiguity or error or any inconsistency between these provisions and the other Governing Documents, a Plat, the Master Plan, or the PUD Agreement; or (iii) to comply with the requirements of law or any governmental permit or approval applicable to the Property.

(b) Owners. Subject to specific provisions of this Declaration which shall supersede the provisions of this paragraph, this Declaration may be amended by the Association with the formalities from time to time required of a deed under the laws of the State of Florida and approved by not less than sixty-seven percent (67%) of the total voting interests of all Owners. No amendment shall be effective until recorded.

(c) Surface Water or Stormwater Management System. Any amendment to this Declaration which alters the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the common property, must have prior written approval of the SJRWMD. Any amendment to this Declaration which amends the responsibilities or obligations of the parties with respect to the USACE permit must have prior written approval of the USACE.

11.4 Interpretation. Unless the context expressly requires otherwise, the use of the singular includes the plural and vice versa; the use of one gender includes all genders; the use of the terms "including" or "include" is without limitation; and the use of the terms "will", "must", and "should" have the same effect as the use of the term "shall". Wherever any time period is measured in days, if any such time period expires on a Saturday, Sunday, or national bank holiday, it shall be extended to the next succeeding calendar day that is not a Saturday, Sunday, or national bank holiday. The terms "Lot" and "Property" mean all or any portion applicable to the context and include any and all improvements, fixtures, trees, vegetation, and other property from time to time situated thereon, and the benefit of all appurtenant easements. This Declaration shall be construed liberally in favor of the party seeking to enforce its provisions to effectuate its purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a common plan for the

development and enjoyment thereof. Headings and other textual divisions are for indexing purposes only and are not to be used to interpret, construe, apply, or enforce any substantive provisions. The provisions of this subparagraph apply to the interpretation, construction, application, and enforcement of all the Governing Documents.

11.5 Other Approvals. All of the following actions require the prior approval of the Declarant (for so long as Declarant owns any Lots for sale in the ordinary course of business) and as the same may be required while there is a Class B membership, the Federal Housing Authority, the Veterans Administration and the United States Department of Housing and Urban Development: (a) amendment of this Declaration, except as expressly provided in the Article entitled "Operation and Extension" and in subparagraph (a) of paragraph 10.3; and (b) alienation or encumbering of all or any portion of the Common Areas; and (c) the merger, consolidation, or dissolution of the Association; and (d) the extension of the provisions of this Declaration to lands other than the Property.

11.6 Reservation of Right to Release Restrictions. Subject to applicable zoning regulations, in each instance where a structure has been erected, or the construction thereof is substantially advanced, in such a manner that some portion of the structure encroaches upon any set-back or easement area or the Common Area, or otherwise violates this Declaration, or where due to lot size or configuration, permitting limitations, soil conditions, or other unusual constraints, a proposed structure would violate this Declaration, Declarant reserves for itself the right to release the portion of the Property from the encroachment and to grant an exception to the requirements of this Declaration without the consent or joinder of any Person irrespective of who owns the affected lands, so long as Declarant, in the exercise of its sole discretion, determines that the release or exception will not materially and adversely affect the health and safety of Owners, the value of adjacent Lots and the overall appearance of the Property. Upon granting of an exception to an Owner, the exception granted shall be binding upon all subsequent Owners of the affected Lots.

11.7 Rights of First Mortgagees. Any First Mortgagee and insurers or guarantors of First Mortgages have the following rights:

(a) Inspection. During normal business hours, and upon reasonable notice and in a reasonable manner, to inspect current copies of the Governing Documents and Regulations and the books, records, and financial statements of the Association; and

(b) Financial Statements. Upon written request to the Secretary of the Association, to receive copies of the annual financial statements for the immediately preceding fiscal year of the Association; provided, however, the Association may make a reasonable, uniform charge to defray its cost incurred in providing such copies; and

(c) Meetings. To designate a representative to attend all meetings of the membership of the Association, who is entitled to a reasonable opportunity to be heard in connection with any business brought before such meeting but in no event entitled to vote thereon.

(d) Notices. By written notice to the Secretary of the Association, and upon payment to the Association of any reasonable, uniform annual fee that the Association from time to time may establish for the purpose of defraying its costs, any First Mortgagee, insurer, or guarantor of a First Mortgage shall be entitled to receive any notice that is required to be given to the Class A members of this Association under any provision of the Governing Documents. Additionally, any such First Mortgagee, insurer, or guarantor of a First Mortgage giving written notice to the Association shall be entitled to written notice of: (i) any condemnation or casualty loss affecting a material portion of the Property or any Lot encumbered by its First Mortgage; (ii) any 60 day delinquency in the payment of assessments or charges owed by the Owner of any Lot encumbered by its First Mortgage; (iii) lapse, cancellation or material modification of any insurance coverage or fidelity bond maintained by the Association; and (iv) any proposed action requiring the consent of a specified percentage of mortgage holders.

