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Inst No: 01034445 Date: 11/20/2001
GAIL WADSWORTH, FLAGLER County
By: [Signature] D.C. Time: 08:35:01
OFF REC 0781 PAGE 1905

VILLAGE AT PALM COAST
(PHASE I)

DECLARATION OF
RESTRICTIVE COVENANTS AND EASEMENTS

WHEREAS, LONGVIEW VILLAGE DEVELOPMENT COMPANY, a Kansas corporation (hereinafter known as Company), is the sole owner of certain lands in Flagler County, Florida, as more particularly described on attached Exhibit "A" (hereinafter known as the Parcel). The Company or its subsidiary, desires to develop as a special residential community with specific dwelling unit types; and

WHEREAS, the Company, acquired the Parcel subject to filed Restrictive Covenants and Easements, as recorded in Official Records Book 661, Page 946 of the Public Records of Flagler County, Florida and are attached hereto as Exhibit B; and

WHEREAS, the Company is the Successor Declarant according to that certain Partial Assignment and Partial Assumption of Declarants Rights as recorded in Official Records Book 661, Page 967 of the Public Records of Flagler County, Florida; and

WHEREAS, according to §G, 4 of the Declaration of Restrictive Covenants, Successor Declarant has the right to amend, modify or rescind the terms of the Declaration with regard to the Parcel; and

WHEREAS, the Company desires to provide for the preservation and maintenance of the values and amenities established on the Parcel through the creation of a new Declaration of Restrictive Covenants and Easements with respect to the Parcel; and

WHEREAS, to this end, Company desires to subject the real property described above, to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said real property and each owner of portions thereof; and

WHEREAS, it is desirable for the efficient preservation of the values and amenities in the development, to create an entity to which should be delegated and assigned the powers of maintaining and administering the improvements constructed on the Parcel and administering and enforcing the covenants, restrictions and easements and collecting and disbursing the assessments and charges hereinafter created; and,

WHEREAS, Village at Palm Coast Homeowner's Association, Inc. is being organized under the Not-for-Profit Corporation Laws of the State of Florida for the purpose of exercising the

aforesaid functions, as more fully set forth herein and in the Articles of Incorporation and By-Laws attached hereto as Exhibits C and D;

NOW, THEREFORE, the Company as sole owner of Parcel, for itself, its successors and assigns, does hereby declare that all that portions of the Parcel are released from the original Declaration of Restrictive Covenants, as recorded in Official Record Book 661, Page 967 of the Public Records of Flagler County, Florida and that the original covenants, restrictions, easements, charges and liens are hereby terminated as to Parcel. The Successor Declarant further declares, for itself, its successors and assigns, that the Parcel described above, or any portion thereof, shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, reservations and liens hereinafter set forth.

ARTICLE I Definitions

The following words and phrases when used in this Declaration of Restrictive Covenants and Easements (unless the context shall prohibit) shall have the following; meanings:

"Approved Builder" shall refer to any one of a maximum of four (4) contractors approved by the Company to construct dwelling units in the Village at Palm Coast.

"Amenities" shall refer to all common elements of the Village at Palm Coast subdivision constructed by or at the direction of the Company and intended for the use and enjoyment of the Owners and to be owned and maintained as set forth in this Declaration. Amenities shall include, but shall not be limited to, all streets and roadways, sidewalks, recreational facilities, community facilities and waterfront features.

"Architectural Review Committee" or "Committee" shall mean a committee appointed by the Company pursuant to Article XI, Section 3, herein.

"Association" shall mean the Village at Palm Coast Homeowner's Association, Inc., a Florida corporation not for profit, as incorporated by Articles of Incorporation, a copy being attached hereto and made a part hereof as Exhibit C, together with By-Laws attached hereto as Exhibit D. The Association is not a condominium association.

"Board", or "Board of Directors" shall mean the Board of Directors of the Association.

"Declaration" or "Declaration of Covenants and Restrictions" shall mean this Declaration of Restrictive Covenants and Easements for the Village.

"Developer" or "Company" means LongView Village Development Company, its designee, successors and assigns.

"Dwelling Unit" means a residential unit of the Village constructed on a Lot to be used as a single

family residence.

"Institutional Mortgagee" shall mean a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the U.S. government, or real estate or mortgage investment trust, or a lender generally recognized in the community as an institutional type lender.

"Lot" means those lots created by the Plat.

"Member" shall mean and refer to all those Persons who are entitled to membership in the "Association".

"Model Home" refers to a single family residence which has obtained a certificate of occupancy and is intended to be used as a display for potential buyers.

"Owner" means the Person who is the record owner (other than the Company) and who has acquired fee-simple title to any Lot.

"Parcel" means the real property described on attached Exhibit "A".

"Person" shall mean any individual, corporation, governmental agency, business trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

"Plat" refers to the amended subdivision map recorded at Map Book 33 Pages 1-4 of the Public Records of Flagler County, Florida and which includes the Lots described in this Declaration and any subsequent amendments.

"Rear Yard Area" means the yard area of an improved Lot from a line formed by the rear of a dwelling unit and a line extension thereof to the rear side Lot lines to the rear property line or lines.

"Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges

"Village at Palm Coast" means the Lots and Dwelling Units located within Parcel and subject to the terms of this Declaration.

"Village Square" means that part of the Village wherein the Clubhouse, Spa, Pool and the Business Center shall be located. Aside from the Business Center the facilities comprising the square will be the property of the Association. As Association property such facilities shall be held available and accessible to Association Members for their common usage and enjoyment.

ARTICLE II
Property Subject to this Declaration

Section 1. The Properties.

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, is all that certain plot, piece, or section of land situate, lying in the City of Palm Coast, County of Flagler and State of Florida, as more particularly described on attached Exhibit "A" (the "Parcel"). The Parcel shall be designated as Village at Palm Coast, Phase I, and shall be managed by the Village at Palm Coast Homeowner's Association, Inc., a non-profit Florida corporation organized pursuant to Articles of Incorporation and By-Laws attached hereto as Exhibits C and D, respectively.

ARTICLE III
Membership and Voting Rights in the Association

Section 1. Membership.

Every Owner shall be a member of the Association. Membership shall be appurtenant to and inseparable from ownership of a Lot. Transfer of Lot ownership either voluntarily or by operation of law shall terminate membership in the Association, and said membership shall thereupon be vested in the transferee.

Where any one Lot is owned by more than one Person, the composite title holder shall be and constitute one Member of the Association. Any Person, owning more than one Lot shall be as many memberships as the number of Lots owned.

Section 2. Voting Rights.

Members of the Association shall have the voting rights provided for in the Articles of Incorporation and Bylaws attached as Exhibit C and D.

ARTICLE IV
Grant and Reservation of Easements

Section 1. Easement for Maintenance by Association.

The Company hereby grants to the Association, its employees, subcontractors, agent and designees, a non-exclusive, perpetual easement over, through, across and under each Lot to permit the maintenance and repair or replacement, as necessary, of those portions of the Lot required to be maintained, replaced and repaired by the Association, as provided in this Declaration.

Section 2. Easement for Sprinkler System.

The Company hereby reserves to itself and grants to the Association, its employees, subcontractors, agents and designees, a non-exclusive, perpetual easement over, through, across and under each Lot for the installation, maintenance, operation, repair and replacement of sprinkler system lines and sprinkler heads, which lines and heads are hereby deemed to be the property of the Association; provided, however, no lines shall be located under a Dwelling Unit on a Lot. Should a sprinkler line(s) or sprinkler head(s) be required to be maintained, repaired or replaced as a result of the negligence by an Owner, his family, servants, guests or invitees, the applicable Owner shall be responsible for the costs thereof, and the Association shall have the right to levy an assessment against the Owner of said Lot for same, which assessment shall have the same force and effect as all other assessments provided for herein.

Section 3. Reservation of Easements by Company.

A. Sales. Company reserves the right to continue to use the Parcel, and any sales offices, model homes, signs and parking spaces approved by the City of Palm Coast on the Parcel for so long as Company deems such maintenance to be in the best interests of the Company.

B. Location of Amenities, Operation and Usage Easement and Special Events. The Village Square will be adjacent to the Parcel will be owned and operated by a wholly owned management subsidiary of the Company. The Village Square will be part of the facilities of the Village at Palm Coast and available for use to the residents of the Village on the terms set, from time to time, by the Company. All persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Company or any other Person with regard to the continuing ownership, method of operation, or layout of the Village Square. Each Owner further understands and agrees that ownership of a Lot does not confer any ownership interest in or right to use of the Village Square. Each Owner understands and agrees that his or her Dwelling Unit and Lot are adjacent to or near the Village Square and that the Village Square will be used, from time to time for special events and holiday celebrations. An express easement, license, and right to conduct such activity is hereby reserved to the Company, it's affiliates, and their assigns. Each Owner acknowledges that the location of his or her Dwelling Unit within the Parcel may result in nuisances or hazards to persons and property on the Lot as a result of normal Village Square operations or as a result of special events. Each Owner covenants for itself, its heirs successors, successors in title, and assigns that it shall assume all risks associated with such location including, but not limited to, the risk of property damage or personal injury incidental to such Village Square activities and shall indemnify and hold harmless the Association, the Company and it's affiliates from any liability, claims, or expenses, including attorney's fees, arising from such property damage or personal injury.

C. Amendment. This section may not be amended without the prior written consent of the Company.

ARTICLE V
Maintenance

A. The Association, through action of its Board of Directors, shall provide maintenance to the exterior for the Dwelling Unit on each Lot as follows: paint or stain the exterior walls of each Dwelling Unit and repair, replace and care for roof surfaces of each Dwelling Unit and the exterior facing of any chimney. The Association shall not maintain any gutters, downspouts, trellises, doors, fences, hardware, glass or screens on the exterior surface of any Dwelling Unit, nor maintain any heating or air conditioning equipment outside a Dwelling Unit.

B. In addition to the exterior maintenance of Dwelling Units referred to above, the Association shall be obligated to maintain in good repair and replace as necessary, landscaping, trees, shrubs, grass, sprinkler systems and other exterior landscape improvements situated on each Lot and outside each Dwelling Unit, as originally installed by Company.

C. The Association shall not maintain plantings within any patio, atrium, lanai, enclosure or deck area of a Dwelling Unit, which will specifically be the responsibility of the Owner. The Association shall be responsible for watering the grassed area and landscaping on the Lot, excluding grass or landscaping not maintained by the Association. The time and frequency of watering shall be determined by the Association. The cost of maintenance and repair of the sprinkling system and the cost of water used by the system shall be an expense funded by the Association assessment against all Owners.

D. The Association shall not maintain any other portion of the Lot or improvements thereon.

E. The Association shall maintain all roads and streets within the Village at Palm Coast subdivision, which shall remain privately held by the Association subject to an easement for ingress and egress in favor of the Owners, their guests and invitees and for the City of Palm Coast for emergency purposes.

Section 2. Lot Owner.

The Lot Owner is responsible to maintain and repair everything on the Lot, including but not limited to, the Dwelling Unit and any other improvements, except for items which the Association is required to maintain, as specifically provided in Section 1 above. The Owner shall maintain, repair and replace, if necessary, the water and sanitary sewer lateral pipes servicing Owner's Dwelling Unit, which laterals extend from the applicable water and sewer main to the Dwelling Unit. The Owner shall maintain, repair and replace the air-conditioning and heating system and appurtenances thereto including all portions of any chimney and fireplace not maintained by the Association, located on the Lot, whether the same be located inside a Dwelling Unit or on the exterior of a Dwelling Unit. The Owner shall maintain, repair and replace all gutters, downspouts, trellises, doors, fences, glass, hardware, chimney (except for exterior facing) and screening on the exterior of the Dwelling Unit and shall maintain, repair and replace any equipment or additional improvements constructed or

placed outside of a Dwelling Unit or any deck or porch originally constructed by the Company including, but not limited to any hot tub, pool, jacuzzi, barbecue, decorative landscaping, deck or patio and any structure such as a fence or screen porch enclosing such improvements. This requirement for maintenance by an Owner shall not be construed as an approval for the construction of such improvements on any Lot (except as such improvements were originally constructed by the Company) or a representation by the Company, the Association or the Architectural Control Committee that any such improvement will be permitted for any Lot in the Parcel.

Section 3. Assessments.

All work performed by the Association and all expenses hereunder shall be paid for by the Association through assessments imposed by the Board of Directors in accordance with Article VI. Such assessments shall be against all Lots equitably.

