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SYD CROSBY, FLAGLER County  
By: M. Stevens D.C. Time: 15:13:0

OFF REC 0611 PAGE 0434

This instrument prepared by  
and after recording return to:  
Burgess N. Trank, Jr., Esquire  
Centex Homes  
151 Southhall Lane, Suite 230  
Maitland, Florida 32751-7190

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR LINKSIDE  
A GRAND HAVEN NEIGHBORHOOD,  
FLAGLER COUNTY, FLORIDA**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LINKSIDE, A GRAND HAVEN NEIGHBORHOOD, is made on this 9 day of April, 1998, by CENTEX HOMES, a Nevada general partnership, hereinafter referred to as the "Declarant", and, PULTE HOME CORPORATION, a Michigan corporation, herein referred to as "Pulte".

**WITNESSETH**

WHEREAS, the Declarant and Pulte, collectively, are the owners of certain real property in Flagler County, Florida, described in Exhibit "A" attached hereto and incorporated herein by reference, herein referred to as the "Property" or "Neighborhood Property"; and

WHEREAS, Declarant and Pulte desire to create an exclusive planned community on the land described in Exhibit "A" and such other land as may be added thereto pursuant to the terms and provisions of this Declaration; and

WHEREAS, Declarant and Pulte intend to develop the Property, or portions thereof, by the construction of roads, utilities and drainage facilities for the construction and occupancy of single family detached residential dwellings, single family attached

dwellings, multi-family dwellings and other land uses as may be permitted by applicable zoning ordinances; and,

WHEREAS, Declarant and Pulte desire to establish a maintenance association which will maintain the property owned by such association and such other property as may be owned by or dedicated to the Master Association hereinafter identified or any governmental entity lying within the rights-of-way or easements owned by or dedicated to such Master Association or governmental entity and serving the residents of the property and not being maintained by the Master Association or governmental entity, and perform such services and maintenance on behalf of the Members as hereinafter described;

WHEREAS, the land described in Exhibit "A" is part of the real property described in that certain instrument titled Amended and Restated Declaration of Covenants, Conditions and Restrictions for Grand Haven Master Association recorded in Book 557, Page 1768 of the Public Records of Flagler County, Florida, as amended and supplemented, and is subject to the covenants, conditions, easements and restrictions therein established; and

WHEREAS, the land described in Exhibit "A" is part of the real property described in that certain instrument titled Declaration of Restrictions and Protective Covenants for River Club recorded in Book 539, Page 238 of the Public Records of Flagler County, Florida, as amended and supplemented, and is subject to the covenants, conditions, easements and restrictions therein established; and

WHEREAS, the Declarant and Pulte desire to create a not-for-profit corporation to be known as the Maintenance Association of Grand Haven, Inc. to own, operate and maintain the Neighborhood Common Property herein described for the benefit of the owners of Lots and Units within the Neighborhood Properties and for the other purposes herein set forth;

NOW THEREFORE, the Declarant and Pulte declare that the real property described in attached Exhibit "A" shall be held, sold and conveyed subject to the restrictions, covenants and conditions declared below, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Neighborhood Property in order to maintain within the Neighborhood Property a planned community of high standards. Such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE 1**

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**DEFINITIONS**

The following words and terms when used in this Neighborhood Declaration or any Supplemental Declaration hereto (unless the context shall clearly indicates otherwise) shall have the following meanings:

Section 1.1. "Architectural Review Committee" or "ARC" shall refer to the committee established by the Board of Directors of the Maintenance Association described in Article 8 of this Neighborhood Declaration.

Section 1.2. "Area of Common Responsibility" shall mean the Master Common Property, Neighborhood Common Property, together with those areas, if any, which by the terms of this Neighborhood Declaration or by contract or agreement with any other Maintenance Association or the Master Association for portions of Grand Haven which are not annexed to this Neighborhood Declaration, or governmental agency become the responsibility of the Maintenance Association.

Section 1.3. "Articles" and "Bylaws" shall mean the Articles of Incorporation and the Bylaws of the Maintenance Association as they may exist from time to time.

Section 1.4. "Board" or "Neighborhood Board" shall mean the Board of Directors of the Maintenance Association, appointed or elected in accordance with the Bylaws of the Maintenance Association.

Section 1.5. "Builder" shall mean Pulte and any purchaser of one or more Lots from Declarant or Pulte for the construction and resale of Units.

Section 1.6. "Community Development District" or "CDD" shall mean the Grand Haven Community Development District pursuant to Ordinance Number 97-03 recorded in Official Records Book 579, Page 253 of the Public Records of Flagler County, Florida.

Section 1.7. "Declarant" shall mean Centex Homes, a Nevada general partnership, and its successors and assigns who take title to any portion of the Neighborhood Properties for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 1.8. "Exclusive Common Area" shall mean certain portions of the Neighborhood Common Area which are for the exclusive use and benefit of one or more,

but less than all, Neighborhoods; provided, however, all Recreation Parcels, Parks, and Lakes which have been dedicated as Master Common Property shall be available for use by all Members of the Master Association and shall not be designated as Exclusive Common Areas.

Section 1.9. "Grand Haven" shall mean the property described in Exhibit "A" of the Master Declaration and other lands annexed thereto.

Section 1.10. "Institutional Lender" shall mean and refer to the owner and holder of a Mortgage encumbering a Unit or Lot, which owner and holder of said Mortgage may be a bank, savings bank, mortgage company, life insurance company, federal or state savings and loan association, an agency of the United States government, private or public pension fund, Department of Veterans Affairs, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a credit union, real estate or mortgage investment trust or a lender generally recognized in the community as an institutional lender.

Section 1.11. "Lakes" shall mean natural or manmade water bodies identified as Lakes on the Master Plan of Grand Haven, as amended from time to time. The Lakes shall be subject to the Surface Water and Storm Water Management System.

Section 1.12. "Lot" or "Lots" shall mean any parcel of land shown upon any recorded subdivision map or plat of the Neighborhood Properties upon which in the future will be located an attached or detached single-family residential dwelling.

Section 1.13. "Maintenance Association" shall mean and refer to the Maintenance Association of Grand Haven, Inc., a Florida not-for-profit corporation. The Maintenance Association shall be a Neighborhood Association within the meaning, and for the purposes described in the Master Declaration and in this Neighborhood Declaration.

Section 1.14. "Master Association" shall mean and refer to the Grand Haven Master Association, Inc., a Florida not-for-profit corporation created for the purposes set forth herein.

Section 1.15. "Master Common Area" or "Master Common Property" shall mean and refer to those tracts of land, together with any improvements thereon, which are actually and specifically dedicated by plat, deeded or leased to the Master Association for the use and enjoyment of all Owners of Lots or Units, as herein defined, and designated in said plat dedication, deed or lease as "Common Property" or "Common Area". References in

this Neighborhood Declaration to Master Common Property or Master Common Area shall be deemed to include any lands identified as Exclusive Common Property, or Exclusive Common Area, as herein defined, unless otherwise indicated. The term "Master Common Property" shall also include any personal property acquired by the Master Association for the use and benefit of the Members. Master Common Property is specifically reserved for the use and benefit of all Owners of Lots or Units in the Master Property.

Section 1.16. "Master Declaration" shall mean and refer to the Amended and Restated Declaration of Covenants Conditions and Restrictions for Grand Haven Master Association recorded in Book 557, Page 1768 of the Public Records of Flagler County, Florida, as it may be amended or supplemented from time to time.

Section 1.17. "Master Plan" shall mean the plan of development for Grand Haven adopted by the developer of Grand Haven as set forth in Article II of the Master Declaration and as amended from time to time in accordance with approvals obtained from Flagler County, Florida.

Section 1.18. "Master Properties" or "Master Property" shall mean and include all that certain real property located in Flagler County, Florida, more particularly described in the Master Declaration and all real property located in the Adjoining Lands (as described and defined in the Master Declaration) which is annexed to the Master Declaration and made a part of the Master Association in accordance with the terms and conditions of Article II thereof.

Section 1.19. "Member" shall mean and refer to all those persons or entities who are members of the Maintenance Association as provided in Article 3 hereof.

Section 1.20. "Mortgage" shall mean a permanent or construction mortgage, a deed of trust, a deed to secure debt, or any other form of security deed, including any collateral security documents executed in connection therewith.

Section 1.21. "Mortgagee" shall mean a beneficiary or holder of a Mortgage.

Section 1.22. "Neighborhood" shall mean each separately developed and denominated residential area within the Master Property which is represented in the Master Association by a Neighborhood Association or Maintenance Association.

Section 1.23. "Neighborhood Common Area" or "Neighborhood Common Property" shall mean and refer to those tracts of land, together with any improvements thereon,

which are actually and specifically dedicated by plat, deeded or leased to the Maintenance Association for the use and enjoyment of all Owners of Lots or Units within the Neighborhood Property, as herein defined, and designated in said plat dedication, deed or lease as "Common Property" or "Common Area". References in this Neighborhood Declaration to Neighborhood Common Property or Neighborhood Common Area shall be deemed to include any lands identified as Exclusive Common Property, or Exclusive Common Area, as herein defined, unless otherwise indicated. The term "Neighborhood Common Property" shall also include any personal property acquired by the Maintenance Association for the use and benefit of the Members. Neighborhood Common Property is specifically reserved for the use and benefit of all Owners of Lots or Units in the Neighborhood Property. The initial Neighborhood Common Property to be conveyed to and owned by the Maintenance Association is described on Exhibit "B" attached hereto and incorporated herein by reference.

Section 1.24. "Neighborhood Common Expenses" shall mean the actual and estimated expenditures, including reasonable reserves, for maintenance, operation and other services required or authorized to be performed by the Maintenance Association with respect to Areas of Common Responsibility, Neighborhood Common Property, Open Spaces, Surface Water and Storm Water Management Systems, Lakes or Public Areas, and the other maintenance obligations described herein, all as may be found to be reasonably necessary by the Neighborhood Board pursuant to this Neighborhood Declaration, the Bylaws, and the Articles of Incorporation of the Maintenance Association.

Section 1.25. "Neighborhood Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Linkside, a Grand Haven Neighborhood, as it may be amended or supplemented from time to time.

Section 1.26. "Neighborhood Expenses" shall mean the actual and estimated expenses incurred by the Maintenance Association for the benefit of Owners of Units within the Neighborhood, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Neighborhood Board and as more particularly authorized herein.

Section 1.27. "Neighborhood Properties" or "Neighborhood Property" or "Property" shall mean and include all that certain real property located in Flagler County, Florida, more particularly described in Exhibit "A" and all real property located in the Undeveloped Parcel which is annexed to the Neighborhood Declaration and made a part of the Maintenance Association in accordance with the terms and conditions of Article 2 of this Neighborhood Declaration.

Section 1.28. "Neighborhood Representative" shall mean the elected officer from each Maintenance Association who shall be the person authorized by the Maintenance Association to cast all votes attributable to Units in the Neighborhood pursuant to Article 3.

Section 1.29. "Notice" shall mean delivery of any document by mail with postage prepaid to the last known address according to the records of the Maintenance Association of the person or entity who appears as Owner in the records of the Maintenance Association. If available from the records of the Maintenance Association, notices to an Owner will be sent to a tenant of Owner occupying the Unit. Notice to one of two or more co-owners shall constitute notice to all Owners.

Section 1.30. "Open Space" shall mean an exterior open area from the ground upward devoid of residential and commercial buildings, accessory structures and impervious areas; except however, those buildings and structures or areas used exclusively for recreational purposes may be included in the Open Space.

Section 1.31. "Owner" shall mean and refer to the owner as shown by the records of the Maintenance Association (whether it be the Declarant, one or more persons, firms or legal entities) of fee simple title to any Lot or Unit located within the Neighborhood Properties. Owner shall not mean or refer to the holder of a Mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

Section 1.32. "Palm Coast Community Service Corporation" or "PCCSC" shall mean and refer to the Florida not-for-profit corporation of such name established pursuant to the PCCSC Declaration.

Section 1.33. "Parks" shall mean lands so designated on the Master Plan, which lands may or may not be further designated as Common Property or as Neighborhood Common Property.

Section 1.34. "PCCSC Declaration" shall mean and refer to the Declaration of Restrictions and Protective Covenants for River Club recorded in Official Records Book 539, Page 238 of the Public Records of Flagler County, Florida.

Section 1.35. "Plat" shall mean and refer to the recorded plat of the Neighborhood Properties, and/or any other subdivision plat applicable to the Undeveloped Parcel which

is later annexed to this Neighborhood Declaration and made a part of the Maintenance Association.

Section 1.36. "Public Areas" shall mean all lands owned by the State of Florida, Flagler County, Florida, any city, district or municipality which, to the extent allowed by governmental authority, are to be maintained by the Master Association or the Maintenance Association.

Section 1.37. "Recreation Parcels" shall mean those parcels of Master Common Areas which are shown as recreational areas on the Master Plan. The Recreation Parcels may be owned by the Master Association or by the CDD and shall be used for the common benefit and enjoyment of the members of the Master Association and owners of property within the CDD, their invitees and guests.

Section 1.38. "Subordinate Association" shall have the meaning ascribed in the Master Declaration, and shall include and mean the Maintenance Association.

Section 1.39. "Supplemental Declaration" shall mean any supplement, amendment or modification of this Neighborhood Declaration.

Section 1.40. "Surface Water and Storm Water Management System" shall mean and refer to a drainage system consisting of swales, inlets, culverts, retention ponds, detention ponds, lakes, outfalls, storm drains and the like, and all connecting pipes and easements, 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 a quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, Florida Administrative Code.

Section 1.41. "Undeveloped Parcel" shall mean and refer to the lands described in Exhibit "C" attached to this Neighborhood Declaration, portions of which are presently unimproved parcels of land which Declarant may, but is not obligated to develop pursuant to the Master Plan and which, by future annexation, may be subjected to this Neighborhood Declaration.

Section 1.42. "Unit" shall mean a portion of the Neighborhood Properties, whether developed or undeveloped, intended for development, use and occupancy as a detached residence for a single family, and shall, unless otherwise specified, include within its



meaning (by way of illustration but not limitation) single-family detached houses on separately platted Lots, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or part of the Neighborhood Properties. The term shall include all portions of the Lot owned including any structure thereon. In the case of a parcel of vacant land or land in which improvements are under construction, the parcels shall be deemed to contain the numbers of Units designated for such parcel on the Master Plan or site plan approved by Declarant, whichever is more recent, until such time as a certificate of occupancy is issued on all or a portion thereof by a local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above, and the number of Units in the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Section 1.43. "Voting Member" shall mean the Class A Members, the Declarant as to votes allocated to the Class B member, any Builder as to votes allocated to a Class C member.

## ARTICLE 2

### PROPERTY SUBJECT TO NEIGHBORHOOD DECLARATION

Section 2.1. Property Subject to this Neighborhood Declaration. From and after the time that this Neighborhood Declaration is recorded in the Public Records of Flagler County, Florida, the Neighborhood Property shall be subject to the terms and conditions of this Neighborhood Declaration. The Neighborhood Property shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions contained in this Neighborhood Declaration, which shall run with the land and be binding on all parties having any right, title or interest in the Neighborhood Property or any part thereof, their heirs, successors or assigns and shall inure to the benefit of each owner thereof.

#### Section 2.2. Annexation.

2.2.1. Within the period beginning with the date this Neighborhood Declaration is recorded in the Public Records of Flagler County, Florida and ending either (a) seven (7) years thereafter, or (b) five (5) years from the date of recording of the last recorded Supplemental Declaration annexing additional land to this Neighborhood Declaration, whichever event, (a) or (b), occurs later, the Declarant may, without the consent or joinder of the Owners or any other person or entity, annex additional real property (including Common Property) within the Undeveloped Parcel to the Neighborhood Properties. Annexations under this Subsection 2.2.1 shall be accomplished

by filing a Supplemental Declaration describing the real property to be annexed (or withdrawn pursuant to Section 2.3 of this Article 2, as the case may be), and shall become effective when such Supplemental Declaration is filed among the Public Records of Flagler County, Florida, unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other person or entity the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the Properties and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

2.2.2. Subject to the consent of the owner thereof, the Maintenance Association may annex real property, other than property within the Undeveloped Parcel, to the provisions of this Neighborhood Declaration and the jurisdiction of the Maintenance Association. Such annexation shall require the affirmative vote of Voting Members representing two-thirds (2/3) of the votes of each class of Members of the Maintenance Association. The annexation of land under this Subsection 2.2.2 shall be accomplished by the recordation in the Public Records of Flagler County, Florida, of a Supplemental Declaration describing the property being annexed and signed by the President and Secretary of the Maintenance Association and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

2.2.3. No provision of this Neighborhood Declaration shall be construed to require Declarant or any other person or entity to annex any real property to this Neighborhood Declaration. Further, the Declarant is not obligated to bring all or any part of the remaining real estate in the Undeveloped Parcel into the Maintenance Association.

2.2.4. The Declarant intends to develop the Neighborhood Properties and its adjoining lands in accordance with the Master Plan, but hereby reserves the right to modify the Master Plan (with respect to the Neighborhood Properties and other lands included in the Master Plan) from time to time in its sole discretion and at its option but always in accordance with applicable regulatory requirements. The Declarant shall not be required to follow any predetermined order of improvement and development within the Master Plan or Neighborhood Properties; and it may annex additional lands and develop them before completing the development of the Neighborhood Properties.

2.2.5. Covenants and restrictions applicable to annexations to the Neighborhood Properties shall be compatible with, but need not be identical to, the covenants and restrictions set forth in this Neighborhood Declaration.

2.2.6. In the event that either the Federal Housing Administration or the Department of Veterans Affairs insures or guarantees any mortgage encumbering a Lot, and the regulations or procedures of such agency require under such circumstances approval of annexations by such agency or determination by such agency that such annexation is consistent with the general plan of development for the Grand Haven, then such approval or determination as described in Article 15 shall be a prerequisite to such annexation.

Section 2.3. Withdrawal. Within the period beginning with the date this Neighborhood Declaration is recorded in the Public Records of Flagler County, Florida and ending either (a) seven (7) years thereafter, or (b) five (5) years from the date of recording of the last recorded Supplemental Declaration annexing additional land to this Neighborhood Declaration, whichever event (a) or (b) occurs later, the Declarant may, without the consent or joinder of the Owners or any other person or entity, the Declarant may, when necessary or desirable to accommodate changes in the Master Plan, withdraw from the provisions of this Master Declaration any of the Property that continues to be owned by the Declarant, and its successors or assigns, and which has not been dedicated or designated as Common Property or an Exclusive Common Area. Withdrawals under this Section 2.3 shall be accomplished by filing a Supplemental Declaration describing the real property to be withdrawn and shall become effective when such Supplemental Declaration has been recorded in the Public Records of Flagler County, Florida, unless otherwise provided therein.

Section 2.4. Conveyance of Common Areas to the Maintenance Association. When Declarant conveys title to the first Unit within the Neighborhood to be conveyed to a Class "A" Member, the Declarant shall be obligated to convey title to all of the Neighborhood Common Areas located in such Neighborhood to the Maintenance Association (or, at the election of Declarant, to the Master Association) which shall be obligated to accept such conveyance.

### **ARTICLE 3**

#### **CREATION OF ASSOCIATION: MEMBERSHIP AND VOTING RIGHTS**

Section 3.1. Creation of Association. Upon execution of this Neighborhood Declaration, Declarant shall cause the Maintenance Association to be created by recording the Articles of Incorporation and Bylaws thereof with the Secretary of State of Florida in the forms attached hereto as Exhibits "D" and "E", respectively, and incorporated herein by reference.

Section 3.2. Membership. Every Owner of a Unit or Lot, and every Builder owning any Unit or Lot, by virtue of the ownership of such Unit or Lot, and the Declarant and its successors and assigns, shall be Members of the Maintenance Association, and by acceptance of a deed or other instrument evidencing an ownership interest, each Owner, Builder and Declarant accepts membership in the Maintenance Association, acknowledges the authority of the Maintenance Association as herein stated, and agrees to abide by and be bound by the provisions of this Neighborhood Declaration, the Articles of Incorporation, the Bylaws and other rules and regulations of the Maintenance Association. The term "Member" shall include each person or entity owning any right, title or interest in any Unit or Lot, except persons or entities holding mortgages or other security or trust interests unless such persons or entities also have the right of possession. Tenants or others occupying any Unit who do not have an ownership interest therein shall not be Members for the purposes of this Neighborhood Declaration. Membership in the Maintenance Association is appurtenant to, and may not be severed from, the Unit or Lot. The rights and obligations of a Member may not be assigned or delegated except as provided in this Neighborhood Declaration, the Articles of Incorporation or Bylaws of the Maintenance Association, and shall automatically pass to the successor-in-interest of any Owner upon conveyance of such Owner's interest in the Lot or Unit. Members shall be responsible for compliance with the terms and conditions of this Neighborhood Declaration, the Articles of Incorporation and Bylaws, and rules and regulations of the Maintenance Association by all occupants, tenants, guests, invitees and family members while residing in or visiting any Unit, Neighborhood Common Area or other portion of the Neighborhood Property.

Section 3.3. Master Association; Subordinate Associations; and Voting Rights.

3.3.1. In addition to the covenants, conditions and restrictions imposed on the Neighborhood Properties by this Neighborhood Declaration, each Lot or Unit within the Neighborhood Properties is owned, held, used and transferred subject to the covenants, conditions, easements and restrictions contained in the Master Declaration, including without limitation, the obligation of the Owners to pay annual and special assessments imposed on the Lots and Units by the Master Association. The Maintenance Association is a Subordinate Association as defined in the Master Declaration.

3.3.2. The Master Property will be developed in stages or phases that will be designated as separate development areas for the purposes of the Master Association. Each Lot or Unit subject to the Master Declaration will be situated within an area of development which will be subject to a Subordinate Association. Each area of development will contain Lots or Units sharing common facilities and having similar interests. Each area of development will be subject to the Master Declaration, and will also

be subject to a separate Subordinate Declaration that will, among other things, create a separate Subordinate Association which will be governed by its own separate Articles of Incorporation and Bylaws. The Owner of each Lot or Unit will be a member of a Subordinate Association as well as a Member of this Master Association. The Subordinate Associations (including this Maintenance Association) will be subordinate to this Master Association and will be responsible for performing the services and obligations imposed on them by the Master Association pursuant to the governing documents.

3.3.3. Each Subordinate Association shall exercise the voting rights established in the Master Declaration on behalf of all Members whose Units or Lots are within the jurisdiction of such Subordinate Association. On all matters requiring the votes of Members as may be described in the Master Declaration, or in the Articles of Incorporation or Bylaws of the Master Association who are also members of this Maintenance Association, such votes shall be conducted by the Maintenance Association. The result of the vote shall be reported to the Master Association by the Neighborhood Representative of the Maintenance Association and the total number of votes of each class of membership attributed to the Maintenance Association shall be cast accordingly. Members shall not have the right to cast votes directly with the Master Association, and shall be bound by the outcome of the voting conducted by the Maintenance Association.

Section 3.4. Voting Rights of Members of the Maintenance Association. Members of the Maintenance Association shall be allocated votes as follows:

Class A. Class A Members shall be all Owners with the exception of the Declarant and any Builders. Each Class A Member shall be entitled to one vote for each Lot or Unit owned.