11.8 Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration shall be interpreted, or enforced to prevent Declarant, or its contractors, subcontractors, agents, employees, successors, or assigns from doing or performing on all or any part of the Property owned or controlled by Declarant whatever it or they determine to be necessary, convenient, or

desirable to complete The Work. The foregoing includes the right for Declarant and any Person designated by Declarant in writing to construct and use signs, construction trailers, or buildings, model units, design centers, and offices for sales and resales of Lots.

11.9 Assignment. Declarant may assign to any Person all or some of the rights, privileges, and exemptions granted herein to Declarant in connection with the ownership, use, or development of a portion of the Property including by way of example the rights, privileges, and exemptions described in paragraph 11.8 hereof. Any such assignment shall be non-exclusive unless otherwise noted, and shall be effective only for so long as such right, privilege, or exemption would inure to the benefit of Declarant.

11.10 Delivery of Governing Documents. Each Owner, prior to the sale of his Lot, shall deliver to the prospective grantee copies of all documents originally received by the Owner from the Declarant, including, without limitation, the Governing Documents. Copies may be obtained from the Association upon payment of a reasonable reproduction fee.

11.11 Severability. Invalidation of any provision of the Governing Documents by judgment or court order will not affect any other provision, all of which will remain in full force and effect; provided, however, any court of competent jurisdiction is hereby empowered, to the extent practicable, to reform any otherwise invalid provision contained in the Governing Documents when necessary to avoid a finding of invalidity while effectuating Declarant's intent of providing a comprehensive plan for the use, development, sale, and beneficial enjoyment of the Property.

11.12 Notices. Any notice required to be sent to any Owner, or the Declarant under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as the Owner on either the records of the Association or the public records of Flagler County, Florida at the time of such mailing. Notices to the Association shall be sent in the manner described above to the registered office of the Association.

IN WITNESS WHEREOF, Declarant has executed this Declaration the date first stated above.

THE RESERVE, LLC, a Delaware limited liability company

Signed, sealed and delivered in the presence of:

By: LandMar Group, LLC, a Delaware limited liability company, Its Manager

By: LandMar Management, LLC, a Delaware limited liability company, Its Manager

Cary Stezpek
(Cary Stezpek)
Name-please print

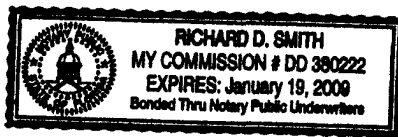
By: *J M Carbonara Esq*
Print Name: JOSEPH M. CARBONARA ESQ
Title: ASST. SECRETARY

Richard D. Smith
(RICHARD D. SMITH)
Name-please print

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 26 day of APRIL, 2007 by JOSEPH M. CARBONARA, III as ASST. SECRETARY of LandMar Management, LLC, a Delaware limited liability company, as Manager of LandMar Group, LLC, a Delaware limited liability company, as Manager of The Reserve, LLC, a Delaware limited liability company. He is personally known to me or has produced _____ as identification.

Richard D. Smith
Notary Public, State of Florida
RICHARD D. SMITH
Print Name
My Commission Expires:



EXHIBITS

- Exhibit "A" - The Property
- Exhibit "B" - Association Articles of Incorporation