Section 4. Disrepair of Dwelling Units and Lots.

In the event the Owner of any Lot in the Parcel shall fail to perform the required maintenance of his Lot in a manner reasonably satisfactory to the Board of Directors of the Association or any committee established by such Board, except for such areas as the Association is required to maintain, upon direction of the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon said Lot to maintain and restore the improvements erected on such Lot. The cost of any maintenance supplied by the Association pursuant to this Section shall be added to and become part of the assessment to which such Lot is subject.

Section 5. Access at Reasonable Hours.

For the purpose of performing the maintenance required by this Article, the Association, through its duly authorized agents and employees, shall have the right without notice to enter upon any Owner's Lot at reasonable hours on any day except Sunday and holidays.

Section 6. Negligence of Owner.

Should any portion of a Dwelling Unit or Lot which the Association is required to maintain pursuant to this Article require maintenance, repair or replacement as a result of the negligence of the Owner, his family, lessee, guests, servants or invitees, the applicable Owner shall be responsible for the cost thereof and the Association shall have the right to levy an assessment against the Owner of said Lot for same, which assessment shall have the same force and effect as all other assessments.

Section 7. Management.

The Association through the action of its Board of Directors, shall have the right to employ a manager or management firm which employment may either be on the basis of an employee of the Association or as an independent contractor.

Section 8. Maintenance Resulting from Location of Amenities.

Located within and adjacent to the Parcel and the Dwelling Units are various Amenities. Accordingly, from time to time Dwelling Units or other improvements on the Lots may be damaged as a result of the ordinary usage of such Amenities. Any such damage shall be treated as a normal maintenance item under this Article and shall promptly be repaired by either the Association or the Owner of the Dwelling Unit as their maintenance responsibilities are set out in this Article. The Company shall have no obligation to participate in the cost of any such maintenance or repair beyond the Company's normal participation in payment of assessments to the Association, for the maintenance set forth in this Article.

Section 9. Association Maintenance of Surface Water or Stormwater Management System

A. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved in writing by the St. Johns River Water Management District.

B. Assessments shall also be used for the maintenance and repair of the surface water or stormwater management systems including but not limited to work within retention areas, drainage structures and drainage easements.

C. The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

D. Any amendment to the Covenants and Restrictions which alter any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior written approval of the St. Johns River Water Management District.

E. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Covenants and Restrictions which relate to the maintenance, operation and repair of the surface water or stormwater management system.

ARTICLE VI
Covenant for Maintenance Assessment

Section 1. Creation of the Lien and Personal Obligation of the Assessments.

Each Owner shall be deemed to covenant and agree to pay to the Association annual assessments or charges for the maintenance of the Lots as provided in this Declaration, including such reasonable reserves as the Association may deem necessary, special assessments as provided in this Article, and assessments for maintenance as provided herein. Such assessments shall be fixed, established and collected from time to time as set forth in this Article. Assessments levied by the Association, together with such interest and costs of collection as hereinafter provided, shall, upon the recordation of a Claim of Lien, be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest and costs of collection, shall also be the personal obligation of the Owner of such Lot at the time when the assessment became due. All annual and special assessments shall be against all Lots subject to its jurisdiction, equitably. No Owner may waive or otherwise escape liability for the assessments by non-use, abandonment or any maintenance performed by an Owner that is otherwise the responsibility of the Association.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the Owners in The Village at Palm Coast and, in particular, for the improvement and maintenance of the Lots and Rights of Way situated upon the Parcel, including without limitation, the repair, replacement, maintenance, additions, and the cost of labor, equipment, materials, utilities, insurance, services, management and supervision.

Section 3. Budget and Commencement of Payment.

A. The Association's Board of Directors shall, from time to time, but at least annually, fix and determine a budget representing the sum or sums necessary and adequate for the continued operation of the Association. The Board shall determine the total amount required, including the operational items such as insurance, repairs, replacements, reserves, maintenance and other operating expenses, as well as charges to cover any deficits from prior years and reserves approved by the Board. The total annual assessments and any supplemental assessments shall be shared by all Lots based upon the formula and terms and provisions set forth herein and in the Articles of Incorporation and Bylaws.

B. Each Lot shall commence paying its share of the Association assessments commencing with the day title of the Lot is conveyed by deed from the Company to the first grantee thereof; provided, however, a conveyance by the Company to a successor who assumes all the duties

on responsibilities of Company or to a related or affiliated entity shall not be deemed a conveyance to the first grantee.

Section 4. Guarantee of Assessments.

The Company guarantees that for a period of one year commencing with the date of the conveyance by the Company of the first Lot within the Parcel, excluding those conveyances by the Company to an entity who assumes all of Declarant's duties and responsibilities or to an entity related to or affiliated with the Company, the assessments of the Association shall be in the amount as specified in the initial estimated operating budget of the Association. During the period of said guarantee, the Company shall pay the amount of expenses of the Association incurred during that period and not produced by the assessments at the guaranteed level receivable from other Owners, as provided herein, and during said period, the Company shall not be required to pay any specific sum for its share of the expenses of the Association as to any Lots owned by it. Provided, however, the Company shall pay the deficit during said period. The Company's guarantee is not intended to include, and does not include and shall never be deemed to include, expenses or fees called for or occasioned by an action or decision of the Board of Directors when Owners, other than the Company, elect a majority of the Board of Directors, where such expenses or fees are inconsistent with expenses or fees preceding that time. In such event, the Company, at its option, may pay the sums required, to be paid by it; or, the Company, at its option, may cancel said guarantee. In such case, it shall pay the assessments of the Association as to the Lots owned by it.

The Company hereby reserves the right, to be exercised in its sole discretion, to extend from time to time the termination date of the above guarantee for such period of time as the Company determines. Should Company elect to extend the time period of the guarantee, Company shall notify the Board of Directors of the Association of its election prior to the termination date of the original guarantee term or an extended guarantee term, and such notice shall set forth the new termination date of Company guarantee. The Company reserves the right, in its sole discretion, to require the Board of Directors of the Association to increase the amount of the assessments due from Owners other than the Company for each extension by an amount not to exceed fifteen (15%) percent of the guaranteed amount of assessment for the preceding period. Provided, however, in no event may the Company require the Board of Directors to increase the assessment due from Owners other than the Company by more than fifteen (15%) percent for each year of extension of the guarantee. The Board of Directors of the Association agree to comply with the requirements of the Company, as provided herein, and increase the assessments payable from Owners other than the Company during any extension of the guarantee. Should the Board of Directors of the Association fail to increase such assessments, as may be required by the Company hereunder, the Company shall have the unconditional right to cancel its guarantee, as contained herein; or, Company shall have the right to specifically enforce its rights as provided herein.

Section 5. Due Dates; Duties of the Board of Directors.

All assessments shall be payable monthly in advance or on such other basis as is ordered by

the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot and shall prepare a roster of the Lots and assessments applicable, which shall be kept in the office of the Association and shall be open to inspection by any Member. Upon the written-request of a Member or his mortgagee, the Board shall promptly furnish such Member or his mortgagee with a written statement of the unpaid charges due from such Member.

Section 6. Effect of Non-Payment of Assessment; Personal Obligation of the Member; Liens; Remedies of the Association.

If an assessment is not paid on the date when due, then at the option of the Board, such assessment, together with the balance of the annual assessment established by the Board, shall become delinquent and shall, together with such interest thereon, late charges and the cost of collection thereof, including reasonable attorneys' fees and court costs, thereupon become a continuing lien on the Member's Lot which shall bind such property in the hands of the Member, his heirs, devisees, personal representatives and assigns. Such lien shall be prior to all other liens except: (a) tax or assessment liens of any governmental authority on the Lot, including, but not limited to, taxes or assessments of any state, county and school district taxing agency; and (b) all sums unpaid on any bona fide first mortgage of record encumbering the Lot. The personal obligation of the Member who was the Owner of the Lot when the assessment fell due, to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum permissible interest rate provided under the laws of the State of Florida. A late charge of up to \$25.00 may be assessed by the Board and the Association, through its Board, may bring an action at law against the Member or former Member personally obligated to pay the same or it may bring an action to foreclose the lien against the Lot. 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 reasonable attorneys' fees to be fixed by the court, together with the cost of the action and the aforesaid late charge.

Section 7. Selling, Leasing and Gifts of Lots, Etc.

A. No Member shall convey, mortgage, pledge, hypothecate, sell or lease his Lot unless and until all unpaid assessments assessed against such Lot shall have been paid as directed by the Board of Directors; such unpaid assessments, however, may be paid out of the proceeds from the sale of the Lot or by the purchaser of such Lot. Any sale or lease of the Lot in violation of this section shall be voidable at the election of the Board of Directors.

B. Upon the written request of a Member or his mortgagee, the Board or its designee shall furnish a written statement of the unpaid charges due from such Member which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement but

unlisted thereon. A reasonable charge may be made by the Board for issuance of such statements.

C. The provisions of this section shall not apply to the acquisition of a Lot by a mortgagee who shall acquire title to such by foreclosure or by deed in lieu of foreclosure. In such event the unpaid assessments against the Lot which were assessed and became due prior to the acquisition of title by such mortgagee shall be deemed waived by the Association and shall be charged to all other members of the Association as an Association expense. Such provisions shall, however, apply to any assessments which are assessed and become due after the acquisition of title by the mortgagee and to any purchaser from such mortgagee.

D. Whenever the term Lot is referred to in this section, it shall include the Member's interest in the Association and the Member's interest in any property acquired by the Association. Any Member may convey or transfer his Lot by gift during his lifetime or devise the same by will or pass the same by intestacy.

E. The provisions of this section shall not apply to Company. This section may not be amended without the prior written consent of Company.

Section 8. Subordination of Lien.

The lien for assessments provided for in this Article shall be superior to all other liens, except tax liens, mortgage liens in favor of Institutional Mortgagees or persons or entities deemed to be Institutional Mortgagees by the provisions of this Declaration, and mortgage liens in favor of mortgagees under mortgages now existing or hereafter granted by the Company, as mortgagor.

Section 9. Special Assessments.

Funds necessary for emergencies or non-reoccurring expenses may be levied by such Association as special assessments, upon approval of a majority of the Board of Directors of such Association and also, for such funds exceeding the sum of Ten Thousand Dollars (\$10,000), upon approval by a majority favorable vote of the Members of such Association voting at a meeting or by proxy as may be provided in the By-Laws of such Association.

Section 10. Certificate of Assessment.

The Association shall upon demand at any time furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

ARTICLE VII

Section 1. Association Insurance.

To the extent obtainable, the Board of Directors shall be required to obtain the following insurance:

- A. Workmen's compensation insurance, if required by law; and,
- B. Directors' and Officers' liability insurance; and
- C. Other property and liability insurance it may deem proper to protect the Association, its Members and property.

Section 2. Dwelling Units, Lots.

A. Owner's Insurance Coverage. Each Owner shall be required to obtain and maintain adequate insurance of his Dwelling Unit which shall insure the property for its full replacement value, with no deductions for depreciation, against loss by fire, storm or other hazards or casualty. Such insurance shall name the Association as an additional insured and shall be sufficient to cover the full replacement value, or to cover necessary repair or reconstruction work. Such insurance shall be written in the manner acceptable to the Board of Directors of the Association and shall contain a clause which provides ten (10) days prior written notice to the Board of Directors of the Association before the policy can be cancelled. Each Owner shall be required to supply the Board of Directors with evidence of insurance coverage on his home which complies with the provisions of this Section. Each Owner shall also be responsible for the purchasing of liability insurance for accidents occurring on his or her Lot.

B. Association Approval. The insurance referred to in subsection 1 of this Section shall be written in a manner acceptable to the Association. The Association shall carry out the functions set forth hereafter.

C. Insurance Trustee. Each policy shall contain a loss payment provisions which provides that the proceeds of any loss shall be payable to the Association who shall hold such funds in trust to insure that repairs are made as hereinafter set forth. Each policy shall also contain a clause that it is non-cancelable without ten (10) days prior written notice to the Association. Each Owner shall be required to supply the Association with evidence of insurance coverage on his Dwelling Unit which complies with the provisions of this Section.

D. Action by Board. If the insurance provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of the Directors of the Association, then the Board of Directors of the Association may obtain such insurance coverage. The purpose of such insurance will be to protect, preserve and provide for the continued maintenance and support

of separately owned Dwelling Units. Insurance obtained by the Board of Directors of the Association shall be written in the name of the Association, as Trustee, for the benefit of the applicable Owner.