Class B. The Class B Member shall be the Declarant, or its specifically designated (in writing) successor. The Class B Member shall be allocated three (3) votes for each Lot or Unit owned by it within the Neighborhood Property; provided, that the Class B membership shall cease and become converted to Class A membership as set forth in Section 3.7 of this Article 3. Upon conversion to Class A membership, the Declarant shall have one vote for each Unit or Lot owned by it within the Neighborhood Property so long as said Unit or Lot is subject to assessment by this Maintenance Association.

Class C. All Builders, as defined herein, shall be Class C Members. Class C Members shall have one (1) vote for each Lot or Unit they own in the Neighborhood Property.

Section 3.5. Common Ownership. When any Unit or Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Maintenance Association, such Owner shall select one official representative to qualify for voting in the Maintenance Association and shall notify in writing the Secretary of the Maintenance Association of the name of such individual. The vote allocated to any Unit or Lot (including Units or Lots owned by the Declarant or a Builder) may not be divided or cast in any fraction, and the vote of each official representative shall be considered to represent the will of all the Owners of that Lot or Unit. If the Owners fail to designate their official representative, then the Maintenance Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owner(s). Upon such notification no affected Owner may vote until the Owner(s) appoint their official representative pursuant to this paragraph.

Section 3.6. Change of Membership.

3.6.1. Change of membership in the Maintenance Association shall be established by recording in the Public Records of Flagler County, Florida, a deed or other instrument conveying record fee title to any Lot or Unit, and by the delivery to the Maintenance Association, and to the Master Association, of a copy of such recorded instrument. The Owner designated by such instrument shall, by acceptance of such instrument, become a Member of the Master Association and of the Maintenance Association, and the membership of the prior Owner shall be terminated. In the event that a copy of said instrument is not delivered to the Master Association and to the Maintenance Association, said Owner shall become a Member, but shall not be entitled to voting privileges until delivery of a copy of the conveyance instrument to the Master Association and the Maintenance Association. The foregoing shall not, however, limit the Maintenance Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Lot or Unit acquired.

3.6.2. The interest, if any, of a Member in the funds and assets of the Maintenance Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's real property. Membership in the Maintenance Association by all Owners shall be compulsory and shall continue, as to each Owner, until such time as such Owner of record transfers or conveys his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by

operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

Section 3.7. Class B Membership Status.

3.7.1. The Declarant's Class B membership status shall continue, and shall be in effect, during the period from the inception of this Neighborhood Declaration until either (1) seven (7) years from the date this Neighborhood Declaration is recorded; or (2) five (5) years after the date of recording of the last Supplemental Declaration annexing additional property into this Maintenance Association, whichever event, (1) or (2) occurs later; or (3) upon recording of a voluntary written notice executed by the Declarant or its duly authorized successor or assignee electing to convert its Class B status to Class A; or (4) in any event, one hundred twenty (120) days after the conveyance of the Unit to a Class A Member that causes the total number of votes held by all Class A Members of this Maintenance Association to equal the number of votes in the Maintenance Association held by the Class B Member, whichever event, (1), (2), (3) or (4), occurs first; provided however, that if Class B status is converted to Class A pursuant to clause (4) and, subsequent to such event, the Declarant annexes additional property from the Undeveloped Parcel to the Neighborhood Properties which annexation causes the number of Lots or Units owned by the Declarant in the Neighborhood Properties to exceed twenty-five percent (25%) of the total number of Lots and Units within the Neighborhood Properties, Declarant's Class B status shall be restored as to all Lots and Units within the Neighborhood Properties then owned by Declarant, and shall continue until the next occurrence of an event of conversion described above.

3.7.2. The Declarant shall have the right to partially assign its status as Declarant and Class B Member, by recorded instrument executed by the original Declarant and acknowledged and accepted by the assignee Declarant, to any person or entity acquiring any portion of the Property, or the adjacent land eligible for annexation into the Property, for the purpose of development of a residential subdivision consistent with the Master Plan, and any such assignee shall thereafter be deemed to be the Declarant as to the Lots or Units owned by such person or entity, and shall have the right to exercise all of the rights and powers of the Declarant as to such Lots and Units, while, at the same time, the original Declarant shall continue to exercise the rights and powers of the Declarant as to all Lots and Units owned by such original Declarant. If any action of the Maintenance Association requires the approval, consent or vote of the Declarant, and the original Declarant has partially assigned its rights as Declarant to others pursuant to this

paragraph, the consent or vote of all such Declarants shall be required to satisfy the requirement of consent by the Declarant.

#### ARTICLE 4

#### FUNCTIONS OF MAINTENANCE ASSOCIATION AND RELATED MATTERS

Section 4.1. Area of Common Responsibility. The CDD and/or the Master Association, subject to the rights of the Owners set forth in the Master Declaration, shall be responsible for the exclusive management and control of the Area of Common Responsibility and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep the Area of Common Responsibility in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and any agreement with another association or governmental agency. The Master Association shall have the right to delegate to the Maintenance Association its obligation to manage, control and maintain any portion of the Area of Common Responsibility lying within or adjacent to the Neighborhood Properties.

Section 4.2. Personal Property and Real Property for Common Use. The Maintenance Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Neighborhood Board, acting on behalf of the Maintenance Association, shall accept any real or personal property, leasehold, or other property interests within the Neighborhood Property conveyed to it by the Declarant.

Section 4.3. Services. The Maintenance Association shall have the following powers:

4.3.1. Maintenance of Areas of Common Responsibility, Parks, Lakes, Open Space, Surface Water and Storm Water Management Systems, Recreation Parcels, landscaping, irrigation systems, lands covered by the Master Plan and all city, county, district or municipal properties and rights of way (to the extent permitted by any governmental authority) which are located within or in a reasonable proximity to the Neighborhood Properties where deterioration of any of the described items would adversely affect the appearance of the Properties or the operation of systems appurtenant thereto.



4.3.2. Maintenance of any real property located within the Neighborhood Properties upon which the Maintenance Association has accepted an easement for said maintenance.

4.3.3. Maintenance of Lakes and bulkheads owned by or dedicated for the use of the Maintenance Association within the Neighborhood Properties, as well as maintenance of water bodies if and to the extent permitted or required by any contract or by any governmental authority having jurisdiction thereof.

4.3.4. Insect, pest and aquatic control where necessary or desirable in the judgment of the Neighborhood Board to supplement the service provided by the state and local governments. The provisions of this paragraph shall not be construed as an obligation on the part of Maintenance Association to provide such services.

4.3.5. Taking any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Neighborhood Properties and to perform any of the functions or services delegated to the Maintenance Association in any covenants, conditions or restrictions applicable to the Neighborhood Property or in the Articles or Bylaws.

4.3.6. Conducting business of the Maintenance Association, including but not limited to administrative services such as legal, accounting and financial, and communication services informing Members of activities, Notice of Meetings, and other important events. The Maintenance Association shall have the right to enter into management agreements with companies affiliated with the Declarant in order to provide its services, and perform its functions.

4.3.7. Establishing and operating the Architectural Review Committee.

4.3.8. Adopting, publishing and enforcing such Rules and Regulations as the Neighborhood Board deems necessary provided that such rules and regulations do not conflict with the covenants, conditions or restrictions contained in the Master Declaration or the rules and regulations of the Master Association.

4.3.9. Lighting of roads, sidewalks, walking and bike paths throughout the Neighborhood Properties as deemed necessary by the Neighborhood Board. The provisions of this paragraph shall not be construed as an obligation on the part of Maintenance Association to provide such services.

4.3.10. At the sole option and discretion of the Neighborhood Board, conducting recreation, sport, craft, and cultural programs of interest to Members, their families, tenants and guests and charging admission fees for the operation thereof.

4.3.11. Constructing improvements on the Neighborhood Common Property and easements as may be required to provide the services as authorized in this Article.

4.3.12. Employment of guards, maintenance of control centers for the protection of persons and property within the Neighborhood Properties, installation, operation and maintenance of communication systems by the Maintenance Association or a contractual designee of the Maintenance Association, and assistance in the apprehension and prosecution of persons who violate the laws of Flagler County or the State of Florida within the Neighborhood Properties. However, neither the Maintenance Association, nor the Declarant shall be obligated to provide any security measures to the Neighborhood Properties nor shall they be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners, tenants, guests, and invitees of any Owner, as applicable, acknowledge that the Master Association, the Declarant, and the Maintenance Association, are not insurers and that each Owner, tenant, guest, and invitee assumes all risk of loss or damage to persons, to Units and to the contents of Units and further acknowledge that Declarant has made no representations or warranties, nor has any Owner, tenant, guest, or invitee relied upon any representations or warranties, express or implied, including any warranty of merchantability or fitness for any particular purpose relative to any security measures recommended or undertaken.

4.3.13. Upon resolution of the Board of Directors of the Master Association as set forth in the Master Declaration, the Maintenance Association shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of Exclusive Common Areas associated with such Maintenance Association as well as certain portions of the Master Common Property within or adjacent to such Maintenance Association, which may include, without limitation, buildings and amenities within the Maintenance Association, the costs of maintenance of any right-of-way or green space or other Areas of Common Responsibility within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Master Association.

4.3.14. The Maintenance Association shall also provide exterior landscape maintenance for the Lots within the Neighborhood Association pursuant to Article 9, Section 9.3 of this Neighborhood Declaration, and may perform other maintenance upon other improvements located on the Lot that are not part of the Unit to be maintained by the

Neighborhood Association which, in the reasonable opinion of the Board of Directors of the Neighborhood Association, requires such maintenance because said improvements are being maintained in a manner inconsistent with the overall appearance and standards prevailing within the Neighborhood Association. The Neighborhood Association shall notify the Owner of said improvements in writing, specifying the nature of the condition to be corrected, and if the Owner has not corrected the condition within fifteen (15) days after date of said notice, the Neighborhood Association (after approval of a majority of the Neighborhood Board) may correct such condition. Said maintenance shall include but not be limited to painting, repairs, replacement and maintenance of roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. For the purpose of performing the landscape maintenance authorized by this Article, the Neighborhood Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot located in the Neighborhood Properties at reasonable hours on any day; provided, however, the Neighborhood Association shall have the right of entry without notice if necessary to correct an emergency situation. The cost of any maintenance performed on improvements, except those services described in Article 9, Section 9.3 of this Neighborhood Declaration shall be assessed against the Lot upon which such maintenance is performed as a Special Assessment as provided in Article 6, Section 6.7.

4.3.15. Establish use fees and promulgate rules and regulations respecting the use of Neighborhood Common Property and Maintenance Association facilities by Members and persons other than Members.

4.3.16. Engage in any activities reasonably necessary and legally required to remove from the Areas of Common Responsibility, Neighborhood Common Property, Lakes, Surface Water and Storm Water Management System and Open Space any pollutants, hazardous waste or toxic materials, and by Special Assessment, recover costs incurred from the Owner(s) causing or upon whose property such materials were located or generated.

4.3.17. Accept conveyance of all Neighborhood Common Areas from the Declarant, including all improvements, structures, equipment, apparatus or personal property thereon, and cooperate with an assist Declarant, its agents, employees and contractors in periodic inspection and maintenance thereof pursuant to Article 12.

The functions and services allowed in this Section to be carried out or offered by the Maintenance Association at any particular time shall be determined by the Neighborhood Board taking into consideration proceeds of assessments and the needs of the Members of

the Maintenance Association and the statutes, ordinances, rules and regulations of the State of Florida, the United States, or Flagler County. The functions and services which the Maintenance Association is authorized to carry out or to provide, may be added to or reduced at any time upon the affirmative vote of a majority of the Neighborhood Board; provided, however, the Neighborhood Board may not vote to reduce or abrogate the Maintenance Association's responsibility to maintain Areas of Common Responsibility. The Maintenance Association may provide the permitted services by contract with third parties, including agreements with applicable governmental agencies.

Section 4.4. Mortgage and Pledge. The Neighborhood Board shall have the power and authority (subject to the provisions of Article 5, Subsection 5.9.5 hereof) to mortgage the property of the Maintenance Association and to pledge the revenues of the Maintenance Association as security for loans made to the Maintenance Association which loans shall be used by the Maintenance Association in performing its functions.

Section 4.5. Conveyance to Maintenance Association. The Maintenance Association shall be obligated to accept any and all conveyances to it by Declarant of fee simple title, easements or leases to Open Space, Parks, Lakes, Recreation Parcels, Surface Water and Storm Water Management Systems or Neighborhood Common Property.

Section 4.6. Conveyance by Maintenance Association. The Maintenance Association may convey or dedicate lands or easements to the CDD, the Master Association or Flagler County, Florida. The Maintenance Association may also convey lands or easements, owned by the Maintenance Association, to the Declarant in connection with any replatting of any portion of the Neighborhood Property.

Section 4.7. Contracts with Master Association. The Maintenance Association is authorized to enter into any contracts or easement arrangements with the Master Association and any other Maintenance Association or Neighborhood Association within the Grand Haven property, provided that such contracts or easements are necessary or beneficial for the operation of the Maintenance Association or the maintenance of the Neighborhood Properties; provided that the costs or expenses of operating, performing, or maintaining such contracts or easements shall be allocated between this Maintenance Association and such other association in accordance with the cost incurred or benefit received by each association. Any such contracts or easements shall be approved by the vote or written consent of a majority of the Board of the Maintenance Association.

## ARTICLE 5

**Section 5.1. Owners' Easements of Access and Enjoyment.** Subject to the provisions below, every Owner shall have a right to use and an easement of enjoyment in and to the Neighborhood Common Areas (other than Exclusive Common Areas whose use may be restricted to Owners of particular Neighborhood Units by rule or regulation adopted by the Maintenance Association), together with an easement of access to and from the Neighborhood Common Areas (other than Exclusive Common Areas which are so restricted) which shall be appurtenant to and shall pass with the title to the Lot or Unit owned by such Owner, subject to the following:

5.1.1. The right of the Maintenance Association to take such steps as are reasonably necessary to protect the Neighborhood Common Areas against foreclosure;

5.1.2. All provisions of the Master Declaration and the Articles and Bylaws of the Master Association and rules and regulations adopted by the Master Association;

5.1.3. Rules and regulations governing the use and enjoyment of the Neighborhood Common Areas adopted by the Maintenance Association; provided, however, that the Maintenance Association may not restrict the persons described in Section 5.4 of this Article from the reasonable use of the Neighborhood Common Areas in connection with the construction and sale of Units and other improvements upon the Neighborhood Property.

5.1.4. Restrictions contained on any and all plats of all or any part of the Neighborhood Common Areas or filed separately with respect to all or any part or parts of the Neighborhood Common Areas.

5.1.5. The additional restrictions set forth in Section 5.9 of this Article 5.

**Section 5.2. Delegation of Use.** Any Owner may delegate, in accordance with the appropriate Bylaws, his right of ingress and egress over and across the Neighborhood Common Areas and right of use and enjoyment of the Neighborhood Common Areas to his guests, invitees and family members, and to tenants and contract purchasers of his Unit, and their respective guests, invitees and family members.

**Section 5.3. Utility Easements.** The Declarant reserves to itself (and its successors or assigns) for so long as Declarant owns any of the Neighborhood Properties, and the Maintenance Association thereafter, the right to grant easements to any private company,

public or private utility or governmental authority providing utility and other services within the Neighborhood Properties and the Neighborhood Common Property upon, over, under and across the Neighborhood Properties. Said easements shall only be given for the purpose of maintaining, installing, repairing, altering and operating sewer lines, irrigation lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal lines and systems, pipes, wires, fiber optics lines, power lines, telephone service, gas lines, syphons, valves, gates, pipelines, cable television service, alarm systems and all machinery and apparatus appurtenant thereto to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities and providing services to Owners, the Neighborhood Properties and Neighborhood Common Property. All such easements to be of a size, width and location as Declarant, or the Maintenance Association, in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Neighborhood Properties.

Section 5.4. Declarant Easements. Declarant hereby reserves to itself, its successors and assigns, the following rights, privileges and easements, for the use and benefit of Declarant and such persons, entities and/or properties as Declarant shall determine in its sole and exclusive judgment, which rights, privileges and easements may be transferred or assigned, in whole or in part, for the exclusive or non-exclusive use and benefit of the assignee provided that such transfer or assignment shall be in writing and recorded in the Public Records of Flagler County, Florida.

5.4.1. There is hereby reserved unto Declarant, its successors and assigns, a perpetual easement, privilege and right in and to, over, under, on and across the Neighborhood Common Property for ingress and egress as required by Declarant, its officers, directors, employees, agents, independent contractors, invitees and designees; provided, however, that such access and use does not unnecessarily interfere with the reasonable use and enjoyment of the Neighborhood Common Property by the Owners. Declarant reserves the right to impose further restrictions and to grant or dedicate additional easements and rights-of-way on any of the Neighborhood Properties owned by Declarant. The easements herein reserved by Declarant shall not structurally weaken any improvements or unreasonably interfere with enjoyment of the Neighborhood Properties.

5.4.2. There is hereby reserved unto Declarant, its successors and assigns, a perpetual non-exclusive easement, privilege and right to install erect, operate, maintain, repair and replace utility lines, facilities, apparatus and equipment, including, but not limited to, water, sewer, electricity, natural gas, telephone, television, electronic

communication, fiber optic and other service lines, facilities, apparatus and equipment, together with the right of ingress and egress, in, on, over, under and upon the following areas within the Neighborhood Properties, save and except any portion of the following areas upon which the Declarant has erected any portion of the Unit or other improvements, in which event that portion of the easement area underlying the improvements shall be deemed abandoned:

- a. All easements and rights-of-way established on the recorded Plat of any part of the Neighborhood Properties;
- b. An area 7 ½ feet wide on each Lot contiguous to the rear boundary line of such Lot;
- c. An area 5 feet wide on each Lot contiguous to the front and side boundary lines of such Lot; and
- d. All conservation areas, mitigation areas, wetlands, drainage facilities, retention ponds, lakes and bodies of water shown on the Plat of any part of the Neighborhood Properties, together with an area 10 feet wide contiguous to the top of the bank or bulkhead or retaining wall surrounding such areas, or the platted boundary thereof, whichever is necessary.

5.4.2. There is hereby reserved unto Declarant, its successors and assigns, a perpetual non-exclusive easement, privilege and right to connect the drainage facilities serving adjacent lands not encumbered by this Neighborhood Declaration with and to the Surface Water and Storm Water Management System to receive and/or discharge surface water runoff in accordance with the approved drainage plans and permits applicable to the Neighborhood Properties and such adjacent lands.

5.4.3. There is hereby reserved unto Declarant, its successors and assigns, a perpetual non-exclusive easement, privilege and right of access, ingress and egress for vehicles, equipment and pedestrians over, on and upon all streets, roads, alleys, Public Areas, Open Space, Neighborhood Common Area, Master Common Area and parking facilities located within the Neighborhood Property for access to the Neighborhood Property and to adjacent lands not encumbered by this Neighborhood Declaration.

Section 5.5. Easement to Public Rights-of-Way. Notwithstanding anything to the contrary set forth in this Neighborhood Declaration, to the extent necessary, each Owner

shall have an easement for access to and from his Unit to a public right-of-way over a paved common driveway.

Section 5.6. Service Easements. Declarant hereby grants to delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities servicing the Neighborhood Properties, and to such other persons as Declarant from time to time may designate, the nonexclusive, perpetual right of ingress and egress over and across the Neighborhood Common Property for the purposes of performing their services and investigations.

Section 5.7. Drainage Easements. Drainage flow shall not be obstructed or diverted from drainage easements. The Maintenance Association may, but shall not be required to, cut drain ways for surface water wherever and whenever such action may appear to Maintenance Association to be necessary to maintain reasonable standards of health, safety and appearance. These easements include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other action reasonably necessary to install utilities and to maintain reasonable standards of health and appearance but shall not include the right to disturb any improvements erected within the Neighborhood Properties that are not located within the specific easement area designated on the plat or in this Neighborhood Declaration. Except as provided herein, existing drainage and drainage channels (or areas reserved for such purposes) shall not be altered so as to divert the flow of water onto adjacent parcels or into sanitary sewer lines. Once established by the Declarant, the Master Association shall have the sole control over elevations and slopes within drainage easements and no Owner or Maintenance Association may alter any such elevations except upon written consent of the Master Association.

Section 5.8. Right of Entry. The Maintenance Association shall have the right, but not the obligation, to enter any Unit for emergency, security, and safety, which right may be exercised by the Neighborhood Board, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Maintenance Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Neighborhood Board.



Section 5.9. Extent of Easements. The rights and easements of enjoyment created in this Article 5 shall be subject to the following:

5.9.1. The right of Declarant or the Maintenance Association, in accordance with its Bylaws, to borrow money from any lender for the purpose of improving and/or maintaining the Parks, Lakes, Recreation Parcels, Surface Water and Storm Water Management Systems and Neighborhood Common Property and providing services authorized herein and, in aid thereof, to mortgage said properties.

5.9.2. The right of the Maintenance Association to suspend the rights and easements of enjoyment of any Member or any tenant of any Member for any period during which any assessment remains unpaid, and for any period, not to exceed sixty (60) days, for any infraction of its published rules and regulation, it being understood that any suspension for either non-payment of any assessment or breach of any rules and regulations of the Maintenance Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment. Notwithstanding the foregoing, no such suspension shall be imposed in violation of applicable laws.

5.9.3. The right of the Maintenance Association to charge reasonable admission and other fees for the use of any recreational facility that may be situated on or in the Parks, Lakes, Recreation Parcel, and Neighborhood Common Property.

5.9.4. The right and authority of the Neighborhood Board to place (and remove) after notice any reasonable restrictions upon any roadways owned by the Maintenance Association including, but not limited to, the maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. The fact that such restrictions on the use of such roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Neighborhood Common Property shall not make such restrictions unreasonable.

5.9.5. The right of the Maintenance Association to give, dedicate, mortgage or sell all or any part of the Neighborhood Common Property (including leasehold interests therein) to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be determined by the Maintenance Association; provided that no such gift or sale or determination of such purposes or conditions shall be effective unless the same shall be authorized pursuant to Article 15, Section 15.2 of this Declaration. The Maintenance Association shall deliver written notice of the meeting and of the proposed agreement and action thereunder to each Member

thereof prior to such meeting as set forth in Article 15. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Maintenance Association, and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Property, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the Members.

Section 5.10. Discharge into Water Bodies. Nothing other than storm water or irrigation waters may be discharged into any lake, canal, or other body of water located within or adjacent to the Neighborhood Properties. The construction and/or installation of any device through which water is drawn shall be subject to the prior written approval of the ARC as set forth in Article 8 of the Master Declaration. Irrigation water may not be withdrawn from any body of water within the Neighborhood Properties or the ground without the consent of the Board of Directors of the Master Association, which consent may be withheld in the sole discretion of such Board.