LESS TRACT A TRACT B.txt

A PARCEL OF LAND LYING IN GOVERNMENT SECTIONS 20, 21, 28, 29, TOWNSHIP 12 SOUTH, RANGE 31 EAST, BEING PART OF PARCELS 409, 413, AND 414, RECORDED IN OFFICIAL RECORDS BOOK 553, PAGES 1539 THROUGH 1540, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A POINT OF REFERENCE BEING THE SOUTHWEST CORNER OF GOVERNMENT SECTION 29, TOWNSHIP 12 SOUTH, RANGE 31 EAST, THENCE NORTH 02°57'38" WEST ALONG THE WESTERLY BOUNDARY LINE OF GOVERNMENT SECTION 29, A DISTANCE OF 3659.32 FEET; THENCE DEPARTING SAID WESTERLY BOUNDARY LINE OF GOVERNMENT SECTION 29 NORTH 87°34'32" EAST A DISTANCE OF 648.56 FEET; THENCE NORTH 02°20'16" WEST A DISTANCE OF 258.31 FEET; THENCE NORTH 24°24'47" EAST A DISTANCE OF 336.74 FEET; THENCE NORTH 52°41'58" EAST A DISTANCE OF 569.65 FEET; THENCE NORTH 83°36'03" EAST A DISTANCE OF 439.95 FEET; THENCE NORTH 77°04'24" EAST A DISTANCE OF 663.64 FEET; THENCE NORTH 44°59'36" EAST A DISTANCE OF 621.28 FEET; THENCE NORTH 31°43'56" EAST A DISTANCE OF 291.62 FEET; THENCE NORTH 28°58'14" EAST A DISTANCE OF 372.29 FEET; THENCE NORTH 57°34'09" EAST A DISTANCE OF 190.21 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 57°19'58" WEST A DISTANCE OF 101.05 FEET; THENCE NORTH 30°12'22" WEST A DISTANCE OF 879.15 FEET; THENCE NORTH 56°25'04" EAST A DISTANCE OF 178.58 FEET; THENCE NORTH 32°55'35" WEST A DISTANCE OF 269.37 FEET; THENCE SOUTH 69°02'59" WEST A DISTANCE OF 262.59 FEET; THENCE NORTH 56°34'08" WEST A DISTANCE OF 76.00 FEET; THENCE NORTH 18°40'40" WEST A DISTANCE OF 121.90 FEET; THENCE NORTH 68°08'02" WEST A DISTANCE OF 22.56 FEET; THENCE SOUTH 70°46'09" WEST A DISTANCE OF 38.91 FEET; THENCE SOUTH 75°53'08" WEST A DISTANCE OF 34.56 FEET; THENCE SOUTH 86°51'49" WEST A DISTANCE OF 52.96 FEET; THENCE NORTH 79°44'54" WEST A DISTANCE OF 75.58 FEET; THENCE NORTH 66°07'27" WEST A DISTANCE OF 69.66 FEET; THENCE NORTH 51°38'26" WEST A DISTANCE OF 71.34 FEET; THENCE NORTH 40°18'45" WEST A DISTANCE OF 74.54 FEET; THENCE NORTH 38°07'16" WEST A DISTANCE OF 137.79 FEET; THENCE NORTH 15°44'13" WEST A DISTANCE OF 336.87 FEET; THENCE NORTH 26°19'22" WEST A DISTANCE OF 160.08 FEET; THENCE NORTH 27°20'02" WEST A DISTANCE OF 45.53 FEET; THENCE SOUTH 59°08'48" WEST A DISTANCE OF 95.76 FEET TO THE EASTERLY END OF CITATION BOULEVARD ACCORDING TO THE EXCEPTION OF A PORTION OF CITATION BOULEVARD IN FLAGLER COUNTY RESOLUTION 79-21, VACATING CERTAIN PLATS AND RECORDED IN OFFICIAL RECORDS BOOK 130, PAGES 30 THROUGH 33, OF THE PUBLIC RECORDS OF FLAGLER COUNTY FLORIDA; THENCE NORTH 25°13'04" WEST, ALONG SAID EASTERLY END OF CITATION BOULEVARD, A DISTANCE OF 81.59 FEET; THENCE NORTH 55°29'30" EAST, DEPARTING SAID EASTERLY END OF CITATION BOULEVARD, A DISTANCE OF 120.68 FEET; THENCE NORTH 73°26'08" EAST A DISTANCE OF 173.94 FEET; THENCE NORTH 60°52'59" EAST A DISTANCE OF 117.49 FEET; THENCE SOUTH 37°53'44" EAST A DISTANCE OF 98.59 FEET; THENCE NORTH 53°15'50" EAST A DISTANCE OF 256.58 FEET; THENCE SOUTH 38°25'11" EAST A DISTANCE OF 1346.63 FEET; THENCE NORTH 89°39'34" EAST A DISTANCE OF 1353.69 FEET; THENCE NORTH 14°35'23" EAST A DISTANCE OF 272.97 FEET; THENCE NORTH 69°20'23" EAST A DISTANCE OF 804.58 FEET; THENCE NORTH 01°39'17" WEST A DISTANCE OF 1106.48 FEET; THENCE NORTH 88°09'04" EAST A DISTANCE OF 218.18 FEET; THENCE SOUTH 27°16'17" EAST A DISTANCE OF 487.80 FEET; THENCE NORTH 89°45'58" EAST A DISTANCE OF 415.51 FEET; THENCE NORTH 00°01'29" WEST A DISTANCE OF 304.38 FEET; THENCE NORTH 44°10'12" EAST A DISTANCE OF 409.45 FEET; THENCE SOUTH 70°08'42" EAST A DISTANCE OF 145.46 FEET; THENCE NORTH 53°33'08" EAST A DISTANCE OF 188.33 FEET; THENCE NORTH 20°23'53" EAST A DISTANCE OF 418.39 FEET; THENCE NORTH 89°04'21" EAST A DISTANCE OF 412.76 TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF SEMINOLE WOODS BOULEVARD (80' R/W); THENCE SOUTH 17°03'00" EAST ALONG SAID WESTERLY RIGHT-OF-WAY OF SEMINOLE WOODS BOULEVARD A DISTANCE OF 1479.41 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY OF SEMINOLE WOODS BOULEVARD SOUTH 72°58'01" WEST A DISTANCE OF 185.94 FEET; THENCE NORTH 07°09'34" EAST A DISTANCE OF 83.97 FEET; THENCE NORTH 52°28'24" WEST A DISTANCE OF 262.81 FEET; THENCE NORTH 75°20'16" WEST A DISTANCE OF 204.59 FEET; THENCE NORTH 37°04'22" WEST A DISTANCE OF 218.71 FEET; THENCE SOUTH 89°59'46" WEST A DISTANCE OF 323.39 FEET; THENCE SOUTH 00°01'47" EAST A DISTANCE OF 206.04 FEET; THENCE SOUTH 14°26'30" EAST A DISTANCE OF 687.41 FEET; THENCE SOUTH 25°40'39" WEST A DISTANCE OF 745.40 FEET; THENCE SOUTH 60°14'54" EAST A DISTANCE OF 670.83 FEET; THENCE SOUTH 14°25'54" EAST A DISTANCE OF 858.05 FEET; THENCE SOUTH 87°54'29" EAST A DISTANCE OF 107.85 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF SAID SEMINOLE WOODS BOULEVARD (80' R/W); THENCE SOUTH 18°41'37" WEST ALONG SAID WESTERLY RIGHT-OF-WAY OF SEMINOLE WOODS BOULEVARD A DISTANCE OF 211.21 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY OF SEMINOLE WOODS BOULEVARD SOUTH 69°25'15" WEST A DISTANCE OF 696.65 FEET; THENCE SOUTH 05°56'15" WEST A DISTANCE OF 997.69 FEET; THENCE SOUTH 37°14'31" WEST A DISTANCE OF 307.51 FEET; THENCE NORTH 71°18'23" WEST A DISTANCE OF 447.59 FEET; THENCE NORTH 44°48'35" WEST A DISTANCE OF 520.78 FEET; THENCE SOUTH 45°11'21" WEST A DISTANCE OF 259.61 FEET; THENCE NORTH 71°18'23" WEST A DISTANCE OF 101.47 FEET; THENCE NORTH 41°15'21" WEST A DISTANCE OF 792.57 FEET; THENCE NORTH 57°23'24" WEST A DISTANCE OF 917.49 FEET; THENCE SOUTH 57°16'20" WEST, A DISTANCE OF 881.28 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 295.59 ACRES MORE OR LESS.

LESS AND EXCEPT TRACT "A" RECREATION CENTER/OPEN SPACE (20.56 ACRES MORE OR LESS) AND TRACT "B" FUTURE DEVELOPMENT (4.89 ACRES MORE OR LESS) AS SHOWN ON THE PLAT OF GRAND LANDINGS - PHASE 1 AS PREPARED BY PRIVETT-NILES AND ASSOCIATES, INC.



I certify from the records of this office that GRAND LANDINGS MASTER HOMEOWNERS' ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on April 11, 2007.

The document number of this corporation is N07000003706.

I further certify that said corporation has paid all fees due this office through December 31, 2007, and its status is active.

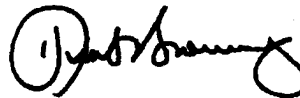
I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 907A00024737-041207-N07000003706-1/1, noted below.

Authentication Code: 907A00024737-041207-N07000003706-1/1

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Twelfth day of April, 2007




 Kurt S. Browning
 Secretary of State



I certify the attached is a true and correct copy of the Articles of Incorporation of GRAND LANDINGS MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, filed on April 11, 2007, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H07000095586. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below

The document number of this corporation is N07000003706.

Authentication Code: 907A00024737-041207-N07000003706-1/1

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Twelfth day of April, 2007



Kurt S. Browning
 Kurt S. Browning
 Secretary of State



April 12, 2007

FLORIDA DEPARTMENT OF STATE
Division of Corporations

GRAND LANDINGS MASTER HOMEOWNERS' ASSOCIATION, INC.
7 SANDPIPER CT
PALM COAST, FL 32137

The Articles of Incorporation for GRAND LANDINGS MASTER HOMEOWNERS' ASSOCIATION, INC. were filed on April 11, 2007, and assigned document number N07000003706. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H07000095586.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file/effective date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4 or by going to their website at www.irs.ustreas.gov.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

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

Justin M Shivers
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 907A00024737

P.O BOX 6327 - Tallahassee, Florida 32314

H07000095586 3

ARTICLES OF INCORPORATION
OF
GRAND LANDINGS MASTER HOMEOWNERS' ASSOCIATION, INC.

A Corporation Not For Profit

The undersigned resident of the State of Florida, for the purpose of forming a corporation not for profit under Chapter 617 of the laws of the State of Florida, hereby certifies:

ARTICLE I

Name

The name of this corporation is Grand Landings Master Homeowners' Association, Inc. called the "Association" in these Articles.

ARTICLE II

Office and Registered Agent

The Association's principal office is located at 7 Sandpiper Court, Palm Coast, Florida 32137. Bert C. Simon, Esquire, who maintains a business office at 1660 Prudential Drive, Suite 203, Jacksonville, Florida 32207 is hereby appointed the initial registered agent of the Association. Both the Association's registered office and registered agent may be changed from time to time as provided by law.

ARTICLE III

Purpose and Powers of the Association

The Association does not contemplate pecuniary gain or profit to its members. It is formed to promote the health, safety, and general welfare of the residents within all or any portion of that tract of land located in Flagler County, Florida, which is described in and made subject to the provisions of that Declaration of Covenants and Restrictions for Grand Landings recorded or to be recorded in the Public Records of Flagler County, Florida, as amended from time to time (the "Declaration") and any additions to such lands as hereafter may be brought within the Association's jurisdiction in the manner provided in the Declaration (the "Property"). Without limitation, this Association is empowered to:

- (a) Declaration Powers. Exercise all rights, powers, and privileges, and perform all duties of the Association from time to time set forth in the Declaration, including the right to enforce all of the provisions of the Declaration pertaining to the Association in its own name, including without limitation, enforcement of the provisions

H07000095586 3

H07000095586 3

relating to the operation and maintenance of the Surface Water or Stormwater Management System.

(b) Property. Own, hold, improve, operate, maintain, sell, lease, transfer, and otherwise dispose of property of any nature whatsoever, real, personal, or mixed, tangible or intangible, in connection with this Association's affairs, as well as acquire the Related Club Facility (as described in the Declaration) subject to the terms and provisions of the Club Declaration (as described in the Declaration).

(c) Assessments. Adopt budgets and levy, collect, and enforce by any lawful procedure all charges or assessments established by, or pursuant to, the Declaration, including adequate assessment of fees for the costs of operation and maintenance of the Surface Water or Stormwater Management System.

(d) Costs. Use the proceeds collected from assessment to pay all costs, expenses, and obligations lawfully incurred in connection with the Association's affairs including, without limitation, all licenses, taxes, or other governmental charges levied or imposed against the Association's property.

(e) Maintenance. Maintain, manage, repair, replace and operate all the Common Areas and Common Maintenance Areas, including, but not limited to, portions of the street right-of-ways and the Surface Water or Stormwater Management System and all associated facilities. The Association shall operate, maintain and manage the Surface Water or Stormwater Management System in a manner consistent with the St. Johns River Water Management District ("SJRWMD"), Permit No. 40-035-101006-1 requirements and applicable SJRWMD rules, and shall assist in the enforcement of the provisions of the Declaration that relate to the maintenance of the Surface Water or Stormwater Management System.

(f) Reconstruction. Reconstruct improvements after casualty and construct further improvements to the Common Areas.

(g) Borrowings. Borrow money and, with the approval of two-thirds (2/3) of each class of members, mortgage, pledge, hypothecate, assign, grant security interests in, or otherwise transfer any or all of its property as security for money borrowed, debts incurred, or any of its other obligations.

(h) Reorganizations. Participate in mergers and consolidations with other nonprofit corporations organized for similar purposes, with approval of two-thirds (2/3) of each class of members.

(i) Regulations. From time to time adopt, amend, rescind, and enforce reasonable rules and regulations governing the use of the Lots and the Common Areas consistent with the rights and duties established by the Declaration.

H07000095586 3

H070095586 3

(j) Contract. Contract with others for performance of the Association's management and maintenance responsibilities under the Declaration and for the furnishing of services or materials for the benefit of the Owners or the Property consistent with the provisions of the Declaration.

(k) General. Have and exercise all rights, powers, and privileges that a corporation not for profit may now or hereafter have or exercise under the laws of the State of Florida, together with all other rights, powers, and privileges reasonably to be implied from the existence of any right, power, or privilege so granted, or granted by the Declaration, or these Articles, or reasonably necessary, convenient, or desirable to exercise any right, power, or privilege so granted.

ARTICLE IV

Membership

Section 1. Lot Owner. Every person who from time to time holds the record fee simple title, or any undivided fee simple interest of record, to any Lot is a member of this Association, including contract sellers, but excluding all persons who hold any interest in any Lot merely as security for the performance of an obligation. An Owner of more than one (1) Lot is entitled to one (1) membership for each Lot owned. Membership is appurtenant to, and may not be separated from, ownership of at least one (1) Lot. Membership may not be transferred except by transfer of record title to such Lot.

Section 2. Club Owner. Although the Club Owner is not a Member of the Association, it shall have the right to attend Association meetings, to address the Board of Directors and Members of the Association, and to review and obtain copies of the Association's records relating to its participation in the Surface Water or Stormwater Management System and other matters affecting the Club Property or the Club Owner.

ARTICLE V

Voting Rights

Section 1. Classification. This Association has two (2) classes of voting membership:

CLASS A. So long as there is Class B membership, Class A members are all Owners, except Declarant. Class A members are entitled to one (1) vote for each Lot owned. Upon termination of Class B membership, Class A members will be all Owners, including Declarant so long as Declarant is an Owner.

CLASS B. The Class B member is Declarant, who is entitled to three (3) votes for each Lot or proposed Lot owned within the Property. The Class B membership will cease and convert automatically to Class A membership on the first to occur of the following events: (i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or (ii) ten (10) years from the recording date of the Declaration; or (iii) the effective date of the Declarant's written waiver of the Class B membership rights. Upon the conversion of

H07000095586 3

H07000095586 3
Class B membership, all provisions of the Declaration, these Articles, and the By-Laws referring to classes of membership will be of no further force and effect.

Upon any of the above events occurring, the Class A members shall be obligated to elect the Board of Directors and assume control of the Association. Provided, however, the Class B membership shall be automatically reinstated at any time before the expiration of ten (10) years from the recording date of the Declaration if additional Lots owned by the Class B member are annexed into the Association as permitted by the Declaration in sufficient numbers to restore a ratio of at least one (1) Class B Lot to three (3) Class A Lots in the overall area subject to the Declaration.

Section 2. Co-Ownership. If more than one (1) Person owns a record fee simple interest in any Lot, all such Persons are members, although there is only one (1) vote for such Lot and no fractional votes are permitted. The vote may be exercised as the Owners determine among themselves, but no split vote is permitted. Before any meeting at which a vote is to be taken, each co-owner must file the name of the authorized voting co-owner with the Secretary of the Association to be entitled to vote at such meeting, unless such co-owners have filed a general voting authority with the Secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held by husband and wife, either co-owner is entitled to cast the vote for such Lot unless the Association is notified otherwise in writing.

ARTICLE VI

Board of Directors

Section 1. Number and Term. This Association's affairs are managed by a Board of Directors initially composed of three (3) Directors, who need not be Association members. The number of Directors from time to time may be changed from a minimum of three (3) to a maximum of seven (7), but at all times it must be an odd number. The term of office for all Directors is one (1) year, and any Director may succeed himself in office.

Section 2. Election. All Directors are elected by written ballot at the annual meeting. Each member entitled to vote may cast as many votes for each vacancy as such member has under the provisions of Article V of these Articles and the person receiving the largest number of votes cast by the Class A and Class B members for each vacancy is elected. Cumulative voting is not permitted.

Section 3. Initial Directors. The names and addresses of the persons who will serve as Directors until their successors have been duly elected and qualify, unless they sooner die, resign, are removed, or are incapacitated or otherwise unable to serve, are:

<u>Name</u>	<u>Address</u>
Cary Strzepek	7 Sandpiper Court Palm Coast, Florida 32137
Robert Lyons	7 Sandpiper Court Palm Coast, Florida 32137

H07000095586 3

Barron J. Brown

7 Sandpiper Court
Palm Coast, Florida 32137

ARTICLE VII

Officers

The affairs of the Association shall be administered by the officers designated by the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the Association, and they shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

<u>Names and Addresses</u>	<u>Office</u>
Cary Strzepek	President
Robert Lyons	Vice President
Barron J. Brown	Secretary/Treasurer

ARTICLE VIII

Existence and Duration

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. This Association exists perpetually. In the event of termination, dissolution or liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water or Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the SJRWMD prior to such termination, dissolution or liquidation.

ARTICLE IX

By-Laws

The Association's By-Laws initially will be adopted by the Board of Directors. The Declarant shall have the right without the joinder or consent of any Owner, the Association, the holder of any mortgage, lien or other encumbrance affecting any portion of the Property, or any other Person to amend the By-Laws: (i) to comply with any requirements of a governmental agency, institutional Mortgagee, or other Person (including the Federal National Mortgage Association, Veterans Administration, or the Federal Housing Authority) willing to make, insure, guaranty, or purchase mortgage loans secured by a Lot; or (ii) to cure any ambiguity or error or any inconsistency between the By-Laws and the other Governing Documents (as defined in the Declaration). The By-Laws may also be amended or rescinded by a majority vote of a quorum of both classes of members present at any regular or special meeting duly called and convened,

H07000095586 3

H07000095586 3

provided that, for so long as Declarant owns and holds any Lot for sale in the ordinary course of business, all amendments must be approved by Declarant in writing, and provided further, if the Federal Housing Authority or the Veterans Administration has guaranteed or insured any mortgage loans for Lots within the Property, then the FHA/VA has the right to veto any amendments of the By-Laws for so long as there is a Class B membership.

ARTICLE X

Amendments

Section 1. Developer. The Developer shall have the right without the joinder or consent of any Owner, the Association, the holder of any mortgage, lien or other encumbrance affecting any portion of the Property, or any other Person to amend these Articles: (i) to comply with any requirements of a governmental agency, institutional Mortgagee, or other Person (including the Federal National Mortgage Association, Veterans Administration, or the Federal Housing Authority) willing to make, insure, guaranty, or purchase mortgage loans secured by a Lot; or (ii) to cure any ambiguity or error or any inconsistency between these provisions and the other Governing Documents; or (iii) to comply with the requirements of law or any governmental permit or approval applicable to the Property.

Section 2. Other Amendments. Other amendments to these Articles may be proposed and adopted in the manner from time to time provided by the laws of the State of Florida, except that each such amendment must have the approval of two-thirds (2/3) of each class of members, and the written approval of Declarant for so long as Declarant owns and holds any Lot for sale in the ordinary course of business, and for so long as there is a Class B membership the approval of the Federal Housing Authority or Veterans Administration, provided that either organization has insured or guaranteed mortgage loans for Lots within the Property.

ARTICLE XI

Other Approvals

As provided in the Declaration, for so long as Declarant owns and holds any Lot for sale in the ordinary course of business, the written approval of the Declarant is required for the merger, consolidation, or dissolution of this Association. For so long as there is a Class B membership the approval of the Federal Housing Authority or Veterans Administration is required for annexation of additional properties, mergers, consolidations or dissolutions of the Association (but only if such annexation is not specifically provided for in the Declaration), or mortgaging or dedication of the Common Areas, provided that either organization has insured or guaranteed mortgage loans for Lots within the Property.

ARTICLE XII

Voting Requirements

Section 1. Percentage Requirements. Unless any provision of these Articles, the Declaration or the By-Laws expressly requires the approval of both classes of the membership or of the Declarant or any other Person, the majority vote of those members present and voting at a

H07000095586 3

H07000095586 3

duly called and convened meeting shall constitute the act of the membership. If any provision of these Articles, the Declaration, or the By-Laws expressly requires the approval of both classes of membership, and in the absence of an express provision requiring a specified percentage of the total votes eligible to be cast by either or both classes of membership, the majority vote of those members of each class present and voting at a meeting duly called and convened is sufficient to constitute the act of that class.

Section 2. Two-Thirds of Class. Any of the following constitute extraordinary actions that must be approved by two-thirds (2/3) of each class of members and by Declarant for so long as Declarant owns and holds any Lot for sale in the ordinary course of business: (i) any mortgaging or conveyance of this Association's property; (ii) any merger or consolidation of this Association; (iii) any dissolution of this Association; (iv) amendment of these Articles of Incorporation.

Section 3. Two-Thirds of Those Present. Any of the following constitute extraordinary actions that require the approval of two-thirds (2/3) of the Class A members present in person or by proxy and of Declarant for so long as Declarant owns and holds any Lot for sale in the ordinary course of business: (i) any special assessment as provided in Article 6.3 of the Declaration; and (ii) any extension of the Declaration to additional lands except as provided for in the Declaration; and (iii) the purchase of additional lands to be owned by the Association for the benefit of Owners.

Section 4. Notice, Proxies, and Quorum Requirements. Written notice of all meetings of the membership must be given to all Owners not less than fifteen (15) days nor more than forty-five (45) days in advance of such meeting. The presence of members or proxies entitled to cast at least one-third (1/3) of the votes of each class, if such action must be approved by both classes, or of the Class A members, if such action must be approved only by Class A members, shall constitute a quorum. If the required quorum is not forthcoming, the members present shall have the power to adjourn the meeting, from time to time without notice other than announcement at the meeting, until the required quorum shall be present or represented. Proxies must be registered with the Secretary of the Association prior to members meetings. No Owner may hold more than five (5) proxies.

Section 5. Written Action. Any action that may be taken at any membership meeting, including any Extraordinary Action enumerated in this Article, may be taken in the absence of a quorum, or without a meeting, without prior notice, and without a vote if: (i) written consent, setting forth the action so taken, is signed by those Owners entitled to exercise not less than the minimum number of votes necessary to authorize or take such action at a meeting; and (ii) within ten (10) days after obtaining such written consent, notice thereof is given to those members who have not so consented in writing.

Section 6. Certificate. An instrument signed by any executive officer of this Association, and attested by the Association's Secretary under the Association's seal, is conclusive that any required approval has been obtained in the manner provided in these Articles as to Persons without actual knowledge to the contrary.

H07000095586 3

H070000955586 3

ARTICLE XIII

Interpretation

Reference is made to the terms and provisions of the Declaration where necessary to interpret, construe, and clarify the provisions of these Articles. All terms defined in the Declaration have the same meaning where used in these Articles, and the rules of interpretation set forth in the Declaration apply to the interpretation, construction, application, and enforcement of these Articles. By subscribing and filing these Articles, the incorporator intends their provisions to be consistent with the provisions of the Declaration and to be interpreted, construed, applied, and enforced with those of the Declaration to avoid inconsistencies or conflicting results.

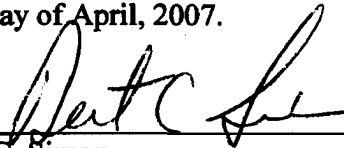
ARTICLE XIV

Incorporator

The name and address of the incorporator of this corporation is:

Bert C. Simon, Esquire
Gartner, Brock & Simon
1660 Prudential Drive
Suite 203
Jacksonville, FL 32207

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 11th day of April, 2007.

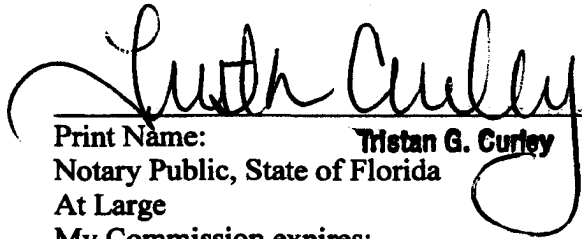


Bert C. Simon

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 11th day of April, 2007 by Bert C. Simon. He is personally known to me or has produced _____ as identification.





Print Name: **Tristan G. Curley**
Notary Public, State of Florida
At Large
My Commission expires:

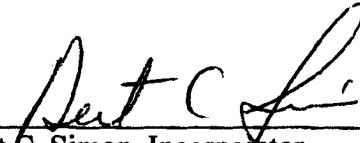
H070000955586 3

H07000095586 3

**CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE
FOR THE SERVICE OF PROCESS WITHIN THE STATE OF FLORIDA AND
NAMING THE REGISTERED AGENT UPON WHOM PROCESS MAY BE SERVED**

GRAND LANDINGS MASTER HOMEOWNERS' ASSOCIATION, INC., desiring to organize under the laws of the State of Florida as a corporation not for profit with its principal place of business at 7 Sandpiper Court, Palm Coast, Florida 32137, has named Bert C. Simon, whose business office is 1660 Prudential Drive, Suite 203, Jacksonville, Florida 32207 as its registered agent to accept service of process within this state, all in accordance with Section 607.034, Florida Statutes.

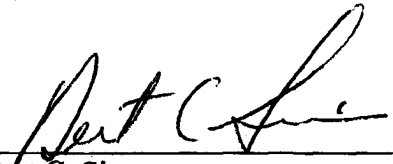
DATED this 11th day of April, 2007.

By: 
Bert C. Simon, Incorporator

ACCEPTANCE

Having been named to accept service of process for the foregoing corporation, at the place designated in this certificate, and being familiar with the obligations of such position, I hereby agree to act in such capacity and agree to comply with the provisions of the laws of the State of Florida relative to maintaining such registered office.

DATED this 11th day of April, 2007.


Bert C. Simon

H07000095586 3