E. Payment of Premiums. Premiums for insurance obtained by the Board of Directors for the benefit of an individual Owner, as provided hereinabove, shall not be a part of the Association's Assessments or common expenses, but shall be an individual assessment (special assessment) payable in accordance with the provisions of Article VI of this Declaration.

F. Repair or Replacement of Damaged or Destroyed Property. Each, Owner shall, with the concurrence of the Owner's Mortgagee, if any, and the Board of Directors of the Association, be required to reconstruct or repair any Dwelling Unit or portion thereof destroyed by fire, storm or other casualty. Insurance proceeds issued for such repair shall be in the name of the Association, as Trustee. The insurance proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signatures) of an agent(s) duly authorized try Board of Directors of the Association. If no repair or rebuilding has been contracted for or otherwise substantially started by the Owner within thirty (30) days after the Association receives the insurance proceeds, the Board of Directors of the Association is hereby irrevocably authorized by such Owner to initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit. Repairs shall be done in a good and workmanlike manner in conformance with the original plans and specifications used for construction of other Dwelling Units by the Company. The Board of Directors of the Association :nay advertise for sealed bids from any licensed contractors and may then negotiate w:t'n said contractors. The contract or contractors selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding, unless such requirement is waived by the Board of Directors of the Association. In the event the insurance proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or destroyed portions in a good and workmanlike manner, the Board of Directors of the Association shall levy a special assessment against the Owner in whatever amount is required to make up the deficiency. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Owner and/or the Owner's mortgagee in such portions as shall be independently determined by those parties.

G. Administrative Fee. Should the Association obtain the insurance coverage on a Dwelling Unit pursuant to this Article, then the Association may charge and the applicable Owner shall be responsible for, as a special assessment against the Lot, an administration fee of \$100.00. Said fee is in addition to the charge for the premium, for which owner is also responsible.

H. Association and Directors Liability. The Association, its Directors or Officers, shall not be liable to any Person should it fail for any reason whatsoever to obtain insurance coverage on a Dwelling Unit.

Section 1. Powers.

The Association shall have all statutory and common law powers of a Florida non-profit corporation, all powers provided in its Articles of Incorporation and By-Laws, and all powers granted in this Declaration.

ARTICLE IX
Building and Use Covenants

Section 1. Land Use.

The use of a Lot and Dwelling Unit by a Member or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the Articles and By-Laws and the Rules and Regulations of the Board of Directors. No Lot shall be used except for residential purposes by a single family and their guests and invitees.

Section 2. Building Type.

A. "Building Type". No building shall be erected, altered, placed or permitted to remain on any Lot other than one single family Dwelling Unit not to exceed 30 feet in height and of the type and style originally constructed by the Company. All Dwelling Units shall be constructed by an Approved Builder according to the Company's specifications. Construction shall not commence until the Owner has received written approval to proceed from the Architectural Review Committee. Construction of a Dwelling Unit must commence within twelve (12) months of acquisition of a Lot by the Owner. No Lot shall remain vacant for more than twelve (12) months unless owned by the Company of an Approved Builder. All Dwelling Unit exteriors shall be completed within six (6) months from commencement of construction or issuance of a building permit, whichever comes first.

B. "Stemwall Construction". All Dwelling Units constructed on Lots 45 through 63 shall be constructed on "stemwalls". Generally, stemwall construction requires all fill material to be confined to the area directly below the Dwelling Unit or structure for which the fill is needed. This is accomplished by confining fill materials with vertical walls ("stemwalls"). This requirement will be enforced by the Architectural Review Committee in their review and the Architectural Review Committee may pass rules and regulations to more particularly describe the method and type of stemwall construction which will be permitted.

Section 3. Architectural Control.

A. Except as to the Dwelling Units and other improvements originally constructed by the Company, no Dwelling Unit, wall, fence, decking, paving, awnings, or other structure or

improvement of any nature shall be erected, placed, modified, altered or permitted to remain on any Lot until the construction plans and specifications and a plan showing the kind, shape, materials, colors and location of the structure, exterior elevations, and landscaping, as may be required by both the Architectural Review Committee and the Association, have been approved in writing by the Architectural Review Committee and the Association. Each Dwelling Unit, wall, fence, or other structure or improvement of any nature, together with the landscaping, shall be erected, placed or altered upon a Lot only in accordance with the plans and specifications and plot plan used by the Company for the original construction of such Dwelling Unit or other structure. Refusal of approval of plans, specifications and plot plan, or any of them, may be based on any ground, including purely aesthetic grounds, which, in the sole discretion of said Architectural Review Committee, seems sufficient. Any change in the exterior appearance of any Dwelling Unit, wall, fence, or other structure or improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The Architectural Review Committee shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph.

B. The Architectural Review Committee shall review the proposed submission as to the type and quality of materials, harmony of the exterior design, location of the structure with existing Dwelling Units, the Amenities, or other structures, location of the structure with respect to topography, trees, vegetation and the finished grade elevation and floor slab, exterior color(s) of any structure and any other relevant considerations. Upon completion of the proposed improvements, an "as-built" survey showing the finished floor and grade elevation and location of improvements shall be filed with the Association and with the Architectural Review Committee.

C. The Architectural Review Committee shall be composed of not less than three (3) nor more than seven (7) persons. The members of the Committee shall be appointed by the Company, its designees, successors or assigns. The membership, rules of procedure and duties of the Committee shall be prescribed by and, from time to time, changed or modified by the Company. If and when the Company deems the circumstances appropriate, the Company, in its sole discretion, may assign to the Association or any other body, all or part of the rights, duties, and functions of the Architectural Review Committee as set forth in this Declaration. From and after the date of any such assignment, the Company shall be relieved of any further duties or obligations concerning the Committee, and the Association or other body shall assume the duties and perform the functions as set forth herein.

D. If the Architectural Review Committee shall disapprove, in whole or in part, any submission required herein, the Committee shall notify the person, firm or entity making the submission of the reasons for such disapproval. If the Architectural Review Committee fails or refuses to approve or disapprove a submission containing all the requirements as set forth herein within forty-five (45) days after submission is received by the Committee, it shall then be presumed that the submission has been approved by the Architectural Review Committee.

Section 4. Change in Dwelling Units.

A. Association nor any Owner shall make or permit any structural modification or alteration of any Dwelling Unit except with the prior written consent of the Architectural Review Committee (herein identified), or its successor; the Association, acting by and through its Board of Directors; and all institutional mortgagees holding a mortgage on the Dwelling Unit. Consent may be withheld if, in the sole discretion of the party requested to give the same, it appears that such structural modification or alteration would affect or in any manner endanger other Dwelling Units.

B. No Dwelling Unit shall be demolished or removed without the prior written consent of all Owners of any attached Dwelling Unit to which such Dwelling Unit was connected at the time of its construction and of all institutional mortgagees holding a mortgage on any attached Dwelling Unit, and also the prior written consent of Company or its successor.

Section 5. Regulations.

Regulations promulgated by the Board of Directors, or any committee established by the Board of Directors, or any committee established by the Board concerning the use of the Properties shall be observed by the Members and their family, invitees, guests and tenants; provided, however, that copy regulations are furnished to each Member prior to the time the said regulations become effective.

Section 6. Damage to Dwelling Units.

In the event a Dwelling Unit is damaged, through Act of God or other casualty, the Owner shall promptly cause the Dwelling Unit to be repaired and rebuilt substantially in accordance with the original architectural plans and specifications. The Association shall have the right to enforce such repair or rebuilding of the Dwelling Unit to comply with this responsibility in accordance with Article VIII hereinabove. To accomplish the requirements of this Section, each Owner shall insure each Dwelling Unit at the highest insurable value, including, but not limited to, full replacement value of the premises, as set forth in Article V.

Section 7. Temporary and Accessory Structures.

No accessory Dwelling Unit or structure of a temporary character, or trailer, tent, mobile home, boat or recreational vehicle shall be permitted on any Lot at any time or used on any Lot, at anytime, either temporarily or permanently, except as permitted by both the Association and the Architectural Review Committee. No gas container of any type shall be placed on or about the outside of any Dwelling Unit in the Parcel, unless the gas container is installed underground. In the alternative, the gas container may be placed above ground if enclosed on all sides by a decorative wail or other screening approved by the Architectural Review Committee.

Section 8. Signs.

No sign, advertisement or poster of any kind shall be erected or displayed to the public view on Parcel without the prior written approval of the Architectural Review Committee and

the Association as to size, color, content, material, height and location. This paragraph shall not apply to Company.

Section 9. Pets, Livestock and Poultry.

No animals, livestock, or poultry of any kind or size shall be raised, bred or kept on any Lot, except that dogs, cats, or other normal household pets may be kept as authorized by the Board of Directors of the Association. However, the number of said pets shall not exceed two (2) for any Lot, provided that they are not kept, bred or maintained for any commercial purpose and provided that they do not become a nuisance or annoyance to any neighbor. No dogs or other pets shall be permitted to be at large or off of a leash on any Lot within the Parcel, except the Lot owned by the Owner of such pet. No dog runs, ties or outdoor kennels shall be permitted.

Section 10. Nuisances.

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

Section 11. Antenna.

With the prior written approval of the Association television, electronic or other type antenna or satellite dish may be erected on the Parcel or attached to the exterior of any Dwelling Unit thereon. No radio, electronic or other type of antenna rising higher than Thirty-six inches (36") above the peak of a residence's roof may be erected upon any Lot or Dwelling unit.

Section 12. Exterior Appearances and Landscaping.

The paint, coating, stain, and other exterior finishing colors on all Dwelling Units may be maintained as originally installed, without prior approval of the Architectural Review Committee. Prior approval by the Architectural Review Committee shall be necessary before any such exterior finish or color is changed. Furthermore, prior approval shall be required if the Association or any Owner wishes to paint, varnish, stain or make any application to exterior trellises or wood treatment other than as originally finished by the Company. The landscaping, including, without limitation, the trees, shrubs, lawns, flower beds, walkways, and ground elevations, shall be maintained as originally installed by the Company, unless the prior approval for any substantial change is obtained from the Association and the Architectural Review Committee. Neither aluminum foil, paper, nor anything which the Architectural Review Committee deems objectionable, may be placed on windows or glass doors. No owner may place any furniture, equipment or objects of any kind or construct any structures, slabs or porches beyond the limits of any Dwelling Unit (including any deck, patio or porch) as originally constructed by Company or place any objects such as bicycles, toys, barbecues, etc., on any rear patio unless concealed from the view of the road frontage and other Dwelling Units, except, however, customary outdoor furniture.

All Lots shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist.

Section 13. Existing Trees.

Neither the Association nor an Owner or other person, without the prior written consent of the Architectural Review Committee, shall remove any live tree with a trunk of four (4) inches or more in diameter (as measured one (1) foot from ground level) from any portion of the Parcel. If said trees are removed without said prior consent, the Owner or the Association, as appropriate, may be required by the Committee to replace same with trees of comparable size.

Section 14. Grades and Elevations.

In order to preserve and maintain proper drainage, no changes in grades or elevations of any portion of a Lot (including the swale areas) shall be made without the prior written approval of the Association and the Architectural Review Committee. Final, floor elevations and all other applicable grades must be shown on the site plan and approved by both the Committee and the Association prior to construction.

Section 15. Wells.

In order to minimize the removal of ground and surface water in any appreciable quantities and avoid unnecessary saltwater intrusion or diminution or material alteration of the aquifer, the construction and/or use of individual wells for any purpose on the Parcel is prohibited.

Section 16. Fertilizers.

In order to reduce the dissolution of nitrogen into the ground and surface waters in amounts injurious to the environment, only fertilizers which are capable of releasing nutrients at a controlled rate, such as organic fertilizer, are permissible.

Section 17. Commercial Vehicles, Trucks, Trailers, Campers and Boats.

No trucks or commercial vehicles, campers, mobile homes, motor-homes, boats, house trailers, boat trailers, or trailers of any other description shall be permitted to be parked or to be stored overnight at any place except in a completely closed garage on any Lot or Right-of-Way. This prohibition shall not apply during the periods of approved construction on a Lot, neither shall this prohibition apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery and other commercial services. Non-commercial vans which do not display any type of advertising, sign, logo or similar device and which are used for personal purposes shall not be prohibited.

Section 18. Sales and Rentals.