Section 5.11. Landscape Buffer Easement. There is hereby reserved for the benefit of the Declarant, the Maintenance Association, the Master Association and the CDD, an easement over, upon and across Tracts "A" and "B" of Linkside as depicted on the Subdivision Plat thereof, recorded in Book 31, Page 27, of the Plat Records of Flagler County, Florida (herein referred to as the "Landscape Buffer Easement") for installation, maintenance, repair and replacement of landscaping, including, without limitation, berms, swales, planters, hedges, trees, shrubs, grass, ground cover, flowers and other plants and accessories, and landscape lighting and irrigation lines, equipment and facilities. No Owner shall erect a fence or otherwise obstruct access to the Landscape Buffer Easement, or install or remove any plant or other improvement or installation placed in the Landscape Buffer Easement by the beneficiaries thereof, or obstruct the view of the Landscape Buffer Easement from Waterside Parkway.

Section 5.12. Entry Sign Easement. There is hereby reserved for the benefit of the Declarant, the Maintenance Association, the Master Association and the CDD, an easement (herein referred to as the "Entry Sign Easement") over, upon and across Tracts "A" and "B" of Linkside as depicted on the Subdivision Plat thereof, recorded in Book 31, Page 28, of the Plat Records of Flagler County, Florida, for erection, installation, operation, maintenance, repair and replacement of subdivision entry signs and monuments, together with landscaping, lighting and irrigation facilities. No Owner shall erect a fence or otherwise obstruct access to the Entry Sign Easement, or install or remove any plant or other improvement or installation placed in the Entry Sign Easement by the beneficiaries thereof, or obstruct the view of the Entry Sign Easement from Waterside Parkway.

**ARTICLE 6****ASSESSMENTS**

Section 6.1. Creation of the Lien and Personal Obligations of Assessments. Declarant covenants, and each Owner of any Lot or Unit shall by acceptance of a deed therefor, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Neighborhood Declaration and to pay the Maintenance Association: (1) Annual Assessments, (2) Landscape Maintenance Assessments, (3) Initial Capital Assessments, and (4) Special Assessments, all fixed, established and collected from time to time as hereinafter provided. The Annual Assessments, Landscape Maintenance Assessments, Initial Capital Assessment and Special Assessments, together with such interest thereon and costs of collection provided herein shall be a charge and continuing lien as provided herein on the real property and improvements of the Owner against whom each such assessment is made. Each such assessment, together with such interest thereon and cost of collection, shall also be the personal obligation of the person who was the Owner of such real property at the time when the assessment first became due and payable. In the case of co-ownership of a Unit or Lot, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

The liability for assessments may not be avoided by waiver of the use or enjoyment of any Neighborhood Common Property or by the abandonment of the property against which the assessment was made. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Maintenance Association or Neighborhood Board to take some action or perform some function required to be taken or performed by the Maintenance Association or Neighborhood Board under this Neighborhood Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Maintenance Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

In addition to the assessments described herein, each Lot and Unit shall also be subject to the annual and special assessments imposed by the Master Association pursuant to the Master Declaration and assessments levied by the PCCSC pursuant to the PCCSC Declaration which shall be separate and distinct from the assessments imposed by the Maintenance Association.

Section 6.2. Purpose of Assessments. The Annual Assessments levied by the Maintenance Association may be used for the improvement, maintenance, enhancement and operation of the Area of Common Responsibility located in, on or about the Neighborhood Property, and further to provide services which the Maintenance Association is authorized or required to provide by contract or otherwise, including, but not limited to, payment to the Master Association of any Neighborhood Assessment imposed on the Maintenance Association by the Master Association pursuant to the Master Declaration, the payment of taxes and insurance thereon, construction, repair or replacement of improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized functions, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Maintenance Association for the purpose of enabling the Maintenance Association to perform its authorized or required functions. The Landscape Maintenance Assessments shall be used to pay for the landscape maintenance obligations of the Maintenance Association.

Section 6.3. Duty of the Neighborhood Board. It shall be the duty of the Board, at least thirty (30) days in advance of each fiscal year of the Maintenance Association, to establish the annual budget and to fix the amount of the Annual Assessment and Landscape Maintenance Assessment against each Lot or Unit for the coming fiscal year, and to prepare a roster of the Lots and Units and assessments applicable thereto which shall be kept in the office of the Maintenance Association and shall be open to inspection by the Owner. Failure to fix the amount of the Annual Assessment and Landscape Maintenance Assessment within the time period set forth above will not preclude the Board from fixing the Annual Assessment or Landscape Maintenance Assessment at a later date. In the event the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year, and the Annual Assessment and Landscape Maintenance Assessment for the immediately preceding year shall continue for the current year. Written notice of the Annual Assessment and Landscape Maintenance Assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement thereof.

Section 6.4. Rate of Assessment. Annual Assessments shall be established by dividing the total Common Expenses of the Maintenance Association by the total number of Lots or Units subject to assessment to derive a uniform base assessment amount applicable to all Lots. Thereafter the actual assessment applicable to Lots within the Neighborhood shall be adjusted for any Master Association Neighborhood Assessments applicable exclusively to that Neighborhood. Landscape Maintenance Assessments shall

be established by dividing the total Landscape Maintenance Expenses of the Maintenance Association by the total number of Lots or Units subject to assessment to derive a uniform base assessment amount applicable to all Lots adjusted as deemed appropriate to the Board on a lot-by-lot basis to account for material differences in the cost of maintenance of landscaping on individual lots. Special Assessments for capital improvements or expenses applicable to all Lots within the Properties shall be established in the same manner; however, Special Assessments applicable to a particular Lot for expenses attributable exclusively to such Lot shall be determined by dividing the applicable expense by the number of Lots to which it applies. After such amounts have been determined, the amounts due from the Class "B" and Class "C" Members shall be adjusted according to the following provisions. Declarant and each Builder will have the following option for each assessment year:

6.4.1. During the period in which Declarant has the status of the Class B Member, all Lots and Units owned by Declarant or a Builder, unless otherwise elected in writing by Declarant or the Builder owning the Lot or Unit, shall be assessed at twenty-five percent (25%) of the rate of assessment applicable to units owned by Class A Members, provided however, that in the event that the actual operating expenses of the Maintenance Association during the year for which the Declarant's (or Builder's) assessment is 25% of the Class A Membership assessment exceed the actual income of the Maintenance Association derived from all assessments imposed on all Members, Declarant and/or each Builder electing to pay assessments at 25% of the Class "A" assessment rate shall reimburse the Maintenance Association the difference between its actual operating expenses and its actual assessment income for such year, save and except any portion of such deficit attributable to delinquent assessments owed by Class A Members. The amount to be paid by Declarant and each Builder shall be prorated among Declarant and all Builders on the basis of the number of Lots owned by each party divided by the total number of Lots owned by all such parties. Payment of such reimbursement shall be made by Declarant and each Builder within 30 days after receipt of the Maintenance Association's annual statement of accounts. Notwithstanding the foregoing, the Declarant and/or any Builder shall have the right, but not the obligation, to reimburse the Maintenance Association for deficits attributable to delinquent assessments owed by Class A Members, or by Declarant or a Builder and, in that event, the Maintenance Association shall promptly institute collection proceedings, including legal action if necessary, to recover such unpaid amount(s) from such Owner(s), and, upon receipt of such recovery, the Maintenance Association shall reimburse Declarant and/or Builder the amount(s) so recovered up to the amount of any operating deficit funded by Declarant or Builder which arose from such non-payment.

6.4.2. In the alternative, Declarant or any Builder may elect by written notice to the Board to pay the full Class A rate of assessment for each Lot or Unit owned by the Declarant or such Builder within the Maintenance Association and subject to assessment without thereby waiving its Class B status, and, in such event, shall not be liable for the operating deficit of the Maintenance Association as provided in Subsection 6.4.1.

6.4.3. At such time as Class B status shall cease, all Lots and Units owned by Declarant or any Builder shall be assessed at the full Class A rate and neither Declarant nor any Builder shall have any obligation to fund any operating deficit of the Maintenance Association thereafter.

Section 6.5. Builder Assessments. Lots or Units owned by Class C Members shall be assessed as described in Section 6.4 during the period of Class B membership. Upon conversion of Class B membership to Class A, Class C shall also be converted to Class A, and full assessments shall apply.

Section 6.6. Initial Maximum Annual Assessment; Increases in Maximum Assessment; and Annual Assessment Rates.

6.6.1. Initial Maximum Annual Assessment and Maximum Landscape Maintenance Assessment. Until January 1 of the year immediately following the conveyance of the first Unit by the Declarant or a Builder to a Class A Member, the maximum Annual Assessment per Unit imposed by the Maintenance Association shall be \$ 60.00, and the maximum Landscape Maintenance Assessment shall be \$ 900.00. Assessments imposed by the Maintenance Association are separate and independent of annual or special assessments imposed by the Master Association pursuant to the Master Declaration and assessments imposed by the PCCSC pursuant to the PCCSC Declaration, and each Owner shall be obligated to pay both Maintenance Association Assessments; Master Association Assessments; and PCCSC Assessments.

6.6.2. Increases in Maximum Annual Assessment and Landscape Maintenance Assessment - Without Consent of the Members. From and after such date, the maximum Annual Assessment and Landscape Maintenance Assessment may be increased each year by the Board without a vote of the Membership of the Maintenance Association by an amount not more than either (a) ten percent (10%) above the sum of (1) the maximum Annual Assessment or Landscape Maintenance Assessment for the previous year, plus (2) increases mandated by governmental agencies and/or increased fixed costs

incurred for insurance, taxes, recycling, waste disposal, or to obtain services from utility companies, plus (3) increases in the cost of providing the landscape maintenance services herein described, or (b) the percentage increase, if any, in the current U.S. Government's Consumer Price Index (Urban Price Index - All Urban Consumers), herein referred to as the "CPI", over the CPI published for the preceding period, or other statistical index providing similar information if the CPI ceases to be published, whichever amount, (a) or (b), is greater.

6.6.3. Increases in Maximum Annual Assessment and Landscape Maintenance Assessment - Requiring Consent of the Members. The maximum Annual Assessment and Landscape Maintenance Assessment may not be increased above the amount described in Subsection 6.6.2 above without the approval of a simple majority of each class of Members who are either voting in person or by proxy, at a meeting of the Maintenance Association duly called for this purpose, or whose approval is evidenced by the written consent of the majority of such Members.

6.6.4. Establishing the Annual Assessment and Landscape Maintenance Assessment. The Board of Directors of the Maintenance Association shall set the Annual Assessment and Landscape Maintenance Assessment for each fiscal year at an amount not in excess of the maximum allowable Annual Assessment and Landscape Maintenance Assessment then in effect as established pursuant to Subsections 6.6.1, 6.6.2 or 6.6.3 above. If the Neighborhood Board sets the Annual Assessment or Landscape Maintenance Assessment at an amount which is less than the allowable maximum Annual Assessment or maximum Landscape Maintenance Assessment, the Neighborhood Board shall have the right to increase the Annual Assessment or the Landscape Maintenance Assessment to any amount not greater than the allowable maximum then in effect without the consent of the Members upon thirty (30) days written notice. The election of the Neighborhood Board to set the Annual Assessment or Landscape Maintenance Assessment at an amount less than the maximum shall not affect the calculation of the maximum Annual Assessment or maximum Landscape Maintenance Assessment for ensuing years pursuant to this Section 6.6.

Section 6.7. Special Assessments. In addition to the Annual Assessments and Landscape Maintenance Assessments authorized herein, the Maintenance Association may levy in any fiscal year a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Neighborhood Common Property, including fixtures and personal property related thereto; provided, such assessment shall have the affirmative vote or written consent, or combination thereof, at

least a simple majority of the votes of each class of Members as evidenced by the result of a vote taken by the Maintenance Association. The obligation to pay Special Assessments shall be computed on the same basis as for Annual Assessments. Special Assessments shall be payable in such manner and at such times as determined by the Neighborhood Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Neighborhood Board so determines.

The Maintenance Association (by simple majority vote of the Neighborhood Board) may also levy a Special Assessment against any Member to reimburse the Maintenance Association for costs incurred in bringing a Member and his Unit or Lot into compliance with the provisions of the Neighborhood Declaration, any amendments thereto, the Articles, the Bylaws, and the Maintenance Association rules and regulations, which Special Assessment may be levied upon the vote of the Neighborhood Board after notice to the Member and an opportunity for a hearing. The Maintenance Association (by simple majority vote of the Neighborhood Board) may also levy a Special Assessment against the Units or Lots in the Maintenance Association to reimburse the Master Association for costs incurred pursuant to Article 4, Section 4.3.13 or 4.3.16 of the Master Declaration, in bringing the Units or Lots into compliance with the provisions of the Master Declaration, any amendments thereto, the Articles, the Bylaws, and the Master Association rules and regulations.

Section 6.8. Notice and Quorum Requirements. Written notice of any proposed action to be taken pursuant to Subsection 6.6.3 or Section 6.7 shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such matter is to be discussed or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a written description of the of the proposed assessment. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Maintenance Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in this Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.



Section 6.9. Date of Commencement of Annual Assessments and Landscape Maintenance Assessments: Due Dates. The Annual Assessments and Landscape Maintenance Assessments provided for herein shall commence as to each Lot or Unit on the first day of the month next following the month in which the Lot or Unit is subjected to the terms and conditions of this Neighborhood Declaration by recordation of this Neighborhood Declaration or any Supplemental Declaration annexing Lots or Units into the Maintenance Association, or on the date the Maintenance Association Articles of Incorporation are filed with the Secretary of State of Florida, whichever occurs later. The dates when such Annual Assessments and Landscape Maintenance Assessments shall become due shall be established by duly adopted resolution of the Neighborhood Board. The Annual Assessment and Landscape Maintenance Assessments shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit. The Maintenance Association may delegate to a mortgage company, financial institution or management company responsibility for collection of assessments. The Annual Assessments and Landscape Maintenance Assessments shall be payable in advance in monthly installments, or in annual, semi-annual or quarter-annual installments if so determined by the Board of Directors of the Maintenance Association (absent which determination they shall be payable monthly).

Section 6.10. Records of Payment. The Board shall prepare a roster of Owners and Annual Assessments and Landscape Maintenance Assessments and Special Assessments applicable thereto which shall be kept in the office of the Maintenance Association and shall be open to inspection by any Owner at reasonable times with reasonable notice. Any Owner shall have the right to request the Maintenance Association to issue a written statement signed by an officer of the Maintenance Association, setting forth whether all Annual Assessments and/or Landscape Maintenance Assessments and/or Special Assessments owed by such Owner have been paid. The Maintenance Association shall have the right to impose a fee for the issuance of such statements not to exceed \$50.00 per statement. Requests for such statements shall be in writing addressed to the address to which Annual Assessment payments are made. Each request shall contain the street address and legal description (by platted lot and block) of the property and the full name of the Owner. The Maintenance Association shall issue the requested statement within 30 days after receipt of the written request, subject to the payment of any fee for such service imposed by the Maintenance Association. Such written statement issued by the Maintenance Association shall be *prima facie* evidence of payment of any assessment therein stated to have been paid.

Section 6.11. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner: The Lien: Remedies of Maintenance Association.

6.11.1. If any assessment (e.g. any Annual Assessment, Landscape Maintenance Assessments or Special Assessment) is not paid on the date due, then such assessment shall become delinquent and the entire assessment shall, together with interest thereon and cost of collection thereof as hereinafter provided, become due and payable and be a continuing lien on the property which shall bind such property in the hands of the then Owner, the Owner's heirs, devisees, personal representatives and assigns. The obligation of the Owner to pay such assessment is a personal obligation and any assessments that are due but remain unpaid at the time the Owner disposes of his or her ownership interest shall be enforceable by the Maintenance Association against such person or against such person's successor in interest to the property subject to the assessment unless such successor in interest is a *bona fide* purchaser for value without notice of the assessment, or acquires title to the property by foreclosure of a lien securing a purchase money mortgage or home equity mortgage, or by deed or conveyance in lieu of foreclosure of such lien.

6.11.2. The Maintenance Association may record a notice of lien for delinquent assessments in the public records and foreclose the lien in the same manner as a mortgage. The lien shall not be valid against subsequent *bona fide* purchasers or mortgagees for value unless so recorded. Upon recording, the lien shall secure the amount of delinquency stated therein and all unpaid assessments thereafter until satisfied of record, together with interest thereon, as provided herein, and the reasonable cost of (a) notices of delinquency, (b) demands for payment, (c) notices of liens, (d) assignment of liens, (e) releases of liens, (f) recording costs, (g) attorney's fees, and (h) management company fees.

6.11.3. If the assessment is not paid within thirty (30) days after the due date it shall be deemed delinquent and shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Maintenance Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

6.11.4. The Master Association shall have the right and authority to assign its lien for delinquent assessments due under the Master Declaration to the Maintenance

Association of which the delinquent Owner is a Member by recording a notice of such assignment in the real property records when the notice of lien is filed, and the Maintenance Association shall thereafter be charged with the responsibility for collecting such delinquent assessments, and other amounts secured by the lien. Any delinquent amounts that have been assigned to the Maintenance Association remaining uncollected on the last day of the fiscal year of the Maintenance Association shall be paid by the Maintenance Association to the Master Association within ninety (90) days thereafter.

6.11.5. The Maintenance Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Maintenance Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Maintenance Association as a result of foreclosure.

6.11.6. Suit to recover a money judgment for delinquent amounts owed to the Maintenance Association and attorney's fees and costs shall be maintainable without foreclosing or waiving the lien securing the same.

Section 6.12. Subordination of the Lien to the Mortgages; Mortgagees' Rights. The lien of the assessments provided for herein is subordinate to the lien of any purchase money or home equity Mortgage given to an Institutional Lender now or hereafter placed upon a Unit or Lot recorded prior to the recording of a notice of lien pursuant to Section 6.11 of this Article 6; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

An Institutional Lender, upon request, shall be entitled to written notification from the Maintenance Association of any default of an Owner of any obligation hereunder which is not cured within sixty (60) days. The Maintenance Association may provide such notice without receiving a request from the Institutional Lender. An Institutional Lender may pay taxes or other charges which are in default and which may or have become a charge against any Neighborhood Common Property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Neighborhood Common Property and Institutional Lenders making such

payments shall be owed immediate reimbursement therefor from the Maintenance Association.

Section 6.13. Damage to Neighborhood Common Property by Owners. Any maintenance, repairs or replacements within the Neighborhood Common Property arising out of or caused by the willful or negligent act of the Owner, his family, guests or invitees shall be done at said Owner's expense or a Special Assessment therefore shall be made against his Lot or Unit.

Section 6.14. Exempt Property. The following property subject to this Neighborhood Declaration shall be exempted from all assessments, charges and liens created herein: (a) all easements, rights-of-way or other interest dedicated and accepted by the local public authority and devoted to public use; and (b) all Master Common Property and Neighborhood Common Property.

Section 6.15. Collection of Master Association Assessments by Maintenance Association. The Board of Directors of the Master Association has the right to require the Maintenance Association to collect the Annual and Special Assessments imposed by the Master Association on Lots or Units within the Maintenance Association on behalf of the Master Association, and to remit such assessment revenues to the Master Association. In the alternative, the Board of Directors of the Master Association shall have the right to collect all Master Association Assessments and Maintenance Association Assessments on behalf of the Maintenance Association and remit to the Maintenance Association the Neighborhood Assessments so collected.

Section 6.16. Reimbursement of Master Association Working Capital Assessments. Each Class A Member who acquires title to a Lot from Declarant shall reimburse Declarant the amount, if any, of the working capital contribution paid by Declarant to the Master Association pursuant to Article VI, Subsection 6.1.6 of the Master Declaration at the time of conveyance of the Lot from Declarant to such Class A Member.

Section 6.17. Collection of PCCSC Assessments by Maintenance Association. Each Member, by acceptance of the deed to such Member's Lot is deemed to have agreed and consented to the inclusion of any PCCSC Assessment in the amount collected by the Maintenance Association as its Annual Assessment provided that the statement setting forth the amount of the Neighborhood Assessment sets forth a separate line item for the PCCSC Assessment, and provided also, that the Maintenance Association shall indemnify each Member against the misdelivery of such Member's PCCSC Assessment. Each Member also agrees that PCCSC has the right to issue assessment notices directly to each Member

and to collect its assessments separate and apart from the collection of the Neighborhood Assessments, and agrees to pay such assessments pursuant to the PCCSC Declaration if request to do so by PCCSC.

**Section 6.18. Initial Capital Assessment.** In addition to all other assessments described herein, each Lot shall be subject to an Initial Capital Assessment equal to two months of the then prevailing Annual Assessment, which shall be paid to the Maintenance Association upon conveyance of the Lot from a Builder or Declarant to a Class A Member. The obligation to pay the Initial Capital Assessment shall be borne by the purchaser of the lot, and the Initial Capital Assessment shall be collected and paid to the Maintenance Association at the closing at which title to the lot is conveyed to the purchaser, however failure of the title company or settlement agent to collect such Initial Capital Assessment on behalf of the Maintenance Association shall not relieve the purchaser of the obligation to pay such amount, nor shall any such title company or settlement agent be responsible for such payment.

**Section 6.19. Master Irrigation System Fees.** In the event that either the Declarant or the Maintenance Association installs the Master Irrigation System described in Article 12, Section 12.22 hereof, the Maintenance Association shall have the right to charge a fee for Irrigation Water used by the Owners, which fee shall be in addition to , and separate from the Annual and Special Assessments described in this Article 6. Such fee shall be established by the Board of Directors of the Maintenance Association, and shall be sufficient to cover the cost to the Maintenance Association of acquiring the Irrigation Water, plus the cost of operation and maintenance of the Master Irrigation System, plus a reasonable reserve for repair or replacement of the transmission lines, pipes, valves, pumps, controls, meters and other distribution and delivery apparatus, equipment or fixtures that supply Irrigation Water to the Property, plus a minimum monthly reservation or access fee applicable to those Owners who elect not to utilize the Master Irrigation System. The Board shall have the right to set or adjust the Master Irrigation System Fees on a month-to-month basis provided that no adjustment in the fee shall be effective until 30 days after written notice thereof has been delivered to Owners of Lots or Units. The Maintenance Association shall have the right to enter into agreements with other Neighborhood Associations to supply Irrigation Water to the Neighborhoods, in which case, payment of the Master Irrigation System Fees shall be made by such Neighborhood Associations. Master Irrigation System Fees shall be allocated among the Owners and Neighborhoods in proportion to their actual usage, and the Maintenance Association shall have the right to employ methods of determining the allocation of such fees in a fair and equitable manner, including, without limitation, installation of meters, timers, or other control devices, or allocation on the basis of area coverage. The Maintenance Association

shall bear its own share of the Master Irrigation System Fees attributable to its usage for irrigation of Common Properties or Areas of Common Responsibility, and shall pay its fair share of such fees from its operating funds. Master Irrigation System Fees may be averaged throughout the calendar year to ameliorate changes in the fee attributable to weather patterns or landscape needs. The Maintenance Association shall send statements to the Owners or Neighborhoods responsible for payment of the Master Irrigation System Fees at such intervals as may be established by the Board, provided that statements shall not be sent more often than monthly, or less often than annually. Payment shall be due within 30 days after receipt of such statements. The Maintenance Association shall have the right to impose late payment fees and interest charges on payments that are more than 30 days past due, which fees and charges shall be established by the Board and disclosed to the Owners and Neighborhood Associations responsible for payment. All amounts due hereunder shall be secured by the right of the Maintenance Association to impose a lien against the property of an Owner whose payment is delinquent as set forth in this Article 6.

## ARTICLE 7

### NEIGHBORHOOD

Each Unit within the Master Association shall be located within a development area which may be referred to as a Neighborhood. The Units within a particular Neighborhood will be subject to additional covenants, conditions, restrictions, easements and/or assessments than those set forth in this Neighborhood Declaration, Articles of Incorporation and Bylaws of the Maintenance Association. Owners of such Units or Property will all be members of a Neighborhood Association, as defined in the Master Declaration, in addition to being members of the Master Association.

The president of the Maintenance Association shall serve as the Neighborhood Representative for this Maintenance Association and shall cast all votes attributable to Units in the Neighborhood on all Master Association matters requiring membership vote, unless otherwise specified in the Master Declaration or the Master Association Bylaws. The Neighborhood Representative shall cast all such votes according to the outcome of any vote of the members of the Maintenance Association. In the event that the Neighborhood Representative is not bound by such vote, he/she may cast all votes as he/she deems appropriate.

The Maintenance Association shall have the right to adopt reasonable rules designed to restrict the use of Exclusive Common Areas and/or Neighborhood Common Areas to Owners, their guests and invitees, of Units within such Neighborhood. Nothing herein

shall prevent the Board of Directors of the Master Association from adopting such rules on its own initiative.

**ARTICLE 8**

**ARCHITECTURAL CONTROL**

**Section 8.1. Enforcement of Architectural Standards.** The Neighborhood Board shall have the authority and standing, on behalf of the Maintenance Association, to enforce in courts of competent jurisdiction decisions of the committees established in Section 8.2 and 8.3 of this Article 8.

No construction, which term shall include within its definition, staking, clearing, excavation, grading, and other site work, no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article until the requirements of the ARC have been fully met, and until the approval of the appropriate entities has been obtained.

**Section 8.2. Architectural Review Committee.** The Board may establish an Architectural Review Committee ("ARC") which shall have jurisdiction over all construction on any portion of the Neighborhood Properties except Units or improvements constructed or installed by the Declarant, or by Pulte, and whose duties, powers and responsibilities shall be as follows:

8.2.1. The ARC shall consist of three (3) or more persons designated by the Board.

8.2.2. The ARC shall have the right of approval of all architecture and landscaping of any Units. All construction and development within the Properties is subject to local governmental control; however, the ARC may, in its sole discretion, impose standards of architectural and landscaping design, which standards are greater or more stringent than standards prescribed in applicable building, zoning, planning or other local governmental codes. Notwithstanding the foregoing, all Units and improvements constructed or installed by the Declarant, or by Pulte, shall be deemed approved by the ARC and shall not be subject to review or approval by the ARC.

8.2.3. No building, sign, outside lighting, fence, hedge, wall, walk, dock or other structure or planting shall be constructed, erected, or planted until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme

and the location of same shall have been submitted to and approved in writing by the ARC.

8.2.4. Prior to the initiation of construction upon any Lot, the Owner thereof shall first submit to the ARC a complete set of plans and specifications for the proposed improvements, including site plans, grading plans, landscape plans, floor plans depicting room sizes and layouts, exterior elevations, specifications of materials and exterior colors, and any other information deemed necessary by the ARC for the performance of its function. In addition, the Owner shall submit the identity of the individual or company intended to perform the work and a projected commencement and completion date.

8.2.5. All plans for the construction of any improvements within the Properties impacting drainage of any lot shall contain a drainage plan which shall be consistent with the master drainage plan for Grand Haven.

8.2.6. Upon receipt by the ARC of all of the information required by this Article 8, it shall have 30 days in which to review said plans. The proposed improvements will be approved if, in the sole opinion of the ARC, (1) the improvements will be of an architectural style and of materials that are compatible with the other structures in the Neighborhood Property; (2) the improvements will not violate any restrictive covenant or encroach upon any easement or platted building set back lines; (3) the improvements will not result in the reduction in property value or use of adjacent property; (4) the individual or company intended to perform the work is acceptable to the ARC; and (5) the improvements will be substantially completed, including all cleanup, within six (6) months of the date of commencement (twelve (12) months for the construction of a complete house). In the event that the ARC fails to issue its written approval or disapproval of the proposed construction within 30 days of its receipt of the last of the materials or documents required to complete the Owner's submission, the ARC's approval shall be deemed to have been granted without further action.

8.2.7. In the exercise of its sole discretion, the ARC may require the Owner to provide assurances that the improvements will be completed in accordance with the approved plans. Such assurances may include the posting of a performance bond and/or a completion bond in favor of the Maintenance Association, independent professional inspection reports or sworn progress reports.

8.2.8. If there shall be a material deviation from the approved plans in the completed improvements, such improvements shall be in violation of this Article 8 to the same extent as if erected without prior approval of the ARC. The ARC or the Maintenance Association or any Owner may maintain an action at law or in equity for the removal or



correction of the non-conforming structure and, if successful, shall recover from the Owner in violation all costs, expenses and fees incurred in the prosecution thereof.

8.2.9. There is specifically reserved unto the ARC, the right of entry and inspection upon any Unit or Lot, save and except any Unit or Lot owned by Declarant or Pulte, for the purpose of determination by ARC whether there exists any construction of any improvement which violates the terms of any approval by the ARC or the terms of this Neighborhood Declaration or of any other covenants, conditions and restrictions to which its deed or other instrument of conveyance makes reference. The ARC is specifically empowered to enforce the provisions of this Neighborhood Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed improvement, or to remove any unapproved improvements, the prevailing party shall be entitled to recovery of all court costs, expenses and reasonable attorney's fees in connection therewith. The Maintenance Association shall indemnify and hold harmless the ARC from all costs, expenses and liabilities including attorney's fees incurred by virtue of any member of the ARC's service as a member of the ARC.

8.2.10. A majority of the ARC may take any action of the committee and may designate a representative to act for it. In the event of death, disability or resignation of any member of the ARC, the Board shall designate a successor. If a request for approval is pending before the ARC that must be approved or rejected before the Board has appointed a successor to the ARC member who has resigned or died or become disabled, the surviving member(s) of the ARC shall be deemed to have been named as the agent or representative of the ARC and shall have the authority to act on behalf of the ARC with respect to any such pending applications.

8.2.11. The ARC may impose reasonable fees and charges upon Owners to enable it to carry out its functions.

8.2.12. In each instance where a structure has been erected, or the construction thereof is substantially advanced, in such manner that the same violates the restriction contained in this Neighborhood Declaration or any other covenants which the ARC has the power to enforce, or in such manner that the same encroaches on any easement area or setback line, the Board of Directors of the Maintenance Association shall have the authority to release the property from the restriction which it violated and to grant an exception to permit the encroachment by the structure over the setback line or on the easement area, so long as the ARC, in the exercise of its sole discretion, determines that the release or

exception will not materially and adversely affect the health, safety and appearance of the Properties.

8.2.13. The Board of Directors of the Association has the right, but not the obligation, to grant waivers for minor deviations and infractions of this Neighborhood Declaration upon its own action or at the request of the ARC. The granting of any waiver for any portion of the Properties may be given or withheld in the Board's sole discretion and a prior grant of a similar waiver shall not impose upon the Board the duty to grant new or additional requests for such waivers.

8.2.14. The Maintenance Association, Declarant, ARC or any officer, employee, director or member thereof shall not be liable for damages to any persons submitting plans and specification or approval by reason of mistake in judgment, negligence or non-feasance arising out of or in connection with the approval, disapproval or failure to approve any plans and specifications. Every person who submits plans and specifications for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit against the Maintenance Association, Declarant or ARC to recover any such damages. Further, any Builder on any of the Residential Property agrees to indemnify and hold the Declarant harmless from and against any cost, claim, damage, expense or liability whatsoever, including, attorney's fees at all tribunal levels, arising out of any approval of plans given by the ARC hereunder.

Section 8.3. Declarant Exemption and Approval of Fences and Docks. This Article, except for the requirement to construct improvements in accordance with required governmental approvals, shall not apply to the original structures erected on any Lot built by or on behalf of, and/or sold by Declarant, its successors and assigns, or Pulte Home Corporation. Notwithstanding any other provision to the contrary, as long as the Declarant continues to own any Lot or Unit in the Properties, no fence, dock or pier shall be constructed on any Lot or Common Area without the express written consent of the Declarant, which may be withheld, conditioned or delayed in the sole and absolute discretion of the Declarant. The authority reserved to the Declarant to approve, disapprove or condition any request for construction of a fence, dock or pier shall supersede the authority of the ARC, and the ARC shall not accept any application or request for approval of a fence, dock or pier unless such application or request is accompanied by the written consent of the Declarant.

Section 8.4. Modifications. The ARC shall also have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the Open Space, if any, appurtenant thereto. The ARC may

promulgate detailed standards and procedures governing modifications to existing Units or structures. In addition thereto, the following shall apply: Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the ARC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of any Owner to remodel the interior of a Unit or to paint the interior of his Unit any color desired. In the event that the ARC fails to approve or to disapprove such plans or to request additional information reasonably required within thirty (30) days after submission, the plans shall be deemed approved.

Section 8.5. Review and Appeal of ARC Decisions. The Board of Directors shall have the right to review and overturn the decisions of the ARC. Any Owner whose request for approval from the ARC has been denied, shall have the right to submit a written request to the Board for a review of the decision of the ARC. Such request must be accompanied by a complete copy of each and every plan, drawing and document submitted to the ARC, as well as copies of any correspondence or written communication between the Owner, or applicant, and the ARC, and shall state the arguments the Owner, or applicant, desires the Board to consider, and the exact form of relief requested. All such appeals shall be deemed *de novo* applications which shall be reviewed by the Board rather than the ARC, but which shall otherwise be governed by the requirements and procedures described in Section 8.2 of this Article 8. The Board shall not review decisions by the ARC granting its approval of applications presented in compliance with Section 8.2.

Section 8.6. Address for Notice. Requests for ARC approval or correspondence with the ARC shall be addressed to the Architectural Review Committee - Maintenance Association of Grand Haven and mailed or delivered to the principal office of Declarant in the greater Palm Coast, Florida area, or such other address as may be designated from time to time by the ARC. No correspondence or request for approval shall be deemed to have been received until actually received by the ARC in form satisfactory to the ARC.

## ARTICLE 9

### USE AND OCCUPANCY; LEASES

Section 9.1. Single Family Residential Use Only. All Lots and dwellings shall be used and occupied for single family residence purposes only. No Lot or dwelling may be

used for commercial, institutional or other non-residential purpose if such use involves the attendance or entry of non-residents upon the Lot or otherwise diminishes the residential character of the Lot or neighborhood. This prohibition shall not apply to "garage sales" conducted with the prior written consent of the Board of Directors of the Maintenance Association provided that no Owner shall conduct more than one (1) garage sale of no more than two (2) days duration during any six (6) month period or, the use of any Unit by Declarant or any Builder as a model home or sales office, or the use of any Lot as a site for a construction office trailer or sales office trailer by Declarant or any Builder. The living area of each Unit, exclusive of garages, porches, patios and other areas not designed for human habitation, shall be 1000 square feet or larger measured to the outside of the exterior walls.

**Section 9.2. Rental of Units; Leases; Time Share.** All rentals of Units by Owners shall be documented by written leases, and a copy of each such lease shall be delivered by the Owner to the Secretary of the Maintenance Association showing, among other things, the address of the Unit, the name(s) of the tenants, the date of commencement, and the term. No Unit may be rented for a term of less than 30 days. No Unit may be used as a rooming house, hostel or hotel. Time share ownership or occupancy of less than 30 consecutive days duration are prohibited. No more than three (3) leases may be executed for any Unit during any twelve (12) month period based on the date of commencement of the lease. Rentals of less than 30 days duration or operation of a rooming house, hostel or hotel shall be deemed to be commercial uses for the purposes of enforcement of this Declaration, and are prohibited. No more than three (3) time share occupancies shall occur during any twelve (12) month period, and each such occupancy shall be for a period of 30 days or more, based on the first date of such occupancy. Written notice of time share ownership shall be delivered to the Secretary of the Maintenance Association prior to occupancy stating the address of the Unit, the names of the time share owners and the schedule of occupancy.

**Section 9.3. Common Maintenance.** The Neighborhood Properties have been established as a community in which the Maintenance Association provides certain exterior maintenance services for the residents as part of its normal function in order to create a life-style for the Owners providing freedom from the burden of such maintenance responsibilities. The expense of such maintenance services is included in the Landscape Maintenance Assessments of the Maintenance Association. The responsibility for maintenance of the Units is described as follows.

**9.3.1. Owners' Obligations.** Each Owner shall be exclusively responsible for performance of all maintenance obligations for their Unit that is not specifically assumed

by the Maintenance Association pursuant to this Declaration, including, without limitation, repair and replacement of all interior elements of the Unit, repair and replacement of all exterior elements of the Unit, including but not limited to the roof, paint, all garage doors, entry/exit doors, window screens, all glass surfaces and windows, all swimming pools, pool equipment and machinery, swimming pool screen enclosures, swimming pool decks, all planters and landscaping incorporated into swimming pool decks or enclosures, or affixed to the Unit or any patio or extension of the Unit, patios, walkways and driveways, outbuildings or other improvements that are not specifically described in this Section 9.3.

9.3.2. Alterations. Owners shall not make any alterations or additions to any Unit or Common Area, including any changes or alterations of landscaping, ground cover or grass, without first obtaining the written consent of the ARC pursuant to Article 8. Alterations or additions to Units that would affect the expense of the maintenance obligation of the Maintenance Association may be rejected for that reason alone, without consideration of the aesthetics or benefits of the proposed alteration or addition.

9.3.3. Duty to Report. Owners shall promptly report to the Maintenance Association, any condition of the landscaping or irrigation system of any Unit in need of maintenance or repair.

9.3.4. Liability for Actions. Each Owner shall be liable for the expense incurred by the Maintenance Association for any maintenance, repair or replacement of any real or personal property made necessary by the act, neglect or carelessness of the Owner or the Owner's tenants or any member of their families, or their guests, employees or agents (normal wear and tear excepted) but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Each Owner shall also be liable for any personal injuries caused by his negligent acts or those of his tenants or any member of their families, or their guests, employees or agents. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

9.3.5. Responsibilities of the Maintenance Association. The Maintenance Association shall be responsible for the performance of the following services for the maintenance of the landscaping of the Units as part of its Landscaping Maintenance Assessments:

(a) Lawn Care. Mowing, trimming, edging of lawns, including application of fertilizers, pesticides, herbicides, fungicides and other agents within areas accessible to lawn care crews, and excluding planters, flower pots, rock gardens, or other

landscaping or plantings enclosed within pool enclosures or integrated into the Unit or any patio or attachment to a Unit;

(b) Landscape Maintenance. Pruning, trimming, weeding, of trees, shrubs and flower beds installed by the Maintenance Association or the Declarant or Builder of the Unit in accordance with landscape plans and specifications approved by the ARC, including the application of pesticides, herbicides, fungicides and other agents;

(c) Irrigation System. Operation, maintenance and replacement of all irrigation system lines, pumps, meters, timers, sprinkler heads or other apparatus, equipment or machinery, provided, however that each Unit's irrigation system shall be separately metered and all irrigation water costs shall be paid by the Owner and shall not be included in the Landscape Maintenance Assessment, and likewise, all costs of maintenance and repair of the irrigation system shall be separately billed to the Owner as a Special Assessment.

9.3.6. Scheduling and Control. The Maintenance Association shall have the exclusive right to control the timing of the performance of the services described herein, including the hours of the day and days of the week on which such services will be performed, as well as the schedule of irrigation and application of fertilizers, pesticides, herbicides, fungicides and other agents. No Owner shall interfere with the performance of the services by the Maintenance Association or its contractors, agents or employees, or alter the schedule of irrigation established by the Maintenance Association.

9.3.7. Indemnification. The Maintenance Association covenants and agrees that it will indemnify and save harmless Declarant, the Master Association, all Builders, all other Maintenance Associations or Neighborhood Associations within Grand Haven and the members of the Board from and against any and all claims, suits, actions, damages, and/or causes of action arising from any personal injury, loss of life, and/or damage to property sustained in or about any Unit within the Neighborhood Property or elsewhere within the Neighborhood Property, and from and against all costs, legal fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein. Included in the foregoing provisions of indemnification are any expenses that Declarant may incur in bringing suit for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in this Neighborhood Declaration to be kept and performed by the Maintenance Association.

9.3.8. Exculpation of Master Association and Declarant. Neither the Master Association nor the Declarant nor any Builder shall have any obligation whatsoever for the performance of any service described in this Neighborhood Declaration, or for the failure or refusal of the Maintenance Association to perform such services.

9.3.9. Events of Force Majeure. Notwithstanding anything herein to the contrary, neither the Maintenance Association, nor its officers or directors, nor Declarant or Pulte shall be liable for any damages suffered by any Owner resulting from acts of God, natural disaster, bad weather or other events or conditions beyond the control of the Maintenance Association, including but not limited to, damage or destruction of landscaping (including trees, shrubs and other plants), or damage caused by wind blown debris. In the event of loss or damage to landscaping on any Lot, the Owner of said Lot shall be exclusively responsible for payment of all costs of restoration or replacement, and shall cause such damage to be completely repaired within six (6) months after the event. If any Owner shall fail to repair such damage within such time period, the Maintenance Association shall have the right, but not the obligation, to perform such restoration, repair or replacement, and the cost thereof shall be assessed against the Lot as a Special Assessment. By acceptance of the deed to the Lot, each Owner, for and on behalf of himself/herself and any insurer, hereby waives all rights of subrogation against the Maintenance Association, its officers and directors, and Declarant and Pulte, for recovery of costs expended by any such insurer for the restoration, repair or replacement of damage to, or caused by, any landscaping (including trees, shrubs and other plant) or wind blown debris.

## ARTICLE 10

### USE RESTRICTIONS

Section 10.1. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 10.2. Development Activity. Notwithstanding any other provision herein, Declarant and its successors and assigns, including Builders, shall be entitled to conduct on the Neighborhood Property all activities normally associated with and convenient to the development of the Neighborhood Property and the construction and sale of dwelling units on the Neighborhood Property.

Section 10.3. Temporary Structures. No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn,

motor home or mobile home or other outbuilding, and no prefabricated or relocated structure shall be used on any Lot at any time as a residence, either temporarily or permanently. This restriction shall not be interpreted to limit the right of Declarant or any Builder to use trailers or outbuildings as sales offices, construction offices or material storage facilities.

Section 10.4. Signs. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the subdivision or carried by any person or by any other means displayed within the subdivision except the following:

a. For Sale Signs. An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of the ground advertising the property for sale.

b. Declarant's Signs. Signs or billboards may be erected by the Declarant or any Builder.

c. Political Signs. Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within fifteen (15) days after the election.

Section 10.5. Campers, Boats and Recreational Vehicles. No campers, boats, boat trailers, recreational vehicles and other types of non-passenger vehicles, equipment, implements or accessories may be kept on any Lot unless the same are fully enclosed within the garage located on such Lot, and said vehicles and accessories are in an operable condition. The ARC as designated in this Neighborhood Declaration, shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and adequately screened from public view. Upon an adverse determination by the ARC, the vehicle and/or accessory shall be removed and/or otherwise brought into compliance with this paragraph. No dismantling or assembling of motor vehicles, boats, trailers, recreational vehicles, or other machinery or equipment shall be permitted in any driveway or yard adjacent to a street. No commercial vehicle bearing commercial insignia or names shall be parked on any Lot except within an approved enclosed structure which prevents such view thereof from adjacent lots and streets, unless such vehicle is temporarily parked for the purpose of serving such Lot.



Section 10.6. Pets, Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except for cats, dogs or other generally recognized household pets of a reasonable number, provided that they are not kept, bred, or maintained for any commercial purpose; and provided further, than no more than four (4) adult animals may be kept on a single Lot. All such animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Maintenance Association and the Master Association.

Section 10.7. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble, or debris shall be stored, kept, placed or maintained on any Lot where visible from any street or from the golf course adjacent to any Lot except solely on a day designated for removal of garbage and rubbish and on which days only such cans, bags, containers, and receptacles may be placed in front of a residence and beside a street for removal but shall be removed from view before the following day.

Section 10.8. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three (3) and ten (10) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and in a line connecting them at points thirty-five (35) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 10.9. Parking. No vehicles, trailers, implements or apparatus may be driven or parked in Neighborhood Common Areas or Master Common Areas not intended for vehicular access or on any easement unless in use for maintaining such Neighborhood Common Areas or Master Common Areas.

Section 10.10. Commercial or Institutional Use. No Lot, and no building erected or maintained on any Lot shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes, except for construction offices, model homes and sales offices as set forth in this Neighborhood Declaration.

Section 10.11. Detached Buildings. No detached accessory buildings, including, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without the prior consent of the ARC. Every outbuilding, inclusive of such structures as a storage building, greenhouse or children's playhouse shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. In no instance shall an outbuilding exceed one (1) story in height or have total floor area in excess of ten percent (10%) of the floor area of the main dwelling.

Section 10.12. Fences and Walls. No fence or wall shall be erected or maintained on any Lot except for (1) fences erected in conjunction with model homes or sales offices, (2) Common Area walls, fences or buffering or screening structures, landscaping or improvements erected by the Declarant or the Master Association, (3) walls erected by the Declarant or Builder as part of the original architecture of the Unit to which they are appurtenant and in compliance with the plans and specifications therefor approved by the Declarant or the ARC, or (4) fences, walls or enclosures for swimming pools in compliance with local or state ordinances and laws, subject to approval by the ARC pursuant to Article 8. No fence, wall or enclosure surrounding a swimming pool on a Lot abutting the golf course shall be made of wood or masonry or other materials that obstruct the view of the home from the golf course.

Section 10.13. Landscaping. Decorative ground cover rock in the front and side yard may not exceed ten (10) percent of the total area of the front and side yard. Lawns must be properly maintained (not to exceed six (6) inches in height).

Section 10.14. Solar Energy Devices. No Owner may erect or maintain solar collector panels or other solar energy devices or equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view at a point in the center of the public street right-of-way directly in front of the house erected on such Lot; and no such apparatus shall be erected without the prior written consent of the ARC.

Section 10.15. Exterior Finish. All exterior walls of all dwellings, garages and approved accessory buildings shall be completely finished with wood, stucco, brick, stone, paneling or other material acceptable to the ARC. No unpainted concrete block surfaces shall be visible on any exterior wall. Notwithstanding the foregoing, the ARC is empowered to waive this restriction if, in its sole discretion, such waiver is advisable in order to accommodate a unique or advanced building concept, design, or material, and the resulting structure will not detract from the general appearance of the neighborhood.

Section 10.16. Chimneys. All fireplace flues, smoke stacks and spark arresters shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the principal finish material of the exterior walls of the dwelling or otherwise approved by the ARC.

Section 10.17. Clothes Hanging Devices. Clothes hanging devices exterior to a dwelling shall not be permitted on any Lot, Unit or Common Area.

Section 10.18. Window Treatment. No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors.

Section 10.19. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground.

Section 10.20. Mail Boxes. Mail boxes shall be erected and maintained upon areas determined by the U.S. Postal Service in accordance with the current postal authority standards and the approval of the ARC.

Section 10.21. Garages. An enclosed garage able to accommodate at least two (2) automobiles must be constructed and maintained for each residence. The openings of such garages must be situated within the setback lines set out in Section 10.23 below. If the garage is detached from the house, it shall be located entirely in the rear yard area and not less than five (5) feet from any side or rear Lot line and in the case of corner Lots, not less than the distance required for dwellings from side streets. Garages may be used as a builder's sales offices prior to permanent occupancy of the main structure, however, sales offices must be converted to garages prior to permanent occupancy. Detached garages may not exceed a height of eighteen feet (18') at the highest ridge point of the roof measured from the existing ground unless prior written approval is obtained from the ARC. With the exception of periods when garages are used by the Builder as sales offices, all garages shall be maintained for the storage of automobiles, and no garage may be enclosed or otherwise used for habitation.

Section 10.22. Roof. No exposed roof surfaces on any principal and/or secondary structures shall be of wood shingles or wood shakes unless rated by the State Insurance Board as meeting fire retardant standards. The ARC shall have the authority to approve

roof treatments and materials when in its determination such treatments and materials, in the form utilized will not be a detriment to the quality of the neighborhood.

Section 10.23. Setback Lines. All buildings or other structures, permanent or temporary, habitable or uninhabitable, must be constructed, placed and maintained in conformity with setback lines shown on the recorded Plat or imposed by the governmental authorities. Notwithstanding the foregoing, the ARC shall have the right and authority to approve variances from the setback requirements for reasonable cause or to alleviate a hardship.

Section 10.24. Athletic and Recreational Facilities. Outdoor athletic and recreational facilities such as basketball goals, swing sets and sport courts of either a permanent or temporary nature shall not be placed on any Lot in the subdivision between the street right-of-way and the front of a Unit and must be approved by the ARC. Tennis court lighting and fencing shall be allowed only with the approval of the ARC.

Section 10.25. Water and Sewage Systems. No individual water supply system or sewage disposal system shall be permitted on any Lot, including but not limited to water wells, cesspools or septic tanks.

Section 10.26. Exterior Holiday Decorations. Lights or decorations may be erected on the exterior of Units in commemoration or celebration of publicly observed holidays provided that such lights or decorations do not unreasonably disturb the peaceful enjoyment of adjacent Owners by illuminating bedrooms, creating noise or attracting sight-seers. All lights and decorations that are not permanent fixtures of the Unit which are part of the original construction or have been properly approved as permanent improvements by the ARC shall be removed within thirty (30) days after the holiday has ended. Christmas decorations or lights may not be displayed prior to November 15th of any year. For other holidays, decorations or lights may not be displayed more than two (2) weeks in advance of the holiday. The Maintenance Association shall have the right, upon thirty (30) days prior written notice to enter upon any Lot and summarily remove exterior lights or decorations displayed in violation of this provision. The Maintenance Association, and the individuals removing the lights and decorations, shall not be liable to the Owner for trespass, conversion or damages of any kind except intentional misdeeds and gross negligence.

Section 10.27. Television and Radio Receiving Devices. No exterior radio or television antenna, satellite dish, microwave antenna or other antenna or device for sending or receiving television or radio signals may be erected or maintained on the

exterior of any Unit in the Neighborhood Properties in such a manner as to be visible to an observer from the street in front of the Unit. Television and/or radio receiving devices may be erected on the exterior of a Unit in a location that does not allow them to be visible to an observer from the street in front of the Unit if such devices are approved for installation by the ARC, provided however, that satellite receiving dishes in excess of 39 inches in diameter shall be prohibited on all Lots. Notwithstanding the foregoing, the Board of Directors of the Maintenance Association shall have the authority to establish size limitations for television and radio receiving devices that do not have a material effect upon the appearance of the Unit which devices may be approved for use in areas that are visible to an observer from the street if advances in technology create devices that are unobtrusive and do not materially affect the appearance of the Unit. By acceptance of a deed to a Unit within the Neighborhood Properties, each Owner agrees that this restrictive covenant is a reasonable limitation on the Owners' ability to receive television and/or radio transmissions, and (1) does not unreasonably delay or prevent installation, maintenance or use of television or radio receiving devices, (2) does not unreasonably increase the cost of installation, maintenance or use of television or radio receiving devices, (3) does not preclude reception of an acceptable quality television or radio signal, and (4) does not impose an unnecessary burden, expense or delay on any Owner. Each Owner covenants with Declarant and every other Owner that the rights of the Maintenance Association and all other Owners of Units in the Neighborhood Properties in the protection of property values and the architectural character and aesthetics of the Neighborhood Properties supersedes and takes precedence over the interests of each individual Owner in the placement of television and radio receiving devices, and that the limitations established in this Neighborhood Declaration provide each Owner reasonable alternatives for receiving quality television and radio signals without the necessity of erecting receiving devices in locations that are visible to observers from the street in front of the Unit or otherwise materially affect the appearance of the Unit. Therefore, each Owner agrees to be bound by this limitation and waives the benefits of any contrary rule or regulation promulgated by the Federal Communications Commission or other governmental body or agency.

#### ARTICLE 11

#### PICKETING AND DEMONSTRATIONS

By acceptance of the deed to any Lot covered by this Declaration, the Owner covenants and agrees with the Owners of all other Lots within the subdivision, that no Owner or resident of any Lot shall engage in picketing, protest marches, sit-in demonstrations, protest speeches or other forms of public protest, including without limitation, displaying signs or placards within public view, upon any Lot or within any

Master Common Area, Neighborhood Common Area, easement or street adjacent to any Lot, or affixed to any vehicle or apparatus upon or adjacent to any Lot. This prohibition shall not affect the right of any person to participate in any other form of public protest conducted outside the area depicted on the recorded Plats of Grand Haven. No Owner or resident of any Lot shall engage in conduct that tends to vilify, ridicule, denigrate, or impugn the character of any other Owner or resident if such conduct occurs on any Lot, Master Common Area, Neighborhood Common Area, easement or street depicted on any Plat of Grand Haven. Each Owner, by acceptance of the deed to any Lot, shall be deemed to have accepted the foregoing prohibitions as reasonable limitations on his or her constitutional right of free speech and to recognize and agree that all Owners have the right to the peaceful enjoyment of their property; the right of privacy; the right to practice their own religion; the freedom of association; the right to engage in a profession, business or life-style of their own choosing provided that the conduct of such profession, business or life-style is not illegal and does not otherwise violate any provision of this Declaration.

## ARTICLE 12

### ACCEPTANCE AND MAINTENANCE OF NEIGHBORHOOD COMMON PROPERTIES

Section 12.1. Construction and Ownership of Master Common Property and Neighborhood Common Property Improvements. It is anticipated that Declarant will designate certain portions of the Neighborhood Property to be Neighborhood Common Property and/or Master Common Property that will be improved or developed in phases in association with the development and annexation of the Neighborhoods. Declarant may elect to construct or install certain improvements or facilities upon portions of the Neighborhood Common Property and/or Master Common Property, but is not obligated to do so. Declarant shall have the absolute right and power to determine what improvements or facilities, if any, it will install or construct on the Neighborhood Common Property and/or Master Common Property at all times prior to conveying such Neighborhood Common Property to the Maintenance Association and/or such Master Common Property to the Master Association, and within two (2) years thereafter. All lands designated by the Declarant as Neighborhood Common Property shall be conveyed to, and title shall be held by, the Maintenance Association, together with all improvements or facilities constructed or installed thereon. All lands designated by the Declarant as Master Common Property shall be conveyed to, and title shall be held by, the Master Association, together with all improvements or facilities constructed or installed thereon.

Section 12.2. Acceptance of Neighborhood Common Properties. Within thirty (30) days after receipt of written notice from the Declarant informing the Maintenance

Association that Declarant has completed construction or installation of improvements upon any portion of Neighborhood Common Property, the President of the Maintenance Association, or in the absence of the President, any Vice President of the Maintenance Association, together with a duly authorized representative of the Declarant, shall conduct a thorough inspection of the improvements or facilities, and shall report in writing any incomplete or defective conditions. The Maintenance Association shall have the right to engage the service of a professional engineer, or other qualified inspector, to assist with the inspection and preparation of the written report. Upon completion or correction of any incomplete or defective conditions by Declarant, and re-inspection and approval by the President (or Vice President, as the case may be), or, in the event that the Declarant and the representative of the Maintenance Association disagree about the completion or correction of allegedly incomplete or defective conditions, upon written certification of completion by a licensed engineer or architect engaged by the Declarant, Declarant shall convey all of its right, title and interest in and to the Common Property, including the improvements or facilities, to the Maintenance Association, and the Maintenance Association shall accept and acknowledge the deed of conveyance, and/or the certificate of completion, and shall thereafter own all right, title and interest in the Neighborhood Common Property and improvements or facilities.

Section 12.3. Maintenance of the Neighborhood Common Property. The Maintenance Association shall own, operate and maintain all Neighborhood Common Property and the improvements or facilities constructed or installed thereon in first class condition, subject to normal wear and tear, depreciation, and the elements. Maintenance of the Neighborhood Common Properties shall include periodic inspection and preventive maintenance for the improvements and facilities owned by the Maintenance Association.

Section 12.4. Inspections of the Neighborhood Common Property by Declarant. Declarant hereby reserves the right, at all times after conveyance of the Neighborhood Common Properties to the Maintenance Association, to enter the Neighborhood Common Properties, without prior notice, and to inspect the condition of the improvements and facilities owned by the Maintenance Association. If Declarant determines, in its sole judgement, that the improvements or facilities are in need of repair or maintenance, it shall so notify the Maintenance Association in writing, and it shall be the Maintenance Association's sole obligation to promptly complete such repairs or maintenance. Failure of the Maintenance Association to properly maintain and repair the Neighborhood Common Properties shall relieve the Declarant of any liability to the Maintenance Association or to any Member for any condition of the Neighborhood Common Properties. Declarant shall have the right to make a record of its inspections by photographing and/or videotaping the Neighborhood Common Properties, and shall have the right to perform

tests or examinations to determine the condition of the Neighborhood Common Properties, provided that Declarant shall indemnify the Maintenance Association from any claims for personal injury, death, property damage or non-payment asserted by persons claiming by, through or under the Declarant for injury, death or damage occurring as a result of such examinations or tests. Notwithstanding the foregoing, Declarant shall have no obligation to perform inspections of the Neighborhood Common Properties owned by the Maintenance Association. The deeds conveying the Neighborhood Common Properties to the Maintenance Association may contain a recitation of this reservation, however failure to recite such reservation in such deeds shall not affect the rights of Declarant herein reserved.

Section 12.5. Maintenance and Repair Records. The Maintenance Association shall keep records of maintenance and repairs performed on the Neighborhood Common Properties, and such records shall be made available to the Declarant and to any Member upon written request. Failure of the Maintenance Association to maintain appropriate records of maintenance and repairs shall be conclusive evidence that such maintenance and repairs were not performed.

Section 12.6. Surface Water and Storm Water Management System. The Declarant has caused or will cause to be constructed within the geographic area shown by the Master Plan drainage canals, lakes and drainage retention/detention ponds. These drainage structures are part of the overall drainage plan for the Neighborhood Properties. The Maintenance Association shall have unobstructed ingress to and egress from all retention/detention ponds and lakes within the Neighborhood Properties at all reasonable times to maintain said ponds and lakes in a manner consistent with its responsibilities. No Owner shall cause or permit any interference with such access and maintenance. Should the Maintenance Association fail to sufficiently maintain any portion of the Surface Water and Storm Water Management System within its boundaries (or any portion of a surface water management system which connects with the Surface Water and Storm Water Management System), the Master Association shall have the authority to maintain such portion and the cost of such maintenance shall be assessed against and become a debt of the Maintenance Association and shall become immediately due and payable as provided for other assessments of the Maintenance Association. Consequently, no Owner shall utilize, in any way, any of the drainage facilities or incorporate such facilities in the Owner's development plans, without the express prior written consent of the Declarant, the Maintenance Association and the Master Association. Further, where an Owner of a Lot is contiguous to any of the drainage facilities, the Owner shall prepare its site plan so that the utilization of its property will not adversely affect the drainage facilities and



structures and so as to be aesthetically compatible with such drainage facilities and structures.

Section 12.7. SJRWMD Permits. The Maintenance Association, and/or the Master Association, and/or the CDD shall maintain, as part of the common elements, drainage structures for the properties, and comply with conditions of the permits from the St. Johns River Water Management District ("SJRWMD") for the drainage system, including, without limitation, perpetual maintenance of all signage required by the permit. The Maintenance Association, shall, when requested by Declarant, accept transfer of the SJRWMD permits applicable to the Neighborhood Property. The conditions of the SJRWMD permits include monitoring and record keeping schedules, and maintenance.

Section 12.8. Monitoring. Water quality data for the water discharged from the permittee's property or into the surface waters of the state shall be submitted to the SJRWMD as required. Parameters to be monitored may include those listed in Chapter 17-3 of the Florida Administrative Code. Analyses shall be performed according to procedures outlined in the current edition of Standard Methods for the Examination of Water and Wastewater by American Public Health Association of Methods for Chemical Analyses of Water and Wastes by the U. S. Environmental Protection Agency. If water quality data are required, the permittee shall provide data as required on volume of water discharged, including total volume discharged during the days of sampling and total monthly discharge from the Property or into surface waters of the state.

Section 12.9. Control. The Maintenance Association agrees to operate and maintain the system, and has sufficient ownership so that it has control over all water management facilities authorized.

Section 12.10. Hold Harmless. The Maintenance Association shall hold and save the SJRWMD harmless from any and all damages, claims, or liabilities which may arise by reason of the operation, maintenance or use of any facility authorized by the permit.

Section 12.11. Operation. The Maintenance Association shall at all times properly operate and maintain the systems of treatment and control (and related appurtenances) that are installed or used to achieve compliance with conditions of the permit, as required by the SJRWMD. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by SJRWMD rules.

Section 12.12. Access and Inspection. The Maintenance Association, specifically agrees to allow authorized SJRWMD personnel, upon presentation of credentials or other documents as may be required by law, access to the premises, at reasonable times, where the permitted activity is located or conducted; for the purposes of inspection and testing to determine compliance with this permit and SJRWMD regulations, such as:

- a. Having access to and copying any records that must be kept under the conditions of the permit; and
- b. Inspecting the facility, equipment, practices, or operations regulated or required under the permit; and
- c. Sampling or monitoring any substances or parameters at any location reasonably necessary to assure compliance with the permit or SJRWMD rules; and
- d. Gathering of data and information.

Reasonable time may depend on the nature of the concern being investigated.

Section 12.13. Littoral Areas. Establishment and survival of littoral areas provided for storm water quality treatment in wet detention systems shall be assured by proper and continuing maintenance procedures designed to promote viable wetlands plant growth of natural diversity and character. Following as-built approval, perpetual maintenance shall be provided for the permitted system.

Section 12.14. Reports. The Maintenance Association shall submit inspection reports in the form required by SJRWMD, in accordance with the following schedule unless specified otherwise here or in the permit application:

- a. For systems utilizing effluent filtration or exfiltration, the inspection shall be performed eighteen (18) months after operation is authorized and every eighteen (18) months thereafter.
- b. For systems utilizing retention and wet detention, the inspections shall be performed two (2) years after operation is authorized and every two (2) years thereafter.

Section 12.15. Surface Water Management Plan. It shall be the responsibility of each Lot Owner within the subdivision at the time of construction of a building, residence, or structure, to comply with the construction plans for the surface water management system pursuant to Chapter 40D-4, F.A.C., approved and on file with the SJRWMD.

Section 12.16. Notice to Owners; Non-Disturbance; and Maintenance. Lot Owners are hereby notified that certain Lots or Units may include, or be adjacent to wet detention ponds, jurisdictional wetlands, designated mitigation areas or designated conservation easements. It is the Lot Owner's responsibility not to remove native vegetation that becomes established within the wet detention ponds, jurisdictional wetlands, designated mitigation areas or designated conservation easements abutting their property. Removal includes dredging, the application of herbicide, and cutting. Lot Owners should address any question regarding authorized activities within the wet detention ponds, jurisdictional wetlands, designated mitigation areas or designated conservation easements to SJRWMD, Surface Water Permitting Department. The SJRWMD may authorize removal of certain exotic or nuisance vegetation upon application by Lot Owners or the Maintenance Association. Each Lot Owner, by acceptance of the deed conveying title to the Owner, is deemed thereby to have accepted the partial assignment of the surface water permit(s) affecting the Lot and to have agreed to abide by all conditions of the permit(s) including, but not limited to, agreement of the Lot Owner not to violate the conditions of the permit(s) regarding dumping of household trash, fill or landscape trimmings or planting or removal of plant life. Lot Owners are hereby notified that activities such as planting grass, sodding, planting any shrub, tree or flower, trimming or removing dead or damaged vegetation, filling low areas, distributing dirt more evenly, digging drainage ways, erecting fences, paving, constructing playhouses or treehouses, or in any other way disturbing the natural environment is subject to strict regulation, and no such activities should occur unless a valid permit has been first obtained.

Section 12.17. Prior Approval. No Owner of a Lot within the subdivision may construct or maintain any building, residence, or structure, or undertake or perform any activity in the wet detention ponds, jurisdictional wetlands, designated mitigation areas or designated conservation easements described in the approved permit and recorded Plats of the subdivision, unless prior approval is received from the SJRWMD pursuant to Chapter 40D-4, F.A.C.

Section 12.18. Effect of Dissolution. In the event of the termination, dissolution or final liquidation of the Maintenance Association, the responsibility for the operation and maintenance of the Surface Water and Storm Water Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027,

Florida Administrative Code, and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

Section 12.19. Special Amendments Relating to Surface Water and Storm Water Management System. Any amendment to this Neighborhood Declaration which alters the Surface Water and Storm Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Properties, must have the prior written approval of the St. Johns River Water Management District. This section may not be amended without the consent of such District.

Section 12.20. Shared Facilities. It is expected that certain portions of the Surface Water and Storm Water Management System will serve the drainage needs of adjacent lands not owned by Declarant and not within the Properties subject to this Neighborhood Declaration. Declarant reserves the right to grant such drainage and/or use easements and rights as Declarant may deem necessary or appropriate for accomplishing the drainage needs of the Properties and/or lands owned by others provided that such agreements shall not unreasonably interfere with the use of the system by the Owners or unreasonably increase the cost of maintenance of the system by the Maintenance Association.

Section 12.21. Water Levels in Lakes. The Surface Water and Storm Water Management System is designed to provide drainage for the Properties. Neither the Maintenance Association nor the Declarant shall have any liability whatsoever to any Owner for claims or damages alleged by an Owner due to water levels in the Lakes being below normal or otherwise unacceptable to the Owner. Recreational use and aesthetic appearance of the Lakes is secondary to their intended drainage function, and during periods of prolonged drought or other unusual weather events water levels in the Lakes may recede, and neither the Maintenance Association nor the Declarant shall have any liability for such conditions.

Section 12.22. Master Irrigation System. The Declarant or the Maintenance Association or the CDD shall have the right, but not the obligation, to construct, install, operate and maintain a Master Irrigation System for the delivery of Irrigation Water to the Property, together with the right to modify, extend or improve the transmission lines, pipes, valves, pumps, controls, meters and other distribution and delivery apparatus, equipment or fixtures that supply Irrigation Water to the Property. If installed by Declarant, the Master Irrigation System shall be subject to the provisions of this Article 12 regarding conveyance of Common Property to the Maintenance Association including the provisions concerning operation, maintenance, repair and inspection.

12.22.1. The Master Irrigation System shall include all transmission lines, pipes, valves, pumps, controls, meters and other distribution and delivery apparatus, equipment or fixtures that supply Irrigation Water to the Property located on the Common Property or within an easement or right-of-way from the point of connection of the Master Irrigation System with the source of supply through the points of delivery of Irrigation Water to its users.

12.22.2. Owners shall be exclusively responsible for installing and maintaining any irrigation systems on their Lots from the point of attachment to the Master Irrigation System. If meters are installed, the point of attachment to the Master Irrigation System shall be on the Owner's side of the meter. If meters are not installed, the point of attachment to the Master Irrigation System shall be on the Owner's side of a shut-off valve attaching the Owner's irrigation system to the Master Irrigation System. The Maintenance Association shall be responsible for leaks or malfunctions occurring within the Master Irrigation System, and each Owner shall be responsible for leaks or malfunctions occurring on the Owner's side of the point of attachment to the Master Irrigation System.

12.22.3. The Declarant or the Maintenance Association shall have the right to determine the locations and services to be supplied by the Master Irrigation System, and all Owners of Lots that are supplied with a point of attachment to the Master Irrigation System shall be obligated to pay the Master Irrigation fees established by the Board in accordance with Article 6, whether such Owner elects to use Irrigation Water or not. Owners who elect not to use Irrigation Water shall be obligated to pay the reservation or access fee, maintenance, operation and reserve cost portions of the Master Irrigation System Fees.

12.22.4. Neither the Master Association, nor any Maintenance Association, nor any Owner shall install or operate any irrigation system, apparatus or device that does not receive Irrigation Water from the Master Irrigation System. Water may not be drawn from any Lake for irrigation purposes. No water wells shall be permitted on any Lot, Unit or Common Property, except those wells belonging to the governmental authorities. No Owner may connect any irrigation system on the Owner's property to any source except the Master Irrigation System.

12.22.5. The Maintenance Association shall have the right to establish rules and regulations governing the usage of Irrigation Water, including without limitation, restrictions on the amounts, times and frequency of use.

12.22.6. The Maintenance Association shall have the right to employ such personnel, machinery, equipment and vehicles as the Board of Directors shall deem appropriate for the operation and maintenance of the Master Irrigation System, and/or to enter into agreements with contractors for the provision of such services.

12.22.7. The Maintenance Association shall have the right to enter into or assume the obligation of Declarant under any agreements authorized by approval of the Board of Directors with suppliers of Irrigation Water. Irrigation Water may be obtained from sources such as so-called "re-use water" or "gray water" suppliers, and is intended strictly for irrigation use, and not for human consumption, drinking or bathing. Domestic water systems intended for household use shall be separate from irrigation systems, and no domestic water system shall be connected to the Master Irrigation System.

Section 12.23. Bulkhead Maintenance and Replacement. All bulkheads or retaining walls installed in or around any Lake within the Neighborhood Property by the Declarant or the Master Association or Maintenance Association, but not private bulkheads or retaining walls installed by Lot Owners, shall be part of the Area of Common Responsibility, and shall be maintained, repaired and replaced by the Maintenance Association as a Neighborhood Common Expense, provided however, that if such maintenance, repair or replacement is caused by the failure of the Lot Owner whose Lot abuts the bulkhead or retaining wall to use reasonable diligence and care in the maintenance of the Lot, the Maintenance Association shall have the right to impose a special assessment against the Owner of such Lot for the reasonable and necessary expense incurred by the Maintenance Association in so doing. Nothing herein shall limit the right of the Maintenance Association to enter into agreements with the Master Association, the CDD or other governmental or quasi-governmental authority for the maintenance, repair or replacement of such bulkheads and retaining walls.

## ARTICLE 13

### MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Units in the Neighborhood Properties. The provisions of this Article apply to both this Neighborhood Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 13.1. Rights of Eligible Holders. An institutional holder, insurer, or guarantor of a first Mortgage that provides a written request to the Maintenance Association (such request to state (1) the name and address of such holder, insurer, or

guarantor; (2) the name of the Owner; (3) the address of the Unit; and (4) the Lot and Block numbers and Neighborhood identification of the Unit, thereby becoming an "Eligible Holder"), will be entitled to:

a. the right to inspect Maintenance Association documents and records on the same terms as Members;

b. copies of all written notices to the Unit Owner of material amendments to the Neighborhood Declaration, Articles of Incorporation or Bylaws of the Maintenance Association when such notices are required to be given to Owners pursuant to such documents;

c. copies of written notices to the Unit Owner of extraordinary actions to be taken by the Association when such notices are required to be given to Owners pursuant to this Neighborhood Declaration or the Bylaws;

d. copies of written notices to the Unit Owner of (1) any property loss, condemnation or eminent domain proceeding affecting the Neighborhood Common Property resulting in losses greater than ten percent (10%) of the current annual budget, or (2) any Unit insured by the Maintenance Association in which the Eligible Holder has an interest;

e. copies of written notices to the Unit Owner of any termination, lapse or material modification of an insurance policy held by the Maintenance Association;

f. written notice of any default by an Owner of a Unit subject to a mortgage held by the Eligible Holder in paying assessments or charges to the Maintenance Association which remains uncured for sixty (60) consecutive days;

g. written notice of any proposal to terminate the Neighborhood Declaration or dissolve the Maintenance Association at least thirty (30) days before such action is taken;

h. the right of a majority of Eligible Holders (determined on the basis of one vote for each Unit standing as security for a mortgage held by the Eligible Holder) to demand that the Maintenance Association retain a professional management company; and

i. the right of a majority of Eligible Holders (determined on the basis of one vote for each Unit standing as security for a mortgage held by the Eligible Holder) to

demand an audit of the Maintenance Association's financial records.

Section 13.2. Voting Rights of Eligible Holders. For purposes of this Section, an Eligible Holder of a Mortgage shall be entitled to one (1) vote for each first Mortgage owned.

13.2.1. Unless at least two-thirds (2/3) of the Eligible Holders consent, the Maintenance Association shall not:

(a) by act or omission abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Neighborhood Common Property which the Maintenance Association owns, directly or indirectly (The granting of easements for public utilities or other similar purposes consistent with the intended use of the Neighborhood Common Property shall not be deemed a transfer within the meaning of this subsection.);

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner (A decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Properties regarding assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

(c) by act or omission change, waive, or abandon any material aspect of the scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Neighborhood Common Property (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment withing the meaning of this provision.);

(d) fail to maintain insurance, as required by this Neighborhood Declaration; or

(e) use hazard insurance proceeds for any Neighborhood Common Property losses for other than the repair, replacement, or reconstruction of such property.

13.2.2. Any election to terminate the legal status of the Maintenance Association shall require:



(a) the approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the legal status is the result of substantial destruction or a substantial taking in condemnation of the Neighborhood Common Property; or

(b) the approval of at least sixty-seven percent (67%) of the Eligible Holders if the termination is sought for any other reason.

13.2.3. In the event a portion of the Neighborhood Common Property is either condemned or destroyed or damaged by a hazard that is insured against, restoration or repair shall be performed substantially in accordance with the provisions of the Neighborhood Declaration and the original plans and specifications for the project unless fifty-one (51%) of the Eligible Holders approve the taking of other action by the Maintenance Association.

13.2.4. The affirmative vote fifty-one percent (51%) of the Eligible Holders shall be sufficient to require the Maintenance Association to engage a professional management company.

13.2.5. The affirmative vote fifty-one percent (51%) of the Eligible Holders shall be sufficient to require the Maintenance Association to conduct an audit of its financial records.

Section 13.3. Voluntary Payments by Eligible Holders. Eligible Holders may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Neighborhood Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of a Maintenance Association policy, and Eligible Holders making such payments shall be entitled to immediate reimbursement from the Maintenance Association.

Section 13.4. No Priority. No provision of this Neighborhood Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the Eligible Holder of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Neighborhood Common Property.

Section 13.5. Notice to Maintenance Association. Upon request, each Owner shall be obligated to furnish to the Maintenance Association the name and address of the Eligible Holder of any Mortgage encumbering such Owner's Unit.

Section 13.6. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently modify any of their respective requirements which necessitate the provisions of this Article, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 13.7. Applicability of this Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Neighborhood Declaration, the Bylaws, or Florida corporate law for any of the acts set out in this Article.

Section 13.8. Failure of Eligible Holder to Respond. Any Eligible Holder who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Maintenance Association does not receive a written response from the Eligible Holder within thirty (30) days of the date of the Maintenance Association's request.

#### ARTICLE 14

#### INSURANCE AND CASUALTY LOSSES

Section 14.1. Neighborhood Common Areas. The Maintenance Association shall keep all improvements, facilities and fixtures located within the Neighborhood Common Areas insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters) and may obtain insurance against such other hazards and casualties as the Maintenance Association may deem desirable. The Maintenance Association may also insure any other property, whether real or personal, owned by the Maintenance Association, against loss or damage by fire and such other hazards as the Maintenance Association may deem desirable, with the Maintenance Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Neighborhood Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Maintenance Association. Insurance proceeds shall be used by the Maintenance Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Maintenance Association are common expenses included in the assessments made by the Maintenance Association.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Maintenance Association shall contain provisions, or be accompanied

by endorsements, for: agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

All insurance policies shall contain standard mortgagee clauses, if applicable.

The Maintenance Association shall also maintain, to the extent any insurable improvements to Neighborhood Common Areas are within an "A" flood zone, flood insurance in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Neighborhood Common Areas or the maximum amount of coverage available under the National Flood Insurance Program.

Section 14.2. Waiver of Subrogation. As to each policy of insurance maintained by the Maintenance Association which will not be voided or impaired thereby, the Maintenance Association hereby waives and releases all claims against the Neighborhood Board, the Members, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 14.3. Liability and Other Insurance. The Maintenance Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least \$1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Maintenance Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Maintenance Association and *vice versa*. The Maintenance Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Maintenance Association and its Board of Directors and officers, from liability in connection with the Neighborhood Common Areas, the premiums for which shall be Neighborhood Common Expenses and included in the assessments made against the Members. The Maintenance Association may also obtain such other insurance as the Neighborhood Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion.

The Neighborhood Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Neighborhood Board or any management company engaged by the

Maintenance Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Neighborhood Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Maintenance Association, with the Maintenance Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Maintenance Association or management company during the time the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' of regular assessments, plus all reserve funds.

Section 14.4. Damage and Destruction.

14.4.1. Immediately after damage or destruction by fire or other casualty to all or any part of the Neighborhood Common Property covered by insurance written in the name of the Maintenance Association, the Neighborhood Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Neighborhood Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Neighborhood Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

14.4.2. In the event of damage or casualty loss to the improvements, if any, erected on the Neighborhood Common Properties, which in the opinion of the Board of Directors, should not be repaired or reconstructed, the Board shall deliver written notice thereof to each Member stating (1) the amount of the insurance proceeds to be paid to the Maintenance Association by the insurer as a result of the loss; (2) the estimated cost of repair or reconstruction; and (3) a request that each Member deliver a written response voting for or against repair or reconstruction within 30 days after receiving the Board's notice. Such notice shall be sent to each Member within 60 days after the Board has received the settlement offer of the insurer and the estimated cost of repair or reconstruction from a qualified contractor. The Maintenance Association shall make the repairs or reconstruct the improvements unless at least 75% of the Members of each class of membership vote not to do so. No Eligible Holder shall have the right to participate in the determination of whether the damage or destruction to the Neighborhood Common Area shall be repaired or reconstructed; provided, however, this provision shall not apply to construction Mortgagees, if any, providing construction financing for such damaged Neighborhood Common Property.

14.4.3. In the event that it should be determined in the manner described above that the damage or destruction to the Neighborhood Common Area shall not be repaired or reconstructed and no alternative improvements are authorized by the Members, then and in that event the affected portion of the Neighborhood Common Property shall be restored to its natural state and maintained by the Maintenance Association in a neat and attractive condition.

Section 14.5. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction. Any proceeds remaining after defraying such costs of repair or reconstruction to the Neighborhood Common Property shall be retained by and for the benefit of the Maintenance Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Eligible Holders as their interests may appear, shall be retained by and for the benefit of the Maintenance Association and placed in a capital improvements account. This is a covenant for the benefit of any Eligible Holder of a Unit and may be enforced by such Mortgagee.

Section 14.6. Repair and Reconstruction. If the damage or destruction to the Neighborhood Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for Annual Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Section 14.7. Cooperation with Master Association. Notwithstanding any other condition of this Neighborhood Declaration to the contrary, the Neighborhood Board shall have the right to join the Master Association and any other Neighborhood Associations in a cooperative effort to obtain the insurance coverages specified in this Neighborhood Declaration and in the Master Declaration, and shall have the right to enter into agreements with insurers in coordination with such associations providing coverage to all such entities.

## ARTICLE 15

### GENERAL PROVISIONS

Section 15.1. Duration. The covenants, conditions and restrictions of this Neighborhood Declaration shall run with and bind the Neighborhood Properties, and shall inure to the benefit of and be enforceable by the Maintenance Association, Master Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Neighborhood Declaration is recorded. Upon the expiration of said thirty (30) year period, this Neighborhood Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Neighborhood Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Neighborhood Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, Members representing three-fourths (3/4) of the votes of the Maintenance Association vote in favor of terminating this Neighborhood Declaration at the end of its then current term. Termination of this Neighborhood Declaration is deemed to be an "Extraordinary Action" subject to the provisions of Section 15.2.

Written notice of any meeting at which such proposal to terminate this Neighborhood Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least sixty (60) days in advance of said meeting. In the event that the Maintenance Association votes to terminate this Neighborhood Declaration, the President and Secretary of the Maintenance Association shall execute a certificate which shall set forth the resolution of termination adopted by the Maintenance Association, the date of the meeting of the Maintenance Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Maintenance Association, the total number of votes required to constitute a quorum at a meeting of the Maintenance Association, the total number of votes necessary to adopt a resolution terminating this Neighborhood Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution.

Said certificate shall be recorded in the Public Records of Flagler County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Neighborhood Declaration. Termination of the Maintenance Association shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract were meant to survive termination.

Section 15.2. Material Amendments and Extraordinary Actions. The Maintenance Association may amend this Declaration in regard to the matters identified herein as "Material Amendments", or may undertake the actions herein listed as "Extraordinary Actions" only in the following manner.

15.2.1. Material Amendments. The matters listed below are deemed to be material to this Neighborhood Declaration, and any proposed amendment concerning such matters shall be deemed to be a "Material Amendment":

- a. the manner of determining the basis for assessments or the administration of assessment liens;
- b. any method of imposing or determining any charges to be levied against individual Unit Owners;
- c. reserves for maintenance, repair or replacement of Neighborhood Common Area improvements;
- d. maintenance obligations;
- e. allocation of rights to use Neighborhood Common Areas;
- f. any scheme of regulation or enforcement of standards for maintenance, architectural design or appearance of improvements on Units;
- g. reduction of insurance requirements;
- h. restoration or repair of Neighborhood Common Area improvements;
- I. the addition, annexation or withdrawal of land to or from the project;
- j. voting rights;
- k. restrictions affecting leasing or sale of a Unit; or

1. any provision which is for the express benefit of Mortgagees, or Eligible Holders.

15.2.2. Extraordinary Actions. The matters listed below are deemed to be extraordinary under this Neighborhood Declaration, and any proposed action concerning such matters shall be deemed to be an "Extraordinary Action":

a. merging or consolidating the Maintenance Association (other than with another non-profit entity formed for purposes similar to the Maintenance Association);

b. determining not to require professional management, if that management has been required by the Maintenance Association documents, a majority of Eligible Holders or a majority vote of the Members;

c. expanding the Maintenance Association to include land not previously described as Undeveloped Parcel which increases the overall land area of the project or number of Units by more than 10%;

d. abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of the Neighborhood Common Areas (except for (1) granting easements which are not inconsistent with, or which do not interfere with the intended Neighborhood Common Area use; (2) dedicating Neighborhood Common Area as required by a public authority; (3) limited boundary line adjustments made in accordance with the provisions of this Neighborhood Declaration; or (4) transferring Neighborhood Common Area pursuant to a merger with a non-profit entity formed for purposes similar to the Association);

e. using insurance proceeds for purposes other than reconstruction or repair of insured improvements;

f. making capital expenditures (other than for repair or replacement of existing improvements) during any period of 12 consecutive months costing more than 20% of the annual operating budget for that period;

g. termination of the Neighborhood Declaration or other termination of the planned unit development;

h. dissolution of the Maintenance Association; or



i. using Association funds to pay legal expenses, including without limitation, attorney's fees, expert witness fees, filing fees, court costs, investigation expenses or other expenses arising from the investigation, feasibility analysis, preliminary assessment, legal review or consultation, filing suit, gathering or giving evidence, appeals, motions or trials, concerning taking any legal action intended to compel the Declarant to perform any obligation set forth herein or to recover from the Declarant any monetary damages, payment or reimbursement of any kind.

15.2.3. Notice Required for Material Amendment or Extraordinary Action. Written notice of any proposed Material Amendment or Extraordinary Action shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such matter is to be discussed or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a summary of any Material Amendment or Extraordinary Action to be considered. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Maintenance Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in this Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Maintenance Association shall be bound by such more restrictive requirements as if fully reproduced herein.

15.2.4. Approval Required for Material Amendment or Extraordinary Action. Material Amendments and Extraordinary Actions may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 67% of the Class A Members (i.e. all Members except the Declarant and any Builder who retain Class B or Class C status) who are present, in person or by proxy, and voting at the meeting called as described in the notice at which a quorum is present, and the affirmative vote of the Declarant, or (2) by the written consent of at least 67% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting.

15.2.5. Additional Approval Requirements. In addition to the approval of the Members and the Declarant set forth above, the following conditions shall apply:

a. Any Material Amendment or Extraordinary Action that changes the rights of any specific class of Members (i.e. Class A; Class B; or Class C) must also be approved either (1) by the affirmative vote of at least 51% of the Members of such Class who are present, in person or by proxy, and voting at a meeting called as described in the required notice at which a quorum of such Class of Members is present, or (2) by the written consent of at least 51% of all Members of such Class to any action taken in lieu of a meeting.

b. Any Material Amendment or Extraordinary Action proposed during the period in which the Declarant retains its Class B status must also be approved by the Federal Housing Administration ("FHA"), and the Department of Veterans Affairs ("VA") if any Unit within the Properties has been financed by a mortgage insured by FHA or guaranteed by VA. The Maintenance Association shall deliver written notice of the proposed Material Amendment or Extraordinary Action to the FHA and VA simultaneously with its notice to the Members. If the FHA or VA fails to deliver written notice to the Maintenance Association of its objection to the proposed Material Amendment or Extraordinary Action within 30 days after receipt of the notice, FHA and VA will be deemed to have approved the matters contained in the notice, and the Maintenance Association shall be entitled to record an affidavit signed by an authorized officer averring that written notice was delivered to the FHA and VA and no objection was timely received from such agencies.

15.2.6. Notice of Material Amendment or Extraordinary Action. Upon approval of a Material Amendment or Extraordinary Action, the Maintenance Association shall record appropriate written notice thereof in the Public Records of Flagler County, Florida, and take all such further action as may be prudent or necessary to implement and carry out the Material Amendment or Extraordinary Action.

Section 15.3. Non-Material Amendments. The Maintenance Association may amend this Neighborhood Declaration in regard to all matters, except those identified in Section 15.2 as "Material Amendments", in the following manner.

15.3.1. Amendments by Declarant. During the period in which the Declarant retains the status of the Class "B" Member, Declarant shall have the right to amend this Neighborhood Declaration, without the necessity of joinder by Owners or any

other persons or entities, to make nonsubstantial changes that do not materially or adversely affect the interests of other Owners or other affected parties, and to clarify any ambiguities or conflicts, or correct any scrivener's errors in this Neighborhood Declaration.

15.3.2. Amendments by Members - Notice Required for Non-Material Amendment. Written notice of any proposed Non-Material Amendment shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such matter is to be discussed or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a summary of any Non-Material Amendment to be considered. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Maintenance Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in this Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Maintenance Association shall be bound by such more restrictive requirements as if fully reproduced herein.

15.3.2. Approval Required for Non-Material Amendment. Non-Material Amendments may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 51% of the Class A Members (i.e. all Members except the Declarant and any Builder who retain Class B or Class C status) who are present, in person or by proxy, and voting at the meeting called as described in the notice at which a quorum is present, and the vote of the Declarant, or (2) by the written consent of at least 51% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting.

15.3.3. Notice of Non-Material Amendment. Upon approval of a Non-Material Amendment, the Maintenance Association shall record appropriate written notice thereof in the Public Records of Flagler County, Florida, and take all such further action as may be prudent or necessary to implement and carry out the Non-Material Amendment.

Section 15.4. Assignment of Rights and Duties. Any and all of the rights, powers and reservations of the Maintenance Association and Declarant may be assigned to any

person, corporation or association which will assume the duties of the Maintenance Association or Declarant pertaining to the particular rights, powers and reservations assigned. Upon such assignee evidencing its consent in writing to accept such assignment and assume such duties, he or it shall to the extent of such assignment have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Maintenance Association or Declarant. Further, the Maintenance Association or Declarant may from time to time delegate any and all of its rights, powers, discretion and duties hereunder to such agent or agents as it may nominate.

Section 15.5. Municipal Service Taxing Units. In order to perform the services contemplated by this Neighborhood Declaration, the Maintenance Association or Declarant, in conjunction with Flagler County, Florida, may seek the formation of special purpose municipal service taxing units ("MSTUs"). The MSTUs will have responsibilities defined in their enabling resolutions which may include, but are not limited to, maintaining roadway informational signs, traffic control signs, benches, trash receptacles and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage canals, ponds and structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefiting the Properties. In the event such MSTUs are formed, the Properties will be subject to assessment for the cost of services performed within the MSTU and personnel working for or under contract with Flagler County shall have the right to enter upon lands within the Properties to affect the services contemplated. Each Owner by acquiring lands within the Properties agrees to pay each and every MSTU assessment imposed upon the Owner's land in a timely manner, failing which such assessments and special charges shall be a lien upon those lands. The Maintenance Association retains the right to contract with Flagler County to provide the services funded by the MSTUs. Services performed by an MSTU that would otherwise be performed by the Maintenance Association and for which the MSTU imposes assessments on the Owners shall be removed from the Maintenance Association's budget and the Board shall reduce the Annual Maintenance Assessment accordingly.

Section 15.6. Enforcement. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted by Declarant, its successors or assigns, the Maintenance Association, its successors or assigns, the Master Association, its successors or assigns, or any Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these covenants; and failure by the Maintenance Association or any Owner or Declarant to enforce any covenant, condition or restriction herein

contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. Further, the Maintenance Association shall have the right of self help to cure any violations that remain uncured after any required notice is given.

Section 15.7. Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, subsection, sentence, clause, phrase or term of this Neighborhood Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 15.8. Interpretation. The Board shall have the right except as limited by any other provisions of this Neighborhood Declaration or the Bylaws to determine all questions arising in connection with this Neighborhood Declaration and to construe and interpret its provisions, and its good faith, determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Neighborhood Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the maintenance of Neighborhood Common Areas and the facilities located thereon.

Section 15.9. Disposition of Neighborhood Common Property on Termination of Neighborhood Declaration. Should the Members of the Maintenance Association vote not to renew and extend this Neighborhood Declaration as provided for herein, all Neighborhood Common Property owned by the Maintenance Association at such time shall be transferred to another association or appropriate public agency having similar purposes. If no other association or agency will accept such property then it will be conveyed to a Trustee appointed by the Circuit Court of Flagler County, Florida, which Trustee shall sell the Neighborhood Common Property free and clear of the limitations imposed hereby upon terms established by the Circuit Court of Flagler County, Florida. That portion of the Open Space or Neighborhood Common Property consisting of the Surface Water and Storm Water Management System cannot be altered, changed or sold separate from the lands it serves except that Declarant shall be obligated to and shall convey that portion of the Open Space consisting of the Surface Water and Storm Water Management System to the Maintenance Association upon completion and approval of such system by all applicable governmental authorities. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Neighborhood Common Property, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of the Neighborhood Common Property. The excess of proceeds, if any, from Neighborhood Common Property shall be

distributed among Owners in a proportion which is equal to the proportionate share of such Owners in Neighborhood Common Expenses.

Section 15.10. Execution of Documents. The Master Plan for the development of Grand Haven as described in the Master Declaration may require from time to time the execution of certain documents required by governmental authorities. To the extent that said documents require the joinder of Owners, Declarant by its duly authorized officers may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Declarant, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section shall recite that it is made pursuant to this Section.

Section 15.11. Indemnification. The Maintenance Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Maintenance Association (except to the extent that such officers or directors may also be Members of the Maintenance Association), and the Maintenance Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Maintenance Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 15.12. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Maintenance Association will perform no act nor undertake any activity which will violate its non-profit status under applicable state or federal law.

Section 15.13. Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 15.14. Construction. The provisions of this Neighborhood Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Property.

IN WITNESS WHEREOF, Declarant has executed this Neighborhood Declaration the day and year first above written.

WITNESSES:

Tracey A Childs  
Name: Tracey A Childs

CENTEX HOMES, a Nevada general Partnership

By: Centex Real Estate Corporation, a Nevada corporation, its managing general partner

Diane Zuckerman  
Name: Diane Zuckerman

By: [Signature]  
John Lenihan  
Division Manager

Debra J. Morrison  
Name: DEBRA J. MORRISON

PULTE HOME CORPORATION, a Michigan corporation

Georgette Gessells  
Name: Georgette Gessells

By: [Signature]  
Name: J. D. SHAFER  
Title: ATTORNEY-IN-FACT

STATE OF FLORIDA  
COUNTY OF FLAGLER

OFF REC 0611 PAGE 0513

The foregoing instrument was acknowledged before me this 9 day of April, 1998, by JOHN LENIHAN, as Division Manager of Centex Real Estate Corporation, a Nevada corporation, on behalf of the corporation. He is personally known to me and did not take an oath.

Tracey A Childs  
Print Name: Tracey A Childs  
Notary Public, State of Florida  
Commission No.: CC651135  
My Commission Expires: 7/29/2001



STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 16th day of MARCH, 1998, by J.M. SHAFFER, as ATTORNEY-IN-FACT of Pulte Home Corporation, a Michigan corporation, on behalf of the corporation. He is personally known to me and did not take an oath.

Debra J. McGregor  
Print Name: DEBRA J. MCGREGOR  
Notary Public, State of Florida  
Commission No.: CC 627436  
My Commission Expires: 3-5-2001

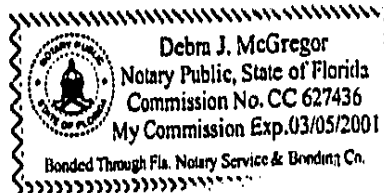




EXHIBIT "A"

OFF REC 0611 PAGE 0514

LEGAL DESCRIPTION OF INITIAL PROPERTY SUBMITTED TO  
THE MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC.

LOTS 1 through 44 of LINKSIDE AT GRAND HAVEN, a subdivision in Flagler County, Florida, according to the plat thereof recorded in Map Book 31, Pages 27 & 28, of the Public Records of Flagler County, Florida, SAVE AND EXCEPT, Tracts "A" and "B", and all "Private Road Rights-of-Way" depicted thereon.

EXHIBIT "B"

OFF REC 0611 PAGE 0515

**LEGAL DESCRIPTION OF INITIAL NEIGHBORHOOD COMMON PROPERTY  
TO BE INCLUDED IN THE  
MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC.**

**No Neighborhood Common Property is to be initially conveyed to the Maintenance Association. All open spaces shown on the Neighborhood Plat are to be dedicated to the Master Association or to the Community Development District. Declarant retains the right to add Neighborhood Common Property by annexation as permitted by the Neighborhood Declaration.**

EXHIBIT "C"

OFF REC 0611 PAGE 0516

**LEGAL DESCRIPTION OF UNDEVELOPED PARCEL ELIGIBLE FOR  
ANNEXATION INTO THE  
MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC.**

**For the purposes of this Declaration, the "Undeveloped Parcel" shall mean and include any land owned or acquired by Declarant, its successors or assigns, situated within the Grand Haven Community Development District, or within the area bounded by Colbert Lane on the west, South Park Road on the south, the Intracoastal Waterway on the east and Palm Coast Parkway on the north, in Flagler County, Florida.**

FILED

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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

EXHIBIT "D"

ARTICLES OF INCORPORATION  
OF

OFF REC 0611 PAGE 0517

MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC.

In compliance with the requirements of Chapter 617, Florida Statutes, the undersigned persons do hereby make, subscribe and acknowledge that they have voluntarily associated themselves together for the purpose of forming a corporation not-for-profit, the articles of incorporation of which read as follows. All capitalized words or phrases used herein shall have the meanings herein ascribed, and if not defined in this instrument, such capitalized words or phrases shall have the meanings given in the Declaration of Covenants, Conditions and Restrictions for Grand Haven Neighborhoods, hereinafter identified.

ARTICLE I

NAME

The name of the corporation is **MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC.**, hereinafter referred to as the "Association" or the "Maintenance Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 1 Old Kings Road South, Suite 2, Palm Coast, Florida 32137.

ARTICLE III

REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office of the Association shall be at 1 Old Kings Road South, Suite 2, Palm Coast, Florida 32137, with the privilege of having its office and branch offices

# EXHIBIT ' D '-CONTINUED

OFF REC 0611 PAGE 0518

at other places within or without the State of Florida. The initial registered agent at that address shall be Centex REAL ESTATE CORPORATION (herein referred to as "Centex").

## ARTICLE IV

### PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, will make no distribution of income to its members, directors or officers and the specific purposes for which it is formed are to provide for the ownership, operation, maintenance and preservation of the Neighborhood Common Area, Area of Common Responsibility, and for the maintenance and improvement of any easements granted to the Association within the lands identified as LINKSIDE (the "Association Properties") pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Grand Haven Neighborhoods, recorded in the Public Records of Flagler County, Florida, (hereinafter called the "Declaration"), and such additional properties as may be added thereto from time to time by annexation or otherwise as provided in the Declaration and in these Articles. The Association is formed to promote the health, safety and welfare of its members and the residents within the Association Properties and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and to:

- (a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration which is hereby incorporated into this instrument as is fully reproduced herein;
- (b) Fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

# EXHIBIT " D "-CONTINUED

OFF  
REC 0611 PAGE 0519

(d) Borrow money, and with the assent of two-thirds (2/3) of the votes of each class of Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the Neighborhood Common Area to any Public Agency or authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. Such dedication or transfer shall only be effective with the assent of two-thirds (2/3) of the votes of each class of Members, agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other not-for-profit corporations organized for the same purposes or annex additional residential property and Neighborhood Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the votes of each class of Members; and

(g) Purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of interests in, real or personal property, except to the extent restricted hereby; to contract for the management and maintenance of the Neighborhood Common Area and Area of Common Responsibility and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Neighborhood Common Area and Area of Common Responsibility with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association;

(h) Have and to exercise any and all powers, rights and privileges which a corporation organized under the corporation not for profit law of the State of Florida, by law may now or hereafter have to exercise.

## ARTICLE V

### MEMBERSHIP

*Section 5.1* Every Owner of a Lot or Unit within the lands subjected to the Declaration (as defined in the Declaration), including Centex, shall be a Member of the

# EXHIBIT " 0 "-CONTINUED

OFF REC 0611 PAGE 0520

Association. Memberships in the Association shall be appurtenant to and may not be separated from ownership of any Lot or Unit.

*Section 5.2* There shall be three (3) classes of Members as follows:

- (a) *Class A Members.* Class A Members shall be all Owners with the exception of Centex Homes, a Nevada general partnership ("Centex Homes").
- (b) *Class B Members.* The Class B Member shall be Centex Homes or its specifically designated (in writing) successor who shall remain a member so long as it owns a Lot or Unit subject to the Declaration; provided that the Class B membership shall cease and be converted to Class A membership as set forth in Section 6.3 hereof. Centex Homes is referred to in the Declaration and in this instrument as the Declarant.
- (c) *Class C Members.* The Class C Members shall be all Builders owning Units or Lots subject to the Declaration; provided that the Class C membership shall cease and be converted to Class A membership as set forth in Section 6.3 hereof.

## ARTICLE VI

### VOTING RIGHTS

*Section 6.1.* Members of the Association shall be allocated votes as follows:

Class A. Each Class A Member shall be entitled to one vote for each Lot or Unit owned. For the purposes of determining voting rights, each Lot or Unit owned by a Class A Member shall be deemed entitled to one (1) vote regardless of the number of persons sharing common ownership interests.

Class B. The Class B Member shall be allocated three (3) votes for each Lot or Unit owned by it within the Association Properties; provided, that at such time as the Class B membership shall cease and become converted to Class A membership as set forth in Section 6.3, the Declarant shall have one vote for each Unit or Lot owned by it within the Association Properties.

# EXHIBIT " D "-CONTINUED

OFF REC 0611 PAGE 0521

**Class C.** Class C Members shall have one (1) vote for each Lot or Unit they own in the Association Properties; provided, that at such time as the Class C membership shall cease and become converted to Class A membership as set forth in Section 6.3, the Builders shall have one vote for each Unit or Lot owned by it within the Association Properties.

*Section 6.2.* When any Unit or Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it, or a copy thereof, is filed with the secretary of the Association, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote allocated to any Unit or Lot (including Units or Lots owned by the Declarant or a Builder) may not be divided or cast in any fraction, and the vote of each official representative shall be considered to represent the will of all the Owners of that Lot or Unit. If the Owners fail to designate their official representative, then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owner(s). Upon such notification no affected Owner may vote until the Owner(s) appoint their official representative pursuant to this paragraph.

*Section 6.3.* The Declarant's Class B membership status shall continue, and shall be in effect, during the period from the inception of the Declaration until either (1) seven (7) years from the date the Declaration is recorded; or (2) five (5) years after the date of recording of the last Supplemental Declaration annexing additional property into this Association or to the Master Association, whichever event, (1) or (2) occurs later; or (3) upon recording of a voluntary written notice executed by the Declarant or its duly authorized successor or assignee electing to convert its Class B status to Class A; or (4) if the Declarant's Class B membership status in the Master Association as described in the Master Declaration has been converted to Class A, then, one hundred twenty (120) days after the conveyance of the Unit within this Association to a Class A Member that causes the total number of votes held by all Class A Members of this Association to equal the number of votes in this Association held by the Class B Member, whichever event, (1), (2), (3) or (4), occurs first; provided however, that if Class B status is converted to Class A pursuant to clause (4) and, subsequent to such event, the Declarant annexes additional Lots to this Maintenance Association which annexation causes the number of Lots or Units



# EXHIBIT "D" - CONTINUED

OFF REC 0611 PAGE 0522

owned by the Declarant to exceed twenty-five percent (25%) of the total number of Lots and Units within all Association Properties, Declarant's Class B status shall be restored as to all Lots and Units then owned by Declarant, and shall continue until the next occurrence of an event of conversion described above.

*Section 6.4.* The Declarant shall have the right to partially assign its status as Declarant and Class B Member by recorded instrument executed by the original Declarant and acknowledged and accepted by the assignee Declarant to any person or entity acquiring any portion of the Property, or the Undeveloped Property eligible for annexation into the Property, for the purpose of development of a residential subdivision consistent with the Master Plan, and any such assignee shall thereafter be deemed to be the Declarant as to the Lots or Units owned by such person or entity, and shall have the right to exercise all of the rights and powers of the Declarant as to such Lots and Units, while, at the same time, the original Declarant shall continue to exercise the rights and powers of the Declarant as to all Lots and Units owned by such original Declarant. If any action of the Association, requires the approval, consent or vote of the Declarant, and the original Declarant has partially assigned its rights as Declarant to others pursuant to this paragraph, the consent or vote of all such Declarants shall be required to satisfy the requirement of consent by the Declarant.

## ARTICLE VII

### BOARD OF DIRECTORS

*Section 7.1* The names and addresses of the members of the first Board of Directors who shall hold office until the annual meeting of the members and until their successors are elected or appointed and have qualified, are as follows:

NAME	ADDRESS
John Lenihan	1 Old Kings Road South, Suite 2 Palm Coast, Florida 32137
Jeff Mitchem	Old Kings Road South, Suite 2 Palm Coast, Florida 32137
Bob Porter	Old Kings Road South, Suite 2 Palm Coast, Florida 32137

# EXHIBIT " D "-CONTINUED

OFF REC 0611 PAGE 0523

*Section 7.2* The affairs of the Association shall be managed by a Board of Directors as provided in and subject to the requirements of Article IV the Bylaws. Such Board of Directors shall consist of an odd number of directors with a minimum of at least three (3) directors and a maximum of no more than seven (7) directors. Directors need not be Members of the Association and need not be residents of the Association Properties. Each Director shall serve for a term from the date of the meeting at which he is elected until the next annual meeting subject to the provisions governing resignation, death, disability, removal and replacement set forth in the Declaration, Bylaws and this instrument.

## ARTICLE VIII

### AMENDMENTS

*Section 8.1 Proposal.* An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by a majority of the Members of the Association, whether meeting as Members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in his absence, and a Meeting of the Members of the Association shall be called not later than sixty (60) days from the receipt by him of the proposed amendment or amendments.

*Section 8.2 Notice.* It shall be the duty of the Secretary to give each Member written notice of such meeting, stating the proposed amendment or amendments in reasonably detailed form, which notice shall be prepared by and at the expense of the Maintenance Association and mailed by the Maintenance Association or presented personally to each Member not less than thirty (30) days nor more than sixty (60) days before the date set for the meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the Member at his post office address as it appears on the records of the Association, with postage thereupon prepaid. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver when filed in the records of the Maintenance Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Maintenance Association has, or is planned to have, 250

# EXHIBIT " D "-CONTINUED

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Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in these Articles of Incorporation or in the Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

*Section 8.3 Resolution.* At the meeting at which the amendment is to be proposed and considered, a resolution for the adoption of the proposed amendment may be made by any member of the Board of Directors of the Association, or by any Member of the Association, present in person or by proxy. The approval of a resolution for the adoption of a proposed amendment to these Articles of Incorporation shall require the affirmative vote of a majority of the members of the Board of Directors of the Association.

*Section 8.4 Approval.* Amendments may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 67% of the Class A Members (i.e. all Members except the Declarant and any Builder who retain Class B or Class C status) who are present, in person or by proxy, and voting at a meeting called as described in the notice and conducted by the Maintenance Association at which a quorum is present, and the vote of the Declarant, or (2) by the written consent of at least 67% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting. In addition to the approval of the Members and the Declarant set forth above, the following conditions shall apply:

a. Any Material Amendment or Extraordinary Action (as defined in the Declaration) that changes the rights of any specific class of Members (i.e. Class A; Class B; or Class C) must also be approved either (1) by the affirmative vote of at least 51% of the Members of such Class who are present, in person or by proxy, and voting at meetings called as described in the required notice at which a quorum of such Class of Members is present, or (2) by the written consent of at least 51% of all Members of such Class to any action taken in lieu of a meeting.

b. Any Material Amendment or Extraordinary Action proposed during the period in which the Declarant retains its Class B status must also be

# EXHIBIT " D "-CONTINUED

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REC 0611 PAGE 0525

approved by the Federal Housing Administration ("FHA"), and the Department of Veterans Affairs ("VA") if any Unit within the Properties has been financed by a mortgage insured by FHA or guaranteed by VA. The Association shall deliver written notice of the proposed Material Amendment or Extraordinary Action to the FHA and VA simultaneously with its notice to the Members. If the FHA or VA fails to deliver written notice to the Association of its objection to the proposed Material Amendment or Extraordinary Action within 30 days after receipt of the notice, FHA and VA will be deemed to have approved the matters contained in the notice, and the Association shall be entitled to record an affidavit signed by an authorized officer averring that written notice was delivered to the FHA and VA and no objection was timely received from such agencies.

Notwithstanding the foregoing, during the period in which the Declarant retains the status of the Class "B" Member, the Declarant shall have the right to amend these Articles of Incorporation, without the necessity of joinder by the Members or any other persons or entities, to make nonsubstantial changes that do not materially or adversely affect the interests of other Members or other affected parties, and to clarify any ambiguities or conflicts, or correct any scrivener's errors in these Articles of Incorporation.

*Section 8.5 Limitation.* No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of Members, nor any changes in the provisions of Article IV hereof, without approval of sixty-seven percent (67%) of the votes of each class of Members and the joinder of all Eligible Holders (as defined in the Declaration) of mortgages upon Units. No amendment shall be made that is in conflict with the Declaration, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or the designated successor of the Declarant, unless the Declarant or such successor shall join in the execution of the amendment.

*Section 8.6 Recording.* Any amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each amendment of these Articles of Incorporation shall be recorded in the Public Records of Flagler County, Florida, within thirty (30) days from the date on which the same is filed and returned from the office of the Secretary of State.

## ARTICLE IX

# EXHIBIT " D "-CONTINUED

OFF REC 0611 PAGE 0526

## OFFICERS

The affairs of the Association will be administered by the officers designated in the Bylaws of the Association. Said officers will be elected by the Board of Directors at its first meeting following the annual meeting of Members of the Association and will serve at the pleasure of the Board of Directors. The names and addresses of the Officers who are to manage the affairs of the Association until the annual meeting of the Board of Directors and until their successors are duly elected and qualified are:

PRESIDENT - John Lenihan  
VICE PRESIDENT - Bob Porter  
SECRETARY/TREASURER - Jeff Mitchem

## ARTICLE X INDEMNIFICATION

*Section 10.1 Indemnity.* The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a Director, employee, officer or agent of the Association, against expenses (including attorneys fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceedings, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceedings, has no reasonable cause to believe his conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his duty to the Association, unless and only to the extent that the Court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

# EXHIBIT ' D ' -CONTINUED

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*Section 10.2 Expenses.* To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.1 above, or in defense of any action, suit or proceeding referred to in Section 10.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

*Section 10.3 Approval.* Any indemnification under Section 10.1 above (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Directors, officers, employees or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Section 10.1 above. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or by a majority of the Members.

*Section 10.4 Advances.* Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition or such action, suit or proceeding as authorized by the Board of Directors in any specific case upon receipt of an undertaking by or on behalf of the affected Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article X.

*Section 10.5 Miscellaneous.* The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of Members or otherwise, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

*Section 10.6 Insurance.* The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

# EXHIBIT " D "-CONTINUED

OFF REC 0611 PAGE 0528

## ARTICLE XI

### BYLAWS

The first Bylaws of the Association will be adopted by the Directors named herein, and may be altered, amended, or rescinded in the manner provided by said Bylaws. Any Bylaws adopted by the Board of Directors shall be consistent with these Articles.

## ARTICLE XII

### TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

*Section 12.1* No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, or Association, or other organization in which one or more of its Directors or officers are Directors or officers have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

*Section 12.2* Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

## ARTICLE XIII

### SUBSCRIBER

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

Centex Homes  
Old Kings Road South, Suite 2  
Palm Coast, Florida 32137

EXHIBIT " D "-CONTINUED

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ARTICLE XIV

DISSOLUTION

The Association may be dissolved with the assent given by not less than two-thirds (2/3) of the votes of each Class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be disposed of or transferred to another association or appropriate public agency having similar purposes. Dissolution of the Association shall be deemed an Extraordinary Action and shall be subject to the provisions of these Articles of Incorporation and the Declaration governing Extraordinary Actions.

IN WITNESS WHEREOF, the undersigned subscriber has executed these Articles of Incorporation this 2 day of March, 1998.

CENTEX HOMES, a Nevada general partnership

By: CENTEX REAL ESTATE CORPORATION, a Nevada corporation  
managing general partner


By:   
Burgess N. Trank, Jr.  
Vice President and Counsel



EXHIBIT " D "-CONTINUED

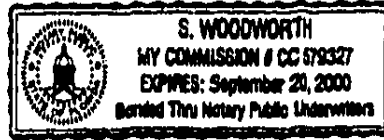
OFF REC 0611 PAGE 0530

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 07 day of March, 1998, by Burgess N. Trank, Jr., Vice President and Counsel of Centex Real Estate Corporation, a Nevada corporation, managing general partner of Centex Homes, a Nevada general partnership, on behalf of the corporation. Said person did not take an oath and is personally known to me.

S. Woodworth  
Print Name: S. Woodworth  
Notary Public, State of Florida  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



**EXHIBIT " D "-CONTINUED**

FILED  
98 MAR -3 PM 3:05  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

OFF REC 0611 PAGE 0531

**CERTIFICATE DESIGNATING PLACE OF BUSINESS  
FOR SERVICE OF PROCESS WITHIN THIS STATE,  
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:


That, MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC., desiring to organize under the laws of the State of Florida, with its principal offices at 1 Old Kings Road South, Suite 2, Palm Coast, Florida, 32137, has named Centex , whose office is located at 1 Old Kings Road South, Suite 2, Palm Coast, Florida, 32137, as its agent to accept service of process within the State.

**ACKNOWLEDGMENT**

Having been named to accept service of process for the above stated corporation, at the place designated in this Certificate, Centex Homes hereby accepts to act in this capacity, and agrees to comply with the provisions of said Act relative to keeping open said office.

CENTEX HOMES, a Nevada general partnership

By: CENTEX REAL ESTATE CORPORATION, a Nevada corporation  
managing general partner

By:   
Burgess N. Trank, Jr.  
Vice President and Counsel

BYLAWS OF  
MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC.

## ARTICLE I

## GENERAL PLAN OF OWNERSHIP

*Section 1. Name.* The name of the corporation is **MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC.**, a Florida corporation, and is hereafter referred to as the "Association" or "Maintenance Association". The principal office of the corporation shall be located in the State of Florida.

*Section 2. Bylaws Applicability.* The provisions of these Bylaws are applicable to the Association created pursuant to the Declaration of Covenants, Conditions and Restrictions for Linkside, a Grand Haven Neighborhood recorded in the Public Records of Flagler County, Florida (herein referred to as the "Declaration"). All capitalized words or phrases used herein shall have the meanings herein ascribed, and if not defined in this instrument, such capitalized words or phrases shall have the meanings given in the Declaration or Articles of Incorporation of the Association.

*Section 3. Personal Application.* All present and future Owners of Lots or Units within the Association Properties (as defined in the Articles of Incorporation and Declaration of the Association) and their tenants, guests and invitees are subject to the regulations set forth in these Bylaws.

The recording of a declaration authorizing the creation of a homeowners association and the mere acquisition of a Lot or acquisition or rental of any Unit or the mere act of occupancy of any Unit signify that these Bylaws are accepted, ratified, and will be complied with.

# EXHIBIT "E" - CONTINUED

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## ARTICLE II

### MEMBERSHIP, VOTING RIGHTS, MAJORITY OF QUORUM, QUORUM, PROXIES

*Section 1. Membership.* Every Owner of a Unit or Lot, and every Builder owning any Unit or Lot, by virtue of the ownership of such Unit or Lot, and the Declarant and its successors and assigns, shall be Members of the Association, and by acceptance of a deed or other instrument evidencing an ownership interest, each Owner, Builder and Declarant accepts membership in the Association, acknowledges the authority of the Association as herein stated, and agrees to abide by and be bound by the provisions of the Declaration, the Articles of Incorporation, these Bylaws and other rules and regulations of the Association. The term "Member" shall include each person or entity owning any right, title or interest in any Unit or Lot, except persons or entities holding mortgages or other security or trust interests unless such persons or entities also have the right of possession. Tenants or others occupying any Unit who do not have an ownership interest therein shall not be Members for the purposes of these Bylaws. Membership in the Association is appurtenant to, and may not be severed from, the Unit or Lot. The rights and obligations of a Member may not be assigned or delegated except as provided in the Declaration, the Articles of Incorporation or these Bylaws of the Association, and shall automatically pass to the successor-in-interest of any Owner upon conveyance of such Owner's interest in the Lot or Unit. Members shall be responsible for compliance with the terms and conditions of the Declaration, the Articles of Incorporation and these Bylaws, and rules and regulations of the Association by all occupants, tenants, guests, invitees and family members while residing in or visiting any Unit, Common Area or other portion of the Property.

### *Section 2. Neighborhoods; Maintenance Associations; and Voting Rights.*

2.1. The Master Property described in the Master Declaration of Covenants, Conditions and Restrictions for Grand Haven (herein referred to as the "Master Declaration") will be developed in stages or phases that will be designated as separate Neighborhoods for the purposes of the Master Association. Each Lot or Unit subject to the Master Declaration will be situated within a Neighborhood. Each Neighborhood will contain Lots or Units sharing common facilities and having similar interests. The Lots that are subject to the Neighborhood Declaration constitute a Neighborhood as defined in the Master Declaration, and **MAINTENANCE ASSOCIATION OF GRAND HAVEN, INC.** is a Neighborhood Association. The Owner of each Lot or Unit will be a member of the

# EXHIBIT E - CONTINUED

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Maintenance Association as well as a Member of the Master Association. The Maintenance Association is subordinate to this Master Association and is responsible for performing the services and obligations imposed on it by the Master Association pursuant to the governing documents.

2.2. The Maintenance Association shall exercise the voting rights herein established on behalf of all Members whose Units or Lots are within the jurisdiction of such Maintenance Association. On all matters requiring the votes of Members as may be described in the Declaration, or in the Articles of Incorporation or Bylaws, such votes shall be conducted by the Maintenance Association.

2.3. Members of the Association shall be allocated votes as follows:

Class A. Class A Members shall be all Owners with the exception of the Declarant and any Builders. Each Class "A" Member shall be entitled to one vote for each Lot or Unit owned.

Class B. The Class B Member shall be the Declarant, or its specifically designated (in writing) successor. The Class B Member shall be allocated three (3) votes for each Lot or Unit owned by it within the Property which is subject to assessment by this Association; provided, that the Class B membership shall cease and become converted to Class A membership as set forth in Section 4. Upon conversion to Class A membership, the Declarant shall have one vote for each Unit or Lot owned by it within the Property so long as said Unit or Lot is subject to assessment by the Association.

Class C. All Builders, as defined herein, shall be Class C Members. Class C Members shall have one (1) vote for each Lot or Unit they own in the Property.

2.4. When any Unit or Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Maintenance Association, such Owner shall select one official representative to qualify for voting in the Maintenance Association and shall notify in writing the Secretary of the Maintenance Association of the name of such individual. The vote allocated to any Unit or Lot (including Units or Lots owned by the Declarant or a Builder) may not be divided or cast in any fraction, and the

# EXHIBIT "E" - CONTINUED

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vote of each official representative shall be considered to represent the will of all the Owners of that Lot or Unit. If the Owners fail to designate their official representative, then the Maintenance Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owner(s). Upon such notification no affected Owner may vote until the Owner(s) appoint their official representative pursuant to this paragraph.

## *Section 3. Change of Membership.*

3.1. Change of membership in the Association shall be established by recording in the Public Records of Flagler County, Florida, a deed or other instrument conveying record fee title to any Lot or Unit, and by the delivery to the Maintenance Association, of a copy of such recorded instrument. The Owner designated by such instrument shall, by acceptance of such instrument, become a Member of the Maintenance Association, and the membership of the prior Owner shall be terminated. In the event that a copy of said instrument is not delivered to the Maintenance Association, said Owner shall become a Member, but shall not be entitled to voting privileges until delivery of a copy of the conveyance instrument to the Maintenance Association. The foregoing shall not, however, limit the Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Lot or Unit acquired.

3.2. The interest, if any, of a Member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's real property. Membership in the Association by all Owners shall be compulsory and shall continue, as to each Owner, until such time as such Owner of record transfers or conveys his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

## *Section 4. Class B Membership Status.*

4.1. The Declarant's Class B membership status shall continue, and shall be in effect, during the period from the inception of the Neighborhood Declaration until either (1) seven (7) years from the date the Neighborhood Declaration is recorded; or (2) five (5) years after the date of recording of the last Supplemental Declaration annexing additional property into the Maintenance Association, whichever event, (1) or (2) occurs

# EXHIBIT "E"-CONTINUED

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later; or (3) upon recording of a voluntary written notice executed by the Declarant or its duly authorized successor or assignee electing to convert its Class B status to Class A; or (4) in any event, one hundred twenty (120) days after the conveyance of the Unit to a Class A Member that causes the total number of votes held by all Class A Members of this Maintenance Association to equal the number of votes in the Maintenance Association held by the Class B Member, whichever event, (1), (2), (3) or (4), occurs first; provided however, that if Class B status is converted to Class A pursuant to clause (4) and, subsequent to such event, the Declarant annexes additional Lots to the Neighborhood Properties which annexation causes the number of Lots or Units owned by the Declarant in the Neighborhood Properties to exceed twenty-five percent (25%) of the total number of Lots and Units within the Neighborhood Properties, Declarant's Class B status shall be restored as to all Lots and Units within the Neighborhood Properties then owned by Declarant, and shall continue until the next occurrence of an event of conversion described above.

4.2. The Declarant shall have the right to partially assign its status as Declarant and Class B Member by recorded instrument executed by the original Declarant and acknowledged and accepted by the assignee Declarant to any person or entity acquiring any portion of the Property, or the adjacent land eligible for annexation into the Property, for the purpose of development of a residential subdivision consistent with the Master Plan, and any such assignee shall thereafter be deemed to be the Declarant as to the Lots or Units owned by such person or entity, and shall have the right to exercise all of the rights and powers of the Declarant as to such Lots and Units, while, at the same time, the original Declarant shall continue to exercise the rights and powers of the Declarant as to all Lots and Units owned by such original Declarant. If any action of the Maintenance Association requires the approval, consent or vote of the Declarant, and the original Declarant has partially assigned its rights as Declarant to others pursuant to this paragraph, the consent or vote of all such Declarants shall be required to satisfy the requirement of consent by the Declarant.

*Section 5. Majority of Quorum.* Unless otherwise expressly provided in these Bylaws or the Declaration any action which may be taken by the Association may be taken by a majority of a quorum of the Members of the Association.

*Section 6. Quorum.* Each Maintenance Association meeting required by the Master Association pursuant to the Master Declaration shall require the presence, either in person or by proxy, of a quorum of the members of the Maintenance Association. If the Maintenance Association has, or is planned to have, 250 Members or less - the quorum for

# EXHIBIT " E "-CONTINUED

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any such meeting shall be no less than 20% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Maintenance Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in these Bylaws or in the Articles of Incorporation or in the Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section, and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

*Section 7. Proxies.* Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease after completion of the meeting for which the proxy was filed, and upon conveyance by the Member of his Unit.

## ARTICLE III

### ADMINISTRATION

*Section 1. Place of Meetings of Members.* Meetings of the Members shall be held within the Association Properties or such other suitable place as close thereto as practicable in Flagler County, convenient to the Owners as may be designated by the Board of Directors.

*Section 2. Annual Meetings.* The first annual meeting of the Members shall be held on the date at the place and at that the time, as determined by the Board of Directors, provided, however, that said meeting shall be held, to the extent possible, within one (1) year from the date of incorporation of the Association. Thereafter, the annual meeting of the Association shall be held on the anniversary date of the first annual meeting; provided, however, that should the anniversary date fall on a legal holiday, then such annual meeting of the Members shall be held on the next day thereafter which is not a legal holiday. Subject to the provisions of Article IV, Section 1 herein, at each annual meeting there shall be elected by ballot of the Members a Board of Directors, in accordance with the requirements of Section 5 of Article IV of these Bylaws. At the first annual meeting, the Directors shall be elected to serve until the second annual meeting, and at the second annual meeting, Directors shall be elected for a term of one (1) year beginning with the



## EXHIBIT "E" - CONTINUED

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second annual meeting. Unless a Director resigns before the expiration of his term of office, each Director shall hold his office until his successor has been elected and the first meeting involving such successor is held. The term of office of any Director elected to fill a vacancy created by the resignation of his predecessor shall be the balance of the unserved term of his predecessor. The Members may also transact such other business of the Association as may properly come before them. Each First Mortgagee of a Unit may designate a representative to attend all annual meetings of the Members.

*Section 3. Special Meetings of Members.* Special meetings of the Members may be called at any time by the President or by a majority of a quorum of the Board of Directors, or upon a petition signed by Class A Members holding at least ten percent (10%) of the voting power of the Class A Members having been presented to the Secretary. Notice of any special meeting shall state the time and place of such meeting and the purpose thereof.

No business shall be transacted at a special meeting except as stated in the notice, unless by consent of those Members holding at least four-fifths (4/5) of the voting power of the Association, either in person or by proxy. Each First Mortgagee of a Unit may designate a representative to attend all special meetings of the Members.

*Section 4. Notice of Meetings of Members.* It shall be the duty of the Secretary to mail a notice of each annual or special meeting of Members stating the purpose thereof as well as the day, hour, and place where it is to be held, to each Member of record and to each First Mortgagee of a Unit which has filed a written request for notice with the Secretary, at least fourteen (14) but not more than sixty (60) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served, after said notice has been deposited in a regular depository of the United States mail. If no address has been furnished to the Secretary, notice shall be deemed to have been given to a Member if posted in a conspicuous place on the Common Property.

*Section 5. Adjourned Meetings.* If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

# EXHIBIT " E " - CONTINUED

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*Section 6. Order of Business.* The order of business at all meetings of the Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspector of election; (g) election of Directors; (h) unfinished business; and (I) new business. Meetings of Members shall be conducted by the officers of the Association in order of their priority.

*Section 7. Action Without Meeting.* Any action, which under the provisions of Florida law may be taken at a meeting of the Members, may be taken without a meeting if authorized by a writing signed by the required number of Members who would be entitled to vote at a meeting for such purpose, and such writing is filed with the Secretary.

*Section 8. Consent of Absentees.* The transaction of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

*Section 9. Minutes, Presumption of Notice.* Minutes or similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

## ARTICLE IV

### BOARD OF DIRECTORS

*Section 1. Number, Term and Qualifications.* The affairs of this Association shall be governed by a Board of Directors composed of no fewer than three (3) nor more than seven (7) persons as is determined from time to time by the Members. The term of each Director's service shall extend until the next annual meeting of the Members, and thereafter until his successor is duly elected and qualified, or until he is removed in the manner provided in Section 3 below.

# EXHIBIT " E " - CONTINUED

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*Section 2. Powers and Duties.* The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Members.

*Section 3. Special Powers and Duties.* Without prejudice to such foregoing general powers and duties and such powers and duties as are set forth in the Declaration and Articles of Incorporation, the Board of Directors is vested with, and responsible for, the following powers and duties:

- (a) To select, appoint, and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration and these Bylaws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Board.
- (b) To conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations therefor consistent with law, with the Articles of Incorporation, the Declaration, and these Bylaws, as the Board may deem necessary or advisable.
- (c) To change the principal office for the transaction of the business of the Association from one location to another within the State of Florida as provided in Article I hereof; to designate any place within said State for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Article III, Section 2 hereof; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment may deem best, provided that such seal shall at all times comply with the provisions of law.
- (d) To borrow money and to incur indebtedness for the purposes set forth in the Declaration, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges hypothecations or other evidences of debt and securities therefor.
- (e) To fix and levy from time to time, Assessments upon the Owners, as provided in the Declaration; to determine and fix the due date for the

# EXHIBIT " E " -CONTINUED

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payment of such Assessments, and the date upon which the same shall become delinquent; provided, however, that such Assessments shall be fixed and levied only to provide for the general benefit and welfare of the Association and its Members in accordance with the provisions of the Declaration. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the Association or welfare of its Members. Disbursements from such trust reserve fund shall be made only in accordance with the provisions of the Declaration. Should any Owner fail to pay such Assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent assessments as provided in the Declaration.

- (f) To enforce the provisions of the Declaration covering the Common Area, and areas on which the Association has an easement (the "Easement Areas"), these Bylaws or other agreements of the Association.
- (g) To contract for and pay fire, casualty, errors and omissions, blanket liability, malicious mischief, vandalism, and other insurance, insuring the Members, the Owners, the Association, the Declarant, the Board of Directors and other interested parties, in accordance with the provisions of the Declaration, covering and protecting against such damages or injuries as the Board deems advisable, which may include without limitation, medical expenses of persons injured on the Common Area and Easement Areas, and to bond the agents and employees of any management body, if deemed advisable by the Board. The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Association.
- (h) To contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the Common Area, public areas, and Easement Areas and to employ personnel necessary for the operation of the Common Area, public areas and Easement Areas, including legal and accounting services, and to contract for and pay for improvements to the Common Area, public areas and Easement Areas.

# EXHIBIT " E " -CONTINUED

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- (i) To delegate its powers according to law, and subject to the approval of the Members, to adopt these Bylaws.
- (j) To grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Association.
- (k) To fix, determine and name from time to time, if necessary or advisable, the public agency, fund, foundation or corporation which is then or there organized or operated for charitable purposes, to which the assets of this Association shall be distributed upon liquidation or dissolution, according to the Articles of Incorporation of the Association. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Association, and after distribution of all property held or acquired by the Association under the terms of a specific trust or trusts.
- (1) To adopt such uniform and reasonable rules and regulations as the Board may deem necessary for the management of the Common Area and Easement Areas which rules and regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a meeting called for that purpose, or by the written consent of such number of Directors attached to a copy of the rules and regulations of the Association, and (2) they are posted in a conspicuous place in or near the Common Area. For so long as the Declarant enjoys Class B Membership status, such rules and regulations shall not materially adversely affect the rights, privileges or preferences of any Member or owner as established by the Association, the Articles of Incorporation of the Association and these Bylaws and such rules and regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles of Incorporation and these Bylaws.

*Section 4. Management Agent.* The Board shall have the option to employ a managing agent to manage the Common Area and Easement Areas and the affairs of the Association. The managing agent shall perform such duties and services as the Board shall authorize.

*Section 5. Election and Term of Office.* Subject to the provisions of Article IV, Section 1 herein, at the first annual meeting of the Association, and thereafter at each annual meeting of the Members, Directors shall be elected by secret written ballot by a plurality

# EXHIBIT "E" - CONTINUED

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of Members as provided in these Bylaws, each Member voting being entitled to cast its votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. In the event that an annual meeting is not held, or the Board is not elected thereat, the Board may be elected at a special meeting of the Members held for that purpose. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a Director may be reelected, and there shall be no limitation on the number of terms during which he may serve.

*Section 6. Books, Audit.* The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in manner consistent with generally accepted accounting principles, and at no greater than annual intervals shall obtain an independent audit of such books and records. A copy of each such audit shall be delivered to a Member within sixty (60) days after the completion of such audit upon written request from a Member.

*Section 7. Vacancies.* Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and such person so elected shall be a Director until a successor is elected at the next annual meeting of the Members of the Association, or a special meeting of the Members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in case the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place.

*Section 8. Removal of Directors.* At any regular or special meeting of the Members duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the Members of the Association, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. If any or all of the Directors are so removed, new Directors may be elected at the same meetings.

*Section 9. Organization Meeting.* The first regular ("organization") meeting of a newly elected Board of Directors shall be held within ten (10) days of election of the Board, at such place as shall be fixed and announced by the Directors at the meeting at which such Directors were elected, for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to the newly elected Directors

# EXHIBIT " E " -CONTINUED

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in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

*Section 10. Other Regular Meeting.* Other regular meetings of the Board of Directors may be held at such time and place in or near the Association Properties as shall be determined, from time to time by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meeting shall be held no less frequently than annually. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least seventy-two (72) hours prior to the date named for such meeting, and shall be posted at a prominent place or places within the Common Area.

*Section 11. Special Meeting.* Special meetings of the Board of Directors may be called by the President (or, if he is absent or refused to act, by the Vice President) or by any two (2) Directors. At least seventy-two (72) hours notice shall be given to each Director personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and the purpose of the meeting, and shall be posted at a prominent place or places in or near the Association Properties. If served by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5:00 P.M. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director, as required by law and as provided herein.

*Section 12. Waiver of Notice.* Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however, called and notice or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

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*Section 13. Quorum and Adjournment.* Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

*Section 14. Action Without Meeting.* The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

*Section 15. Fidelity Bonds.* The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

*Section 16. Committees.* The Board of Directors by resolution may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its Members, as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board.

## ARTICLE V

### OFFICERS

*Section 1. Designation.* The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary. Officers other than the President and Vice President need not be Directors. The office of Secretary and Treasurer may be held by the same person, but the office of President and Secretary may not be held by the same person.



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*Section 2. Election of Officers.* The officers of the Association shall be elected annually by the Board of Directors at the Organization Meeting of each new Board of Directors, and each officer shall hold his office until he shall resign or be removed or otherwise disqualified to serve, or his successor shall be elected and qualified to serve.

*Section 3. Removal of Officers.* Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

*Section 4. Compensation.* Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, or employee, provided that no officer, employee or Director of Declarant or any affiliate of Declarant may receive any compensation.

*Section 5. President.* The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including but not limited to the power, subject to the provisions of Article IV, Section 16, to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Association. The President shall be ex-officio a member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws of the Association.

*Section 6. Vice President.* The Vice President shall take the place of the President and perform his duties whenever the President shall be absent, disabled, refuses or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President

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shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these Bylaws of the Association.

*Section 7. Secretary.* The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association at the principal office of the Association or at such other places as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notice of meetings of the Members of the Association and of the Board of Directors required by these Bylaws or by law to be given. The Secretary shall maintain a book of record Owners, listing the names and addresses of the Owners as furnished by the Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a Unit is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors.

*Section 8. Treasurer.* The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall co-sign all checks and promissory notes on behalf of the Association. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, in accordance with the Declaration, shall render to the President and Directors, upon request, an account of all of his transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

## ARTICLE VI

### OBLIGATIONS OF OWNERS FOR ASSESSMENTS

*Section 1. Payment.* The Association shall obtain funds with which to operate by assessment of the members of each Member in accordance with the provisions of the Declaration as supplemented by the provisions of the Articles of the Association relating thereto. Said assessments shall be payable monthly, in advance, without notice, and shall

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be due on the first day of each month. Unless otherwise required by the Board, assessments may not be made payable less frequently than monthly.

*Section 2. Special Assessments.* Special Assessments for charges by the Association against Members for other than Common Expenses or for Common Expenses for emergencies that cannot be paid from the annual Assessments for Common Expenses shall be levied in the same manner as herein provided for regular Assessments, except that notice thereof shall be given and they shall be payable in the manner determined by the Board.

*Section 3. Past Due Assessments.* Assessments and installments thereon not paid when due shall bear interest from the date when due until paid at the rate set forth in the Declaration and shall result in the filing of a claim of lien as set forth in the Declaration.

*Section 4. Default.* As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment, if not paid within thirty (30) days after the due date, shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Unit.

## ARTICLE VII

### AMENDMENTS TO BYLAWS

*Section 1. Proposal.* Amendments to these Bylaws may be proposed by the Board of Directors (the "Board") of the Association by resolutions adopted by a majority vote of the Directors present at any regular or special meeting of the Board at which a quorum is present or, in the alternative, by a written instrument signed by a majority of the Board, or by the vote of a majority of a quorum of Members present in person or by proxy at a special or regular meeting of the Members or by written instrument signed by them. Such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in the absence of the President, who shall

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thereupon call a Special Meeting of the Members of the Association not later than sixty (60) days from the receipt by him of the proposed amendment or amendments.

*Section 2. Notice.* It shall be the duty of the Secretary to give each Member written notice of such meeting, stating the proposed amendment or amendments in reasonably detailed form, which notice shall be prepared by and at the expense of the Maintenance Association and mailed by the Maintenance Association or presented personally to each Member not less than thirty (30) days nor more than sixty (60) days before the date set for the meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the Member at his post office address as it appears on the records of the Association, with postage thereupon prepaid. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver when filed in the records of the Maintenance Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting.

*Section 3. Resolution.* At the meeting at which the amendment is to be proposed and considered, a resolution for the adoption of the proposed amendment may be made by any member of the Board of Directors of the Association, or by any Member of the Association, present in person or by proxy. The approval of a resolution for the adoption of a proposed amendment to these Bylaws shall require the affirmative vote of a majority of the members of the Board of Directors of the Association.

*Section 4. Approval.* Amendments may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 67% of the Class A Members (i.e. all Members except the Declarant and any Builder who retain Class B or Class C status) who are present, in person or by proxy, and voting at a meeting called as described in the notice and conducted by the Maintenance Associations at which a quorum is present, and the vote of the Declarant, or (2) by the written consent of at least 67% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting. In addition to the approval of the Members and the Declarant set forth above, the following conditions shall apply:

a. Any Material Amendment or Extraordinary Action (as defined in the Declaration) that changes the rights of any specific class of Members (i.e. Class A; Class B; or Class C) must also be approved either (1) by the affirmative vote of at least 51% of the Members of such Class who are present, in person or by proxy, and voting

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at meetings called as described in the required notice at which a quorum of such Class of Members is present, or (2) by the written consent of at least 51% of all Members of such Class to any action taken in lieu of a meeting.

b. Any Material Amendment or Extraordinary Action proposed during the period in which the Declarant retains its Class B status must also be approved by the Federal Housing Administration ("FHA"), and the Department of Veterans Affairs ("VA") if any Unit within the Properties has been financed by a mortgage insured by FHA or guaranteed by VA. The Association shall deliver written notice of the proposed Material Amendment or Extraordinary Action to the FHA and VA simultaneously with its notice to the Members. If the FHA or VA fails to deliver written notice to the Association of its objection to the proposed Material Amendment or Extraordinary Action within 30 days after receipt of the notice, FHA and VA will be deemed to have approved the matters contained in the notice, and the Association shall be entitled to record an affidavit signed by an authorized officer averring that written notice was delivered to the FHA and VA and no objection was timely received from such agencies.

Notwithstanding the foregoing, during the period in which the Declarant retains the status of the Class "B" Member, the Declarant shall have the right to amend these Bylaws, without the necessity of joinder by the Members or any other persons or entities, to make nonsubstantial changes that do not materially or adversely affect the interests of other Members or other affected parties, and to clarify any ambiguities or conflicts, or correct any scrivener's errors in these Articles of Incorporation.

*Section 5. Limitation.* No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of Members without approval of sixty-seven percent (67%) of the votes of each class of Members and the joinder of all Eligible Holders (as defined in the Declaration) of mortgages upon Units. No amendment shall be made that is in conflict with the Declaration, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or the designated successor of the Declarant, unless the Declarant or such successor shall join in the execution of the amendment.

*Section 6. Recording.* Such amendment or amendments of these Bylaws shall be transcribed and certified in such form as may be necessary to file the same in the office of

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the Association and shall be recorded in the Public Records of Flagler County, Florida within thirty (30) days from the date on which the same is approved.

## ARTICLE VIII

### MORTGAGES

*Section 1. Notice to Association.* An Owner who mortgages his Unit shall notify the Association through the managing agent or the Secretary of the Board of Directors in the event there is no managing agent, of the name and address of his Mortgagee and the Association shall maintain such information in a book entitled "Mortgagees of Units". Any such Owner shall likewise notify the Association as to the release or discharge of any such mortgage.

*Section 2. Notice of Unpaid Assessments.* The Board of Directors of the Association shall at the request of a Mortgagee of a Unit report any unpaid assessments due from the Owner of such Unit, in accordance with the provisions of the Declaration.

## ARTICLE IX

### MEANING OF TERMS

All terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration, which terms include without limitation: "Owner", "Board", "Unit", "Articles", "Member", "Mortgage", "Mortgagee", and "Common Assessments".

## ARTICLE X

### CONFLICTING PROVISIONS

In case any of these Bylaws conflict with any provisions of the laws of the State of Florida, such conflicting Bylaws shall be null and void upon final Court determination to such effect, but all other Bylaws shall remain in full force and effect. In a case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of conflict between the Declaration and these Bylaws, the Declaration shall control.

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## ARTICLE XI

### MISCELLANEOUS

*Section 1. Execution of Documents.* The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, committee member, or employee shall have any power or authority to bind the Association by any contract or engagement or to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

*Section 2. Inspection of Bylaws.* The Association shall keep in its office for the transaction of business the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members and all First Mortgagees at all reasonable times during office hours.

*Section 3. Fiscal Year.* The fiscal year of the Association shall be determined by the Board of Directors and having been so determined is subject to change from time to time as the Board of Directors shall determine.

*Section 4. Membership Book.* The Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Member. Termination or transfer of ownership of any Unit by an Owner shall be recorded in the book together with the date on which such ownership was transferred, in accordance with the provisions of the Declaration.

WE HEREBY CERTIFY that the foregoing Bylaws of the Association were duly adopted by the Board of Directors of the Association in a meeting held for such purpose on the \_\_\_\_ day of \_\_\_\_\_, 1998.

\_\_\_\_\_  
John Lenihan, President

\_\_\_\_\_  
Jeff Mitchem, Secretary