No Dwelling Unit may be sold, rented, or sublet without express written notice

to the Board. This provision is for the purpose of making certain that subsequent owners and renters understand the rights and obligations of Members or occupants of Lots. In addition to the notice requirement, the Board may require the use of a registration form to be completed by prospective purchasers--chasers or renters. No Dwelling Unit may be rented, leased or sublet. for a period of less than thirty (30) days. All enforcement procedures applicable to the Declaration of Restrictive Covenants and Easements shall be equally applicable to enforcement of this section.

Section 19. Walls/Fences.

No fence, wall, gate, hedge, or other structure shall be erected or maintained on any Lot, except as originally installed by the Company unless approved in writing by both the Association and the Architectural Review Committee as provided herein. In no event shall any fence be permitted in the rear yard area of any Lot.

Section 20. Garbage and Trash Disposal.

No garbage, refuse, trash or rubbish shall be deposited on any Lot except in closed sanitary containers which must be kept completely obscured from view except that such containers may be placed at the edge of the front yard by the right-of-way no sooner than 5:00 p.m. on the day prior to scheduled trash collection, so long as any empty containers are removed from view by 5:00 p.m. on the day of collection.

Section 21. Outdoor Drying and Laundry.

No clothing, laundry or wash shall be aired or dried on any portion of any Lot in an area viewable to any other Lot, Dwelling Unit, the adjoining Golf Course or roadway. No garments, rugs, etc., shall be hung from windows or doorways of Dwelling Unit, and no clothes lines or similar type structure shall be permitted on any Lot.

Section 22. Jacuzzis, Swimming Pools and Screen Enclosures.

In-ground pools, jacuzzis, hot tubs and substantially similar structures may be permitted in the porch, patio or deck area as originally constructed by the Company so long as such installation is approved in writing by the Association and Architectural Committee. No other patio, deck, screen enclosure or porch shall be permitted which extends beyond the Dwelling Unit as originally constructed by the Company, without the prior written approval of the Association and Architectural Committee. No above ground swimming pools shall be permitted on any Lot.

Section 23. Lawful Conduct.

No immoral, improper, offensive or unlawful use shall be made of any Lot or Dwelling Unit. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be strictly observed.

Section 24. Risks.

No Owner shall permit or suffer anything to be done or kept in his Dwelling Unit or upon his Lot which will increase the rate of insurance as to other Owners or to the Association.

Section 25. Garages and Parking.

All units shall be constructed or reconstructed with an enclosed garage with the dimensions equivalent to the dimensions for the garage originally constructed on the Lot by the Company. No vehicle permitted to be parked on the Parcel shall be parked overnight, except on a paved portion of a Lot or within an enclosed garage. The Association shall have the right to adopt written rules and regulations concerning parking pursuant to Section 5 of this Article.

Section 26. Basketball Boards.

Basketball backboards whether attached to the Dwelling Unit or free-standing, shall be erected only after approval by the Committee and the Association.

Section 27. Flagpoles.

All flagpole structures and their locations must be approved by the Committee and the Association prior to construction and/or installation of same.

Section 28. Decorative Items.

The use of any decorative items, including but not limited to statues, gates, rocks, planters, bird baths, fountains, plant hangers, and other ornamental accessories whether free standing or attached to any portion of the exterior of a Dwelling Unit must be submitted to the Association and the Architectural Review Committee for review and written approval prior to use, installation or construction.

Section 29. Mailboxes.

All mailboxes to be installed on each Lot shall be of the standardized type designated by the Association and the Architectural Review Committee as to style, location, material, color, height and type of post mounting.

Section 30. Lighting.

All exterior lighting, including, but not limited to, walkway, driveway, accent courtyard or common area, must be approved by the Association and the Architectural Review Committee prior to construction or installation.

Section 31. Businesses.

No trade, business, professional office or any other type of commercial activity shall be conducted on any portion of the Parcel or in any Dwelling Unit, except as provided by applicable zoning regulation of the City of Palm Coast; however, notwithstanding this restriction, the Company and its assigns shall not be prohibited from operating sales models and/or a sales office on any portion of Parcel.

Section 32. Violations.

In the event of a violation of these covenants and restrictions, or of any rule properly promulgated by the Board of Directors of the Association, the Association may, as an additional remedy, provide written notice of: the violation to the Owner of record, and if said violation shall continue for a period of seven (7) days from the receipt of the written notice, the Owner may be assessed an amount up to \$5.00 per day, per violation. This assessment shall be considered in the same manner as hereinbefore provided for regular assessments and those sections providing for the recording of the assessment lien, enforcement and collection shall also apply.

Section 33. Company Rights.

Notwithstanding any other provision in this Declaration, the Company is irrevocably empowered to sell, lease or rent Lots on any terms to any purchasers or lessees for as long as it owns any Lot. This section is intended to provide the Company with the broadest authority and power to transact and implement its business, and such activities shall be free and clear of any restrictions contained in this Declaration which would impede such activities. The Company shall have the right to transact any business necessary to consummate sales of said Lots. The Company may utilize single family residences as display homes and may, upon approval from the City of Palm Coast, maintain a separate sales office.

ARTICLE X

Additional Powers Reserved to Developer

Section 1. Company Related Documents.

So long as Company *shall own* any Lots or any portion of the real property described in this Declaration, no amendment shall be made to the Declaration, to any Supplemental Declaration, to the Articles of Incorporation of the Association, to the Association By-Laws, Rules, Regulations, Resolutions or any other similar Association document, nor shall any such Company related amendments or documents be executed, adopted or promulgated by the Association or the

Board of Directors unless such amendment or document shall be specifically approved in writing by Company in advance of such execution, adoption, promulgation and recording.

Section 2. Definitions.

For the purpose of giving examples of the type of Amendments contemplated by Section 1 of this Article, but not as a limitation or exclusive list of all such possible amendments, an amendment or document which does any of the following shall be considered to be a Company related amendment:

- A. Discriminates or tends to discriminate against Company as an Owner or otherwise;
- B. Directly or indirectly by its provisions or in practical application relates to Company in a manner different from the manner in which it relates to other Owners;
- C. Modifies the definitions *provided for* by Article I of this Declaration in a manner which alters Company's rights or status;
- D. Modifies or repeals any provision of Article II of this Declaration;
- E. Alters the character and rights of membership as provided for by Article III of this Declaration or affects or modifies in any member whatsoever the rights of Company as a member of the Association;
- F. Alters any previously recorded or written agreement with any public or quasi-public agencies, utility company, political subdivision, public authorities or other similar agencies or bodies, respecting zoning suspension, streets, roads, drives, easements or facilities;
- G. Denies the right of Company to record a Supplemental Declaration with respect to portions of the Properties or adding properties subject to this Declaration or otherwise making provisions in accordance with the powers granted to Company in this Declaration;
- H. Modifies the basis or manner of Association assessments as applicable to Company or any Lots owned by Company as provided for by Articles VI and VII;
- I. Modifies the provisions of Article XI (architectural control) as applicable to Company or any Lots owned by Company;
- J. Alters the provisions of any Supplemental Declaration; or
- K. Denies the right to the Company, its contractors and subcontractor's, to maintain temporary construction trailers, sheds or other Dwelling Units upon the Parcel; or
- L. Alters or repeals any of Company's rights or any provision applicable to Company's rights as set forth in any provision of this Declaration or of any Supplemental

Declaration or other Document applicable to Company.

The decision to approve or failure to approve any Company related document or Amendment by Company in accordance with Section 1 of this Article shall be in the sole and absolute discretion of Company and the Company shall not be liable to the Association, its Members or any party as a result of granting or refusing to grant such approval.

Section 3. Company Lands.

So long as Company continues to construct any facilities on the Parcel, no action may be taken by the Board or the Association applicable to the Company or any of the Lots or other land owned by Company unless such action shall be approved in writing by Company unless the need therefor shall be waived by the Company in writing.

Section 4. Annexation.

The Company may, in its sole discretion and judgment, subject additional phases of real property to the terms of this Declaration as future phases of the Village at Palm Coast by recording an annexation amendment in public records of Flagler County, Florida. Notice of said annexation amendment stating the number of Lots and a description of common property added, the number of votes allocated to the Company, and the total number of votes in the Association after said annexation, shall be delivered to all owners.

Section 4. Dwelling Unit Design and Use of Village Name.

The Company expressly reserves the right to construct other dwelling units of identical or similar design to the Dwelling Units it will construct on the Parcel, regardless of the location of the other dwelling units in relation to the Parcel. The Company further reserves the right to make use of the name "Village" or similar or derivative names in any manner the Company sees fit, including, but not limited to, the use of such name(s) in connection with other real estate development projects it may undertake, regardless of the location of any such Project or use of the name(s) in relation to the Village project located on the Parcel.

ARTICLE XI

General Provisions

Section 1. Beneficiaries of Easements, Rights and Privileges.

The easements, licenses, rights and privileges established, created and granted by this Declaration shall be for the benefit of and restricted solely to, the Association, the Company and its subsidiaries and assigns, and the owners of Lots on the Parcel; and any Owner may also grant the benefit of such easement, license, right or privilege to his tenants and guests and their

immediate families for the duration of their tenancies, or visits, subject, to the Rules and Regulations of the Board of Directors, but the same is not intended nor shall it be construed as creating any rights in or for the, benefit of the general public.

Section 2. Duration.

The covenants and restrictions of this Declaration shall run with and bind the Parcel and shall inure to the benefit of and be enforceable bay the Company, the Association, or the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then Owners of two-thirds of the Lots and all institutional mortgagees of Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded one (1) year in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 3. Notice.

Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 4. Enforcement.

Enforcement of these covenants and restrictions shall be by the Company, the Association or any Owner by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Company, the Association, any Owner or other party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. These covenants may also be enforced by the Architectural Review Committee. The prevailing party in any proceeding at law or in equity provided for in this Section shall be entitled to recover in said suit the cost of the action, including reasonable attorneys' fees to be fixed by the Court, including attorneys' fees in connection with appeal of any such action.

Section 5. Disposition of Assets Upon Dissolution of Association.

Upon dissolution of the Association, its assets shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event such dedication is refused acceptance, which refusal in the case of Flagler County shall be by formal resolution of

the Board of County Commissioners, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the Association property shall be effective to divest or diminish any right or title to any Member vested in him under the licenses,, covenants and easements of this Declaration, or under any subsequently recorded covenants and ,deeds applicable to the Parcel, unless made in accordance with the provisions of this Declaration or said covenants and deeds.

Section 6. Severability.

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

Section 7. Amendment.

Excepting supplemental Declarations and in addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges, and liens of this agreement may be amended-, changed, added to, derogated, or deleted at any time and from time to time, upon the execution and recordation of an instrument executed by: (1) Company, for so long as it holds title to any Lot affected by this Declaration and said amendment by the Company shall not require the consent of any mortgagee, Owners of Lots nor of the Association, either now or in the future; or, alternatively, (2a) the Company and Owners holding not less than two-thirds vote of the membership in the Association or by an instrument signed by the President and Secretary of the Association attesting that such instrument was approved by Members entitled to vote two-thirds of the votes of the Association at a meeting of the Members called for such purpose; and (2b) by all institutional mortgagees of Lots affected by this Declaration. Any amendment must be properly recorded in the Public Records of Flagler County, Florida, to be effective.

Section 8. Administration.

The administration of the Association shall be in accordance with the provisions of this Declaration and the Articles of Incorporation and By-Laws which are made a part of this Declaration and attached hereto as Exhibits "C" and "D" respectively.

Section 9. Gender.

Wherever in this Declaration the context so requires, the singular number shall include the plural, and the converse; and the use of one gender shall be deemed to include the other gender.

Section 10. Conflict.

In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In case of any conflict between the Articles and this Declaration, this Declaration shall control.

Section 11. Community Benefit Program and Assessment.

In addition to the Assessments provided for herein, Company, on behalf of itself, its subsidiaries and assigns, does hereby reserve the right to create a Community Benefit Program and to assess a monthly fee of approximately Ten (\$10.00) Dollars (subject to adjustment in relation to costs) for each lot or dwelling unit constructed within the Village at Palm Coast, including the Lots in the Parcel. The Program shall be within the Company's sole discretion. The funds collected may be used on behalf of all residents of the Village at Palm Coast community and may be used to cover the costs (1) for the maintenance, expansion, or creation of facilities (such as recreational parks or tennis courts), improvements (such as utility, drainage, rights-of-way, lakes, greenways), Amenities, or programs or services of a community nature, (2) to further the environmental and aesthetic principles of the Village at Palm Coast, (3) to defray the costs for capital expenditures made by the Company for any facility, improvement or amenity and (4) of maintaining utility lines where no Dwelling Units have been constructed or connections made to said lines.

This fee shall constitute a lien against the assessed lots and if unpaid, shall be subject to the same interest and remedies of those provided in Article VII herein.

Section 12. Effective Date.

This Declaration shall become effective upon its recordation in the Official Records of Flagler County, Florida.

IN WITNESS WHEREOF, LONGVIEW VILLAGE DEVELOPMENT COMPANY, INC., has hereunto caused this document to be signed by its proper officers this 19th day of November, 2001.

Signed in the presence of

LONGVIEW VILLAGE
DEVELOPMENT COMPANY, a
Kansas corporation


Aison Oliveri
Aison Oliveri
(Name Printed or Typed)

By: W. F. McCroy, Jr. Pres
William F. McCroy, Jr.
President

Jacqueline DeSalvo
Jacqueline DeSalvo
(Name Printed or Typed)

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 19th day of November, 2001, by William F. McCroy, Jr., as President of the Longview Village Development Company, a Kansas corporation, on behalf of the corporation. He is personally known to me or has produced FLORIDA [REDACTED] as identification.

 Eleanor F Fraley
My Commission CC826272
Expires June 13, 2003
(Seal)

NOTARY PUBLIC:

Sign: *Eleanor Fraley*
Print: Eleanor F. Fraley
State of Florida At Large

My Commission Expires:
Title/Rank:
Commission Number:

PHASE I

A SUBDIVISION LYING IN GOVERNMENT SECTIONS 32 & 42, TOWNSHIP 10 SOUTH, RANGE 31 EAST AND SECTIONS 5 & 39, TOWNSHIP 11 SOUTH, RANGE 31 EAST, CITY OF PALM COAST, FLAGLER COUNTY, FLORIDA

DESCRIPTION:

A PARCEL OF LAND LYING WITHIN GOVERNMENT SECTIONS 32 AND 42, TOWNSHIP 10 SOUTH, RANGE 31 EAST, AND WITHIN GOVERNMENT SECTIONS 5, AND 39, TOWNSHIP 11 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

AS A POINT OF REFERENCE BEGIN AT THE SOUTHEAST CORNER OF LOT 1, BLOCK 2, ACCORDING TO THE SUBDIVISION PLAT, COUNTRY CLUB COVE SECTION-14 PALM COAST, RECORDED IN MAP BOOK 8, PAGES 54 THROUGH 58 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE ALONG THE BOUNDARY OF SAID PLAT, SECTION-14, N07°08'10"E A DISTANCE OF 131.81 FEET; THENCE N07°53'57"E ALONG THE SOUTHERLY BOUNDARY LINE OF COTTON COVE OF SECTION-14 A DISTANCE OF 653.98 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION:

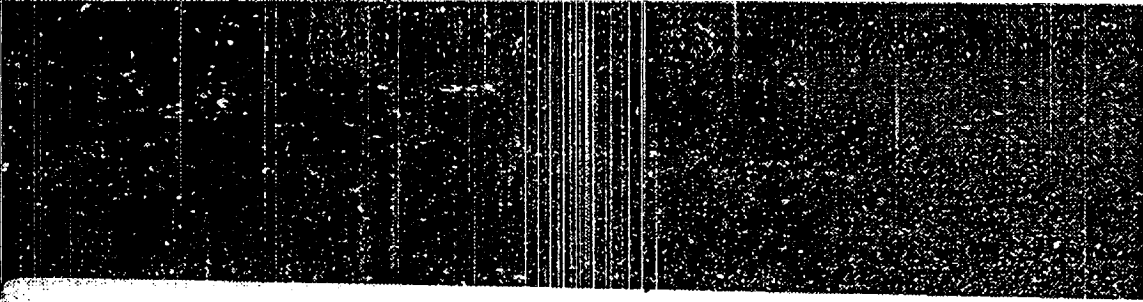
THENCE BEAR N17°01'25"W A DISTANCE OF 1636.08 FEET; THENCE N.70°53'57"E ALONG THE SOUTHERLY LINE OF CHAMARON WATERWAY RECORDED IN OFFICIAL RECORDS BOOK 549, PAGES 900 THROUGH 990 A DISTANCE OF 789.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE INTRACOASTAL WATERWAY; THENCE S75°03'46"E A DISTANCE OF 215.00 FEET MORE OR LESS TO A POINT ON THE MEAN HIGH WATER LINE OF THE INTRACOASTAL WATERWAY; THENCE SOUTHERLY ALONG SAID MEAN HIGH WATER LINE A DISTANCE OF APPROXIMATELY 2338 FEET, SAID MEAN HIGH WATER LINE HAVING THE FOLLOWING CLOSING LINE: S10°48'44"E A DISTANCE OF 875.33 FEET; THENCE S17°30'57"E A DISTANCE OF 916.37 FEET; THENCE S25°07'47"E A DISTANCE OF 1153.22 FEET TO THE END OF SAID CLOSING LINE; THENCE DEPARTING SAID CLOSING LINE AND THE MEAN HIGH WATER LINE S62°43'05"W A DISTANCE OF 288.42 FEET; THENCE N26°08'59"W A DISTANCE OF 27.01 FEET; THENCE S81°15'45"W A DISTANCE OF 59.14 FEET; THENCE N74°03'26"W A DISTANCE OF 242.57 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE WEST; THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 15°44'12" A RADIUS OF 288.00 FEET AN ARC LENGTH OF 73.08 FEET A CHORD BEARING OF N07°24'23"E A CHORD DISTANCE OF 72.83 FEET TO A POINT OF CUSP, WITH THE CURVE BEING CONCAVE NORTHEASTERLY; THENCE ALONG A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 27°28'44" A RADIUS OF 704.00 FEET AN ARC LENGTH OF 237.84 FEET A CHORD BEARING OF N85°58'04"W A CHORD DISTANCE OF 334.61 FEET TO A POINT OF REVERSE CURVATURE, CONCAVE SOUTH; THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 84°27'39" A RADIUS OF 33.00 FEET AN ARC LENGTH OF 48.65 FEET A CHORD BEARING OF S85°31'38"W A CHORD DISTANCE OF 44.38 FEET TO A POINT OF REVERSE CURVATURE, CONCAVE NORTHWESTERLY; THENCE ALONG A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 25°44'25" A RADIUS OF 805.28 FEET AN ARC LENGTH OF 361.79 FEET A CHORD BEARING OF S56°10'25"W A CHORD DISTANCE OF 358.75 FEET TO A POINT OF TANGENCY; THENCE S89°02'37"W A DISTANCE OF 94.10 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF PALM HARBOR PARKWAY (104' R/W); THENCE ALONG SAID RIGHT-OF-WAY N20°57'23"W A DISTANCE OF 65.00 FEET TO A POINT OF CURVATURE, CONCAVE SOUTHWESTERLY; THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 90°46'43" A RADIUS OF 1104.00 FEET AN ARC LENGTH OF 15.00 FEET A CHORD BEARING OF N21°20'44"W A CHORD DISTANCE OF 15.00 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY N69°02'37"E A DISTANCE OF 94.21 FEET TO A POINT OF CURVATURE, CONCAVE NORTHWESTERLY; THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 25°48'19" A RADIUS OF 725.28 FEET AN ARC LENGTH OF 326.24 FEET A CHORD BEARING OF N56°08'27"E A CHORD DISTANCE OF 323.49 FEET TO A POINT OF COMPOUND CURVATURE, CONCAVE WEST; THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE 84°08'22" A RADIUS OF 33.00 FEET AN ARC LENGTH OF 48.46 FEET A CHORD BEARING OF N01°12'07"E A CHORD DISTANCE OF 44.22 FEET TO A POINT OF REVERSE CURVATURE, CONCAVE EAST; THENCE ALONG A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE 54°42'44" A RADIUS OF 704.00 FEET AN ARC LENGTH OF 57.80 FEET A CHORD BEARING OF N06°30'45"W A CHORD DISTANCE OF 57.80 FEET; THENCE N53°50'40"E A DISTANCE OF 28.80 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY; THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 43°08'59" A RADIUS OF 876.00 FEET AN ARC LENGTH OF 506.71 FEET A CHORD BEARING OF S77°42'30"E A CHORD DISTANCE OF 498.79 FEET; THENCE N00°42'18"W A DISTANCE OF 108.34 FEET TO A POINT OF CURVATURE, CONCAVE SOUTHWESTERLY; THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 25°28'41" A RADIUS OF 302.19 FEET AN ARC LENGTH OF 134.20 FEET A CHORD BEARING OF N13°25'39"W A CHORD DISTANCE OF 133.10 FEET; THENCE N26°08'59"W A DISTANCE OF 99.55 FEET; THENCE W75°11'30"W A DISTANCE OF 64.55 FEET TO A POINT OF CURVATURE, CONCAVE NORTHERLY; THENCE ALONG A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 22°36'55" A RADIUS OF 749.00 FEET AN ARC LENGTH OF 295.42 FEET A CHORD BEARING OF S84°39'07"W A CHORD DISTANCE OF 293.51 FEET TO A POINT OF COMPOUND CURVATURE, CONCAVE NORTHEASTERLY; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 44°52'49" A RADIUS OF 348.00 FEET AN ARC LENGTH OF 270.37 FEET A CHORD BEARING OF N61°36'31"W A CHORD DISTANCE OF 286.44 FEET; THENCE N38°10'07"W A DISTANCE OF 93.19 FEET TO THE POINT OF BEGINNING.

SUBJECT TO A PERPETUAL EASEMENT TO THE UNITED STATES OF AMERICA FOR THE RIGHT-OF-WAY OF THE INTRACOASTAL WATERWAY, RECORDED IN MAP BOOK 4, PAGES 1 THROUGH 18, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, PARCEL CONTAINING 55.4034 ACRES MORE OR LESS.

BEARINGS REFER TO THE TRANSVERSE MERCATOR GRID SYSTEM OF THE EAST ZONE OF FLORIDA AND LOCALLY REFERENCED IN THE VICINITY OF THE ABOVE DESCRIPTION TO THE EAST LINE OF THE SUBDIVISION PLAT, COUNTRY CLUB COVE SECTION-14 PALM COAST, RECORDED IN MAP BOOK 8, PAGES 54 THROUGH 58, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING NORTH 17°01'25" EAST.

NOTES:

1. THIS PLAT, AS RECORDED IN ITS GRAPHIC FORM, IS THE OFFICIAL DEPICTION OF THE SUBDIVIDED LANDS DESCRIBED HEREIN AND WILL IN NO CIRCUMSTANCES BE SUPPLANTED IN AUTHORITY BY ANY OTHER GRAPHIC OR DIGITAL FORM OF THE PLAT WHETHER GRAPHIC OR DIGITAL. THERE MAY BE ADDITIONAL RESTRICTIONS THAT ARE NOT RECORDED ON THIS PLAT THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY.
2. ALL PLATTED UTILITY EASEMENTS SHALL PROVIDE FOR THE CONSTRUCTION, INSTALLATION, MAINTENANCE, AND OPERATION OF CABLE TELEVISION SERVICES; PROVIDED, HOWEVER, NO SUCH CONSTRUCTION, INSTALLATION, MAINTENANCE, AND OPERATION OF CABLE TELEVISION SERVICES SHALL INTERFERE WITH THE FACILITIES AND SERVICES OF AN ELECTRIC, TELEPHONE, GAS OR OTHER PUBLIC UTILITY. IN THE EVENT A CABLE TELEVISION COMPANY DAMAGES THE FACILITIES OF A PUBLIC UTILITY, IT SHALL BE SOLELY RESPONSIBLE FOR THE DAMAGES. THIS SECTION SHALL NOT APPLY TO THOSE PRIVATE EASEMENTS GRANTED TO OR OBTAINED BY A PARTICULAR ELECTRIC, TELEPHONE, GAS OR OTHER PUBLIC UTILITY. SUCH CONSTRUCTION, INSTALLATION, MAINTENANCE, AND OPERATION SHALL COMPLY WITH THE NATIONAL ELECTRICAL SAFETY CODE AS ADOPTED BY THE FLORIDA PUBLIC SERVICE COMMISSION, F.S. 350.02(1) (2).
3. VILLAGE OF PALM COAST, PHASE 1, LIES WITHIN FLOOD ZONES "AB" (RAISE FLOOD ELEVATION 7') & "C" AS SHOWN HEREIN ACCORDING TO COMMUNITY PANEL 120085-0045 B OF THE FLOOD INSURANCE RATE MAPS FOR FLAGLER COUNTY, FLORIDA, DATED FEBRUARY 5, 1986.
4. COMMON AREA "A" SHALL BE USED FOR STORMWATER DRAINAGE, MAINTENANCE AND UTILITIES AND SHALL BE OWNED AND MAINTAINED BY



*R/L
Attachments
(10)*

This Document Prepared by:
William L. Livingston
1 Corporate Drive, Suite 3
Palm Coast, FL 32151

Inst No: 99016887 Date: 07/19/1999
SYD. GROSSBY, FLAGLER County
By: *[Signature]* D.C. Time: 15:43:26

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DECLARATION OF RESTRICTIVE COVENANTS
AND EASEMENTS
MULTI-USE BULKLAND

OFF REC 0781 PAGE 1934

DECLARATION made this *19th* day of *July*, 1992 by Palm Coast Holdings, Inc., a Florida Corporation, hereinafter called the "Declarant."

Reserved for Recording Information

WHEREAS, the Declarant is the owner of certain lands in Flagler County, Florida, more particularly described in attached Exhibit A (hereinafter referred to as the "Property").

WHEREAS, the Declarant desires that the Property be developed to standards which are substantially consistent with existing development within the Palm Coast community, whose value may be affected by the use of the Property.

WHEREAS, in light of these considerations it is the Declarant's intention that the Property be made subject to certain uniform covenants and easements.

NOW, THEREFORE, the Declarant declares that the Property is held and shall be sold subject to the following covenants and easements.

A. USE OF PROPERTY

1. (a) The Property may be used for any use permitted by the Land Development Code of Flagler County, as the same may be amended from time to time. This provision shall not be deemed to prohibit the owner of a portion of the Property from seeking a change in zoning or other governmental regulation concerning use or development of the Property.

(b) No activity of any kind that is of a noxious, offensive or dangerous nature shall be carried on in any part of the Property, nor should anything be done thereon which may be or become an annoyance or nuisance to the neighborhood by reason of, but not limited to, emission of dust, odor, gas, smoke, fumes or noise.

(c) No trailer, tent, shack, or other temporary structure may be erected on or used on the Property, except for a reasonable period during actual development and construction of improvements and appurtenant facilities on the Property, which period may not exceed twelve months, except with the express written permission of the Architectural Review Committee. In no event shall any such temporary structure be used as living quarters.

B. ARCHITECTURAL REVIEW COMMITTEE/SUBMITTAL PROCESS

1. Erections No building, structure, or improvement of any kind shall be erected, placed, altered or permitted to remain on the Property unless the Architectural Review Committee (hereinafter called the "Committee") has reviewed and approved a site plan, a landscape development plan, exterior elevations and such other plans and specifications as may be reasonably required by the Committee. The Committee shall review the proposed submission as to the type and quality of materials, harmony of the exterior design and location of the building or structure with existing buildings or structures, location of the building or structure with respect to topography, trees, vegetation finished grade elevation, floor slab, exterior color(s) of any building or structure and any other considerations determined to be relevant by the Committee. Upon completion of the proposed improvements, an "as-built" survey showing the finished floor and grade elevation and location of all improvements shall be filed with the Committee.

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2. Architectural Review Committee Procedures

- (a) The Committee shall consist of at least three (3) persons, all of whom shall be designated by the Declarant.
- (b) Any person or entity seeking any action or decision by the Committee shall hold the Committee, the Declarant, their agents, servants, employees or other designees harmless from any and all claims, whether valid or invalid, arising from such action or decision. Such person or entity shall also pay all costs and attorneys fees incurred by the Committee, the Declarant, their agents, servants, employees or other designees, arising from such claims.
- (c) The Committee shall have the power to promulgate rules and regulations as necessary to enforce this Declaration, and shall have the power to grant variances to any such rule or regulation.
- (d) The Committee has the right to adopt a fee schedule and charge for review services.
- (e) The Committee's approval of any plans or proposed improvements is not an endorsement or guarantee of the structural integrity of any improvement constructed in accordance with those plans or of the methods of construction to be used in the construction.
- (f) If the Committee fails to approve or disapprove any submittal or to perform any other function required to be performed by it pursuant to this Declaration within a thirty (30) days after receipt of all required materials, approval shall not be required.

3. Two-stage Review Process for Commercial Development

The Committee shall review a proposed Commercial Development on the Property in two stages:

- (a) A preliminary review shall be made of:
- (1) a conceptual site plan showing the proposed location of all buildings, structures and improvements;
 - (2) conceptual building elevations and/or perspectives showing the type of construction, materials and colors and
 - (3) a conceptual landscape development plan based on a tree survey of the site showing the following:
 - (i) on sites of five acres or less existing pine trees 10" or greater in diameter located within 20' within the property line and all existing hardwoods (oak, maple, etc.) 6" or greater in diameter on the entire site;
 - (ii) on sites of more than five acres existing pine trees 10" or greater in diameter on the entire site and all existing hardwoods (oak, maple, etc.) 6" or greater in diameter on the entire site.

All landscape development plans shall explain the procedure by which existing trees will be protected both during and after construction.

- (b) Following written approval by the Committee of all preliminary plans, a final review shall be made by the Committee of a final site plan, final building elevation and/or perspectives and a final landscape development plan. All submittals for review and approval under this section shall conform to the requirements of the Committee.

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4. Required Site Plan and Building Architectural Information for Commercial Development

A site plan should be presented at a minimum scale of 1" equals 30' and building architectural at a minimum scale of 1/16" equals 1'. The plans must include the following:

- (a) Location, size (total square feet), setback dimensions and floor plans for all proposed buildings, including storage areas and anticipated future expansion at full development.
- (b) Driveways and curb cuts with arrows indicating vehicular traffic patterns into and out of the Property.
- (c) Layout of vehicle parking areas with stalls separately designated for the handicapped, employee cars and other vehicles. Parking areas for both initial and full development should be indicated.
- (d) Indication of paved areas with extent and type of paving shown and the drainage pattern identified for all parking and storage areas.
- (e) All areas to be landscaped in accordance with Paragraph C.4. of these Restrictive Covenants and Easements.
- (f) Building elevations and/or perspectives of the proposed building, buildings, additions or other structures showing type of construction, materials and colors.
- (g) Other site information, including (driveways) and their widths, property lines, dimensions, location and description of fences (material, type, color and height), utility poles, yard and street lights, irrigation system and any other site features or conditions.
- (h) Location of any special appurtenances, including but not limited to all roof mounted equipment, outside air conditioning equipment, exhaust fans, vents, solid waste receptacle areas, and storage facilities. These items must be architecturally integrated with the building or adequately screened from public view.

5. Landscape Development Plans and Identification Signs for Commercial Development

Three (3) copies of the following materials shall be submitted to the Committee for review as part of the plans for Commercial Development:

- (a) Landscape Development Plans showing names of all trees, shrubs and ground covers, their dimensions, locations, quantities, spacings, areas to be seeded or sodded showing type of grass and limit lines of seeded or sodded areas, irrigation facilities and other landscape construction details together with specifications describing the work. All submitted landscape plans shall be certified by a Florida registered landscape architect.
- (b) Signage plans with illustrations in sufficient detail to show size, type of material, color, language, location and type of illumination.

6. Required Submissions for Residential Developments The Committee may require the submission of a site plan, a landscape development plan, exterior elevations and such other plans and specifications as may be reasonably required to allow the Committee to review the proposed development as to the type and quality of materials, harmony of the exterior design and location of the building or structure with existing buildings or structures, location of the building or structure with respect to topography, trees, vegetation finished grade elevation, floor slab, exterior color(s) of any building or structure and any other considerations determined to be relevant by the Committee.

7. Commencement of Construction After Approval of Plans

- (a) Site clearing for proposed improvements may not begin until the Committee has

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issued written approval of the submitted plans, the appropriate governmental agency having jurisdiction over the proposed improvements to the Property has issued a building permit for the improvements, and, if required for the proposed development, a stormwater (on-site treatment) drainage permit for the proposed improvements has been issued by the St. John's River Water Management District.

(b) A set of building plans for the proposed improvements bearing a stamp demonstrating approval of the plans by the governmental agency issuing said building permit must be provided to the Committee prior to commencement of construction of the proposed improvements.

(c) Plans for all future construction or other site improvements not shown in the application for a building permit must be submitted to the Committee for review in accordance with the procedure outlined above.

(e) Any substantial deviation from the approved plans must be submitted to the Committee for review prior to construction or installation of the deviating items.

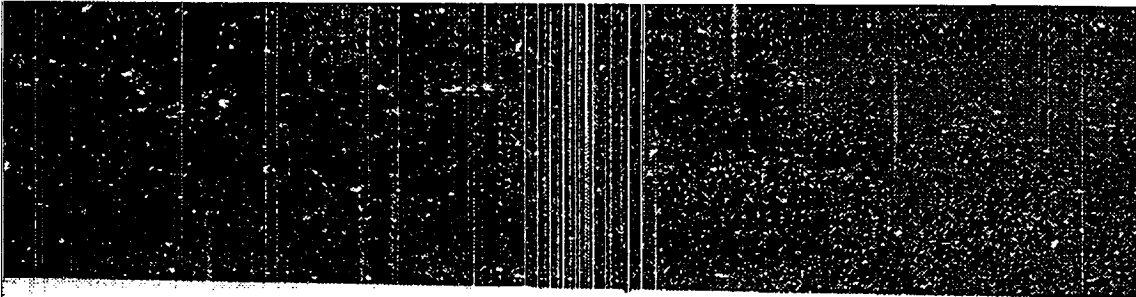
C. GENERAL DEVELOPMENT STANDARDS

Any and all improvements, buildings and/or structures, storage or display areas, or any part or projection thereof, at any time constructed or maintained and extended above the ground surface of the Property shall conform with the following:

1. Set Back and Yard Restrictions

Building set backs shall comply with the Land Development Code of Flagler County, except for Commercial Development abutting the following thoroughfares, which shall conform to the following setbacks:

<u>Thoroughfare on Which Property is Located</u>	<u>R.O.W. Frontage*</u>	<u>Side Yard**</u>	<u>Rear Yard**</u>
Belle Terre Boulevard	35'	20'	20'
Belle Terre Parkway	50'	20'	20'
Colbert Lane	50'	20'	20'
Lakeview Boulevard	50'	20'	20'
Matanzas Woods Parkway	50'	20'	20'
Old Kings Road (North of Oak Trails Blvd)	50'	20'	20'
Old Kings Road (South of Oak Trails Blvd)	35'	10'	10'
Palm Coast Parkway (except northside west of Belle Terre Parkway)	50'	20'	20'
Palm Coast Parkway (northside west of Belle Terre Parkway)	40'	20'	20'
Palm Harbor Parkway	50'	20'	20'
Pine Lakes Parkway	50'	20'	20'
Royal Palms Parkway	50'	20'	20'
Seminole Woods Parkway	35'	20'	20'
State Road 100	35'	10'	10'
Whiteview Parkway	50'	20'	20'



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NOTES: *This distance is from any boundary line of the site which abuts a road right of way listed in this Section C 1.

**When a rear or side yard abuts any residentially zoned property, the building set back shall be increased to 60' including a 30' undisturbed natural buffer. If vegetation is sparse or non-existent, a planted buffer may be required by the Committee.

2. Height Limitations

Heights shall comply with Land Development Code of Flagler County for use classification.

3. Coverage Limitations

The maximum allowable impervious area, including but not limited to buildings, parking and pavement, now or in the future, shall not exceed 70% of the total land area of the Property. A minimum of 30% of the Property shall remain pervious and be treated with landscape plantings, grass or other material approved in writing by the Committee.

4. Landscaping Requirements

(a) All unpaved areas of a parcel being improved, including areas reserved for future expansion or use and any area between a property line and the paved portion of an adjacent road right-of-way, shall be landscaped and irrigated in accordance with acceptable landscaping standards and only after the written approval of the Committee.

(b) All trees, plants and shrubs shall be varieties that are adaptable to the local soil and climate condition, and, in the sole judgment of the Committee, shall blend with existing natural growth and shall be compatible with adjacent landscaped areas. No person shall remove any live tree with a trunk of 4" inches or more in diameter (as measured 1' from ground level) without the prior written consent of the Committee. Proposed development adjacent to any such existing tree shall not adversely affect their form, character or abilities to survive. Site planning and design shall save existing tree cover wherever possible.

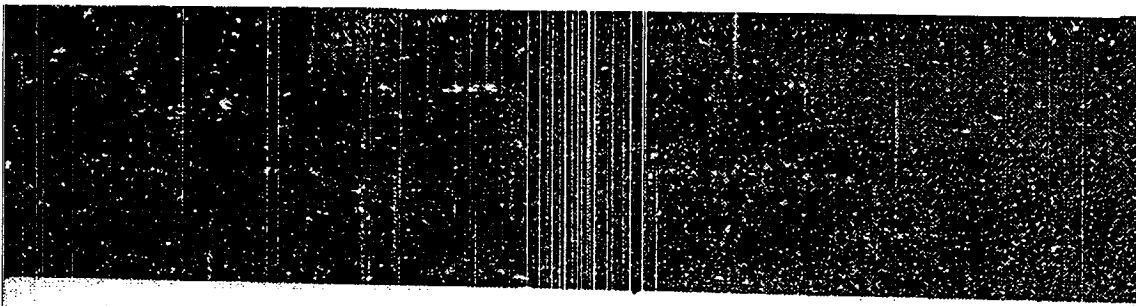
(c) All landscaped areas, shall be perpetually maintained in good condition at all times. No grass over 4" inches in height shall be allowed to grow on the Property.

(d) Underground irrigation shall be provided to all landscaped areas in Commercial Developments, including interior parking and vehicular use areas.

(e) No landscaping installation shall obscure sight distance in a manner that will create a traffic hazard at access areas, or within the existing interior vehicular use areas.

(f) In Commercial Developments, all storage areas, garbage dumpsters, transformers, cooling towers, air conditioning equipment and other exterior equipment shall be effectively screened from the public view. The Committee shall have the right to require screening of exterior equipment, storage buildings and similar improvements in Residential Developments. If planted material is used for screening, it shall be installed at a minimum height of three (3') feet and shall form a continuous, unbroken, visual screen which completely screens the equipment from public view within a maximum of one (1) year after planting. In the event planted material does not reach the required height within one (1) year, it shall be immediately replaced with mature plants that satisfy the height criteria. The planted material shall be a species which in Flagler County, Florida normally achieves a mature height of at least the height of the object to be screened.

(g) In Commercial Developments, a 20' minimum width landscaped area shall be required between the right-of-way and any vehicular use area on properties along Palm Coast Parkway and Belle Terre Parkway. A 10' minimum width landscaped area shall be required between all other rights-of-way, side and rear property lines and any vehicular use areas. These landscaped areas shall be



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planted with a shrub tree screen of at least 50% opaqueness, with a minimum height of 3' attained within one (1) year of planting. In the event planted material does not reach the required height within one (1) year, it shall be immediately replaced with mature plants that satisfy the height criteria. Some recommended shrubs and spacing are as follows:

- (1) Juniperus Chinensis/Blue Vase Juniper (3' on center)
- (2) Ligustrum Japonicum/Japanese Privet (3' on center)
- (3) Pittosporum Tobira/Green Pittosporum (3' on center)
- (4) Viburnum Odoratisimum/Sweet Viburnum (4' on center)

(b) A buffer shall be maintained along all property lines of Commercial Development adjacent to a waterway which is bounded on the opposite shore with residential property. This buffer shall consist of existing natural vegetation and/or planted material of at least 50% opaqueness to 6' above finished grade, at the top of bank, at time of planting. Planting may be comprised of, but not limited to, the following species:

- (1) Leyland Cypress
- (2) Southern Red Cedar
- (3) Wax Myrtle
- (4) Photinia

(i) The minimum number and sizes of trees to be planted on a Commercial Development site shall be calculated as follows:

(1) 1 native shade tree for each 25' of road frontage along all road rights-of-way and 1 native shade tree per each 50' of side and rear perimeter.

(2) Other trees may be substituted at the following rate:

- 3 Palms - 1 native shade tree
- 2 small trees - 1 native shade tree

When substitutions are made, at least 50% of all required trees shall be native shade trees of the varieties listed in Section 5.01.09 of the Land Development Code of Flagler County.

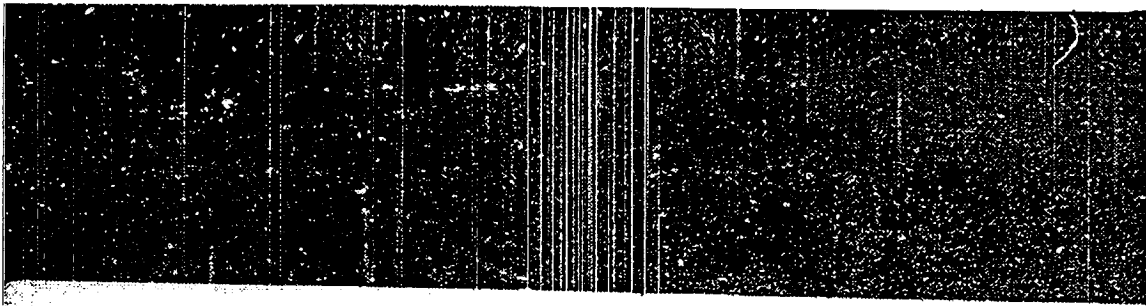
(3) Minimum tree sizes shall be as follows:

- Native shade tree: 3"-3 1/2" caliper by 16' height
- Small tree: 1 1/2"-2" caliper by 8' height
- Palms: 8' clear trunk

NOTE: Caliper shall be measured 4 1/2' above ground.

(k) The area between the building and parking edge on a Commercial Development site shall be a minimum of 10' wide with a 3' wide minimum planting area unless otherwise approved by the Committee. Planting in this area shall include shrubs and a minimum of 1 native shade tree or 2 small trees or 3 palm trees for every 50' of the building facing the property lines.

(l) Vehicular use areas (driveways and paved parking) that are 4,000 or more square feet in size shall have at least one (1) square foot of interior landscaping for each twenty (20) square feet of vehicular use area. Each separate landscaped island shall contain a minimum of fifty (50) square feet of area and shall be at least 6' wide and 6' deep in all locations. This interior landscaping shall include an average of at least one native shade tree for each one hundred (100) square feet of required landscaped area. The remainder of the required landscaped area shall be landscaped with grass, ground cover or other landscaped treatment. Such landscaped areas shall be located in such a manner as to divide and break up the vehicular use area.



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(m) Retention areas shall at all times be clean and well manicured. Side slopes and bottoms shall be sodded and mowed; mud bottoms are unacceptable.

(n) The Owner shall be responsible for ensuring that the landscape installation is executed in accordance with the plans and for the replanting of any plant material or tree that, regardless of cause, dies or is damaged.

(o) All landscaping for Commercial Development shall be complete within one year from commencement of construction or by the time the first commercial enterprise on the Property opens for business, whichever occurs first.

5. Construction and Exterior Standards

(a) All structures on the Property shall be of permanent type construction with a fire retardant roof. In no instance shall trailers, mobile shelter units or similar structures be considered as permanent-type construction.

(b) Subject to labor disputes, unavoidable casualties, adverse weather conditions or other reasons beyond the control of the owner of the Property, all construction shall be completed within twelve (12) months from commencement of construction.

(c) The Committee may conduct inspections of the Property and improvements thereon during the construction period to determine conformance with plans approved by the Committee.

(d) If any building or structure is extended, enlarged, repainted or reconstructed, the standards herein set forth shall apply with respect to such extended, enlarged, repainted or reconstructed portion or portions of such building or structure. No existing building or structure may be extended, enlarged, repainted or reconstructed without the prior written approval of the Committee. However, any repainting using a color previously approved by the Committee shall not require any additional approvals.

6. Signage

(a) Residential Except for a single "For Sale" sign as customarily displayed in the Palm Coast community, no sign of any nature shall be erected or displayed on the Property or on any structure on the Property without the prior written approval of the Committee.

(b) Commercial Development

(1) Except for "For Sale" signage as customarily displayed in the Palm Coast community, no sign of any nature shall be erected or displayed on the Property or on any structure on the Property without the prior written approval of the Committee. All signs plans indicating type, location, size material and color shall be submitted to the Committee for written approval prior to installation. All signs shall be prepared in a professional manner.

(2) Sign quantity, size and location shall be determined according to the Land Development Code of Flagler County, except as modified herein.

(3) Any ground mounted sign shall be set on a fully skirted base clad in material compatible with the architecture of the building. The overall height of the sign shall not exceed 8', measured from finished grade of the nearest access road to the highest point of the sign.

(4) Signs shall not be placed or installed in a manner which creates a nuisance, casts glare or is otherwise detrimental to any person or the safe movement of traffic. Signs may be either internally lit or illuminated by shielded, ground-mounted fixtures concealed by landscaping.

(5) Flashing signs, advertising signs, billboards, portable signs, pylon signs, neon signs, electric message signs, signs mounted on the roof of any building and moving signs are prohibited.

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7. Utilities

(a) All utility lines shall be brought underground to the buildings on the Property from the nearest available source. Pad mounted electrical transformers shall be located and screened so as to prevent viewing from any public street or adjacent land.

8. Parking and Access

(a) Off-street parking meeting the requirements of the Land Development Code of Flagler County shall be provided on the Property. No on-street parking is permitted.

(b) All driveways and parking shall be surfaced with asphalt and/or equal and shall be maintained in good condition at all times.

(c) Plans for the configuration of the driveways and parking areas on the Property shall be included in the plans submitted to the Committee for approval prior to construction.

(d) The edge of a driveway apron shall be no closer than 10' from the nearest adjacent property line unless a common driveway is utilized.

9. Hazardous Storage

No material of a hazardous characteristic shall be stored on the Property, except with the explicit written approval of the Committee and then, in strict compliance with requirements of the National Board of Fire Underwriters and in compliance with State and Federal regulations concerning storage of hazardous materials.

10. Antennas and Towers

(a) **Residential** Dwelling units located in a Residential Development may have one antenna projecting not more than ten (10') feet above the roof line of the dwelling unit and one satellite dish of not more than twenty (20") inches in diameter. The Committee may permit additional antennas, dishes or similar devices so long as such devices are screened from sight on neighboring property and public rights of way in accordance with the requirements imposed by the Committee.

(b) **Commercial** In addition to the devices permitted for a dwelling unit in a Residential Development, a Commercial Development may include such additional satellite dishes or similar devices as are reasonably necessary for operation of the use in such Commercial Development, so long as such additional devices have been approved by the Committee as to location, shape and screening from public view.

11. Drilling and Mining

No water, oil or other well drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon the Property, nor shall wells, tunnels, mineral excavations or shafts be permitted upon said Property. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon the Property.

12. Animals

No livestock or poultry of any kind shall be raised, bred, or kept on Property used for Commercial Development, except on portions of the Property properly zoned for the raising, breeding or keeping of animals, including an agricultural use. The occupant of a dwelling unit on a portion of the Property used for Residential Development may keep a maximum of two animals of the size and type normally maintained as domestic pets, such as dogs or cats, so long as such animals are not raised, bred or kept for commercial purposes.

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13. Easements

(a) Easements are hereby reserved by the Declarant for the construction, installation and maintenance of any and all utilities, inclusive of electricity, gas, cable television, cablevision, telephone, water, sidewalks, drainage, sewer and waterways. Such easements shall be confined to a 10' width along the rear and side lines of the Property and along every street, waterway, road or highway abutting the Property. No building or structure shall be erected, nor any paving laid nor any filling or excavation done within these easement areas without the prior written consent of the Declarant. No action shall be taken that would restrict or obstruct the use of any of these easements.

(b) The Declarant shall at all times have the right of ingress and egress over the Property for the purpose of access to the easements described in Paragraph 13(a) above.

14. Solid Waste and Refuse Disposal

The disposal of solid waste and refuse must be in conformance with the system of disposal used in the area and must comply with the requirements of all governmental authorities having jurisdiction thereof. There shall be no on-site disposal of solid waste or refuse. Enclosed compactors are permitted.

15. Maintenance

(a) The owner of the Property shall, at all times, keep the site, buildings, improvements and appurtenances in a safe, clean, wholesome condition, and comply in all respects with all government, health and policy requirements; and shall, at the owner's expense, on demand by the Committee, immediately remove any trash or garbage of any character whatsoever which may accumulate on the Property. All landscaping and exterior portions of structures shall be maintained and kept in good appearance. The Committee shall be the judge as to whether the Property or the structures thereon are being maintained in accordance with this paragraph.

(b) The maintenance of any seawall, bulkhead, rip rap or other shoreline treatment along any canal or other shoreline shall be the sole responsibility of the owner of the Property on which such improvement exists.

(c) If the improvements on the Property shall be damaged or destroyed by fire, the elements or other casualty, said improvements, or part thereof, shall promptly be repaired or restored to substantially the same condition as said improvements were immediately prior to the casualty. The repair or restoration shall not commence until the plans and specifications have been approved in writing by the Committee as provided in this Declaration. In the event an election is made not to repair or restore said improvements, or portions thereof, then, within ninety (90) days of the casualty, the damaged improvements shall be cleared and site of such clearing landscaped. All plans for clearing and landscaping as described in this paragraph shall have the prior written approval of the Committee.

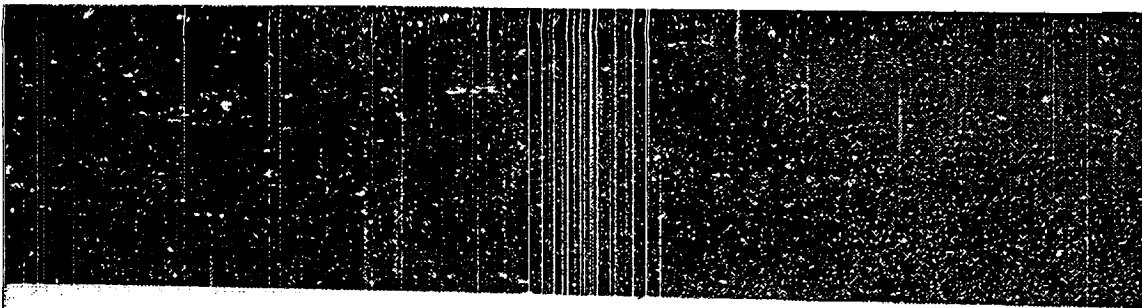
D. PERFORMANCE STANDARDS

All uses on the Property shall conform to the following performance standards:

1. Noise Standards

(a) Method of Measurement: Sound levels shall be measured with a sound level meter and associated octave band filter manufactured according to standards prescribed by the American Standards Association (American Standards Sound Level Meters for Measurement of Noise and Other Sounds Z24.3-1941, American Standards Association, Inc. New York, New York, and American Standard Specification for an Octave-Band Filter Set for the Analysis of Noise and Other Sounds, Z24.10-1953, American Standards Association, Inc., New York, New York).

(b) Location for Measurement: Sound levels shall be measured along the boundaries of the Property.



(c) Permitted Sound Levels:

Maximum Sound Pressure Level
(In Decibels 0.0002 dynes per sq. centimeter)
8:00 a.m. to 6:00 p.m.

Octave Band (Cycles per Second)	Level
0-75	72
75-150	67
150-300	59
300-600	52
600-1200	46
1200-2400	40
2400-4800	34
Above 4800	32

These standards shall apply to all noises due to interference, beat frequency or shrillness.

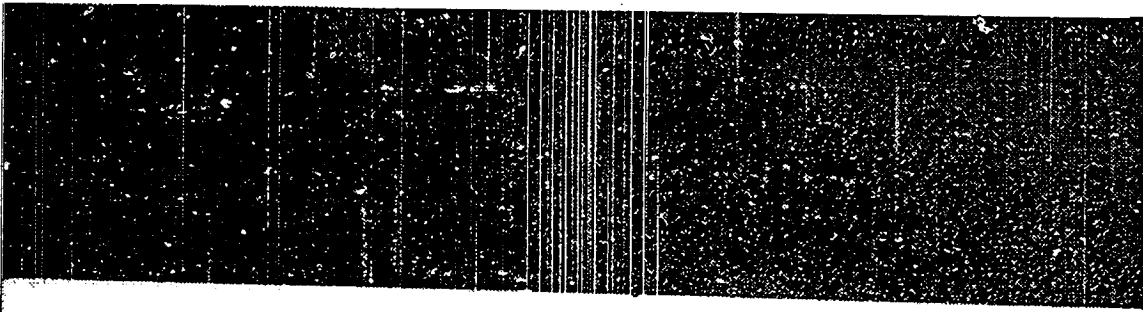
2. **Smoke and Particulate Matter Standards.** No open burning shall be permitted and all uses shall comply with the standards of any governmental authority having jurisdiction thereof.
3. **Vibration Standards.** No use shall generate ground vibration which is perceptible to the normal senses, without instruments, along the property line.
4. **Glare and Lighting Standards.** No lighting elements or structural materials installed on the Property shall cast or reflect glare or light beyond the Property lines.

E. VIOLATIONS AND ENFORCEMENT

1. If a violation of the Restrictive Covenants and Easements of record is not cured within thirty (30) days of written notice of such violation, or if the violation cannot be cured within thirty (30) days and the violator is not diligently pursuing the curing of said violation, then the Declarant shall have the right to enter upon the Property and remedy any violation of this Declaration, and such entry shall not be deemed a trespass. A lien on the portion of the Property where the violation is remedied shall arise in favor of the Declarant to the extent of the expense necessary to remedy any violation. If such lien is not satisfied within thirty (30) days of its recordation in the Public Records of Flagler County, Florida, it shall bear annual interest at 12% per annum.
2. Enforcement shall be by proceedings at law or in equity brought by the Declarant or any person or entity adversely affected by the violation or attempted violation of this Declaration. In addition, any lien arising pursuant to Paragraph E 1., above, may be enforced by an action in foreclosure in the manner provided by Florida law for foreclosure of liens or mortgages generally.
3. The failure to enforce any provision of this Declaration or to remedy any violation thereof, at any time, or from time to time, shall not constitute a waiver of those or other provisions of this Declaration.
4. In the event of any litigation to enforce this Declaration, the prevailing party in such litigation shall be entitled to collect the attorney's fees incurred in such litigation, at trial and on appeal, as a cost of such action.

F. COMMUNITY BENEFIT PROGRAM, ASSESSMENTS TO OWNERS

1. Upon the earlier of: (i) issuance of a building permit or other development approval or (ii) sale by Palm Coast Holdings, Inc. to a third party grantee who is not a subsidiary, affiliate, joint venture or partner of Palm Coast Holdings, Inc., as to the portion of the Property to which the permit or approval



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applies or as to the portion of the Property sold, the owner thereof shall be liable to the Palm Coast Community Service Corporation, a Florida not-for-profit corporation, its successors and assigns (hereinafter PCCSC) for the payment of that owner's share of the cost of the Community Benefit Program administered by the PCCSC, including the maintenance of the community wide drainage system within the Palm Coast community.

2. Each owner's share shall be fixed on an annual basis by multiplying the number of Assessment Units assigned herein to the real property owned by each owner by the then current Annual Assessment Rate. The Annual Assessment Rate for all property assessable by the PCCSC in any calendar year shall be computed by dividing the anticipated annual budget of the PCCSC by the total number of Assessment Units contained in the property assessable by the PCCSC in that year. For property subject to this Declaration, an Assessment Unit shall be:

(a) Platted Single Family Residential Lots. Each lot platted for use as a single family residence shall equal one Assessment Unit. If one entity owns two or more contiguous lots, the number of lots or fractions of lots to the nearest one tenth shall be used to determine the number of Assessment Units. In the alternative, contiguous lots or fractions of lots may be made subject to a binding lot agreement, in which case the lots included in the binding lot agreement shall be equal to a single Assessment Unit.

(b) Multi-family Residential Property. Each dwelling unit on a platted multi-family dwelling unit lot shall equal one Assessment Unit. A dwelling unit shall be deemed to exist as of the date of the issuance of the Certificate of Occupancy for the dwelling unit. Until issuance of a certificate of occupancy for a dwelling unit on property platted or otherwise designated for multi-family use, the Assessment Unit(s) assigned to such parcel shall be determined in accordance with Paragraph 2 (c).

(c) All other property. For all other portions of the Property, an Assessment Unit for an individual parcel shall be either:

(i) One acre of usable upland land, with any fraction of an acre over even multiples of one acre being a whole Assessment Unit, or

(ii) Two Thousand Five Hundred (2,500) square feet of impervious area, with any fraction of 2,500 square feet over whole multiples of 2,500 square feet of impervious area being a whole Assessment Unit. This method of computing Assessment Units may only be elected if the parcel contains a permanent structure.

(iii) It shall be the responsibility of the owner to notify the PCCSC of the method by which the owner wishes to compute the non-residential Assessment Units contained in the property owned by that owner on or before October 1 of each calendar year. It shall further be the responsibility of the owner electing the method of calculating Assessment Units provided for in subparagraph (c) (ii) to furnish the PCCSC with a certified survey of that owner's property showing the total acreage and the amount of impervious area. If an owner elects the method of calculating Assessment Units provided for in subparagraph (c) (ii), the determination of the PCCSC as to the total amount of impervious area on that owner's property shall be deemed conclusive for purposes of calculating the number of Assessment Units assigned to that property. If an owner does not notify the PCCSC of the method of computing the Assessment Units for property owned by that owner by October 1, the assessment for the next calendar year shall be computed in accordance with subparagraph (c) (i), above. In no event shall any OWNER be deemed to own less than one Assessment Unit, regardless of the amount of property owned or the method selected for computing Assessment Units.

3. All assessments shall be billed by the PCCSC annually, in advance, to the owner of record of the property, and shall be payable on January 1 of each calendar year. The Annual Assessment Rate shall be subject to adjustment by the Board of Directors of the PCCSC on an annual basis.

4. The PCCSC shall have a lien, to the same extent as the lien of the Declarant provided for in Paragraph E of this Declaration, upon all property subject to this Declaration, for the monies due the

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PCCSC until such amount is paid. In the event monies due the PCCSC remain unpaid for a period of thirty (30) days after billing by the PCCSC, the PCCSC shall have all the rights and privileges accorded to liens in favor of the Declarant, as provided in Paragraph E of this Declaration, with respect to the collection thereof.

5. Nothing contained in this Article F shall be deemed to impose the provisions of this Article on any portion of the Property owned by a governmental entity.

G. GENERAL PROVISIONS

1. Definitions.

(a) "Commercial Structure" or "Commercial Development" means development of the Property for any use other than Residential Development, as defined below.

(b) "Declarant" shall mean and refer to Palm Coast Holdings, Inc., a Florida corporation, presently having its principal place of business in Palm Coast, Florida; or its successors, designees or assigns of any or all of its rights under this Declaration.

(c) "Property" shall mean and refer to the real property described in Exhibit A, attached to this Declaration, and shall be interpreted to include the phrase "or any portion thereof." Portions of the Property being independently developed are sometimes referred to herein as the "site" or "parcel."

(d) "Residential" or "Residential Development" means the development of: a detached, single family residence on a platted lot; a duplex residence on a platted duplex lot; other residential development where the overall density on the parcel is less than eight (8) units per acre, each residential unit includes a driveway and enclosed garage for motor vehicle parking, and the project does not include common parking or recreational facilities.

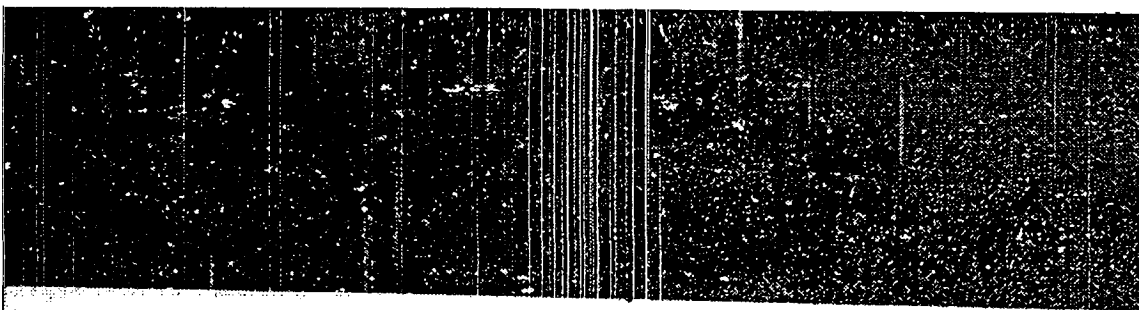
2. **Estoppel.** Within ten (10) days written request by the owner, the Declarant shall provide a written statement, if such is the case, that the owner is not in default of these Restrictive Covenants and Easements, or, if a default or defaults exist, that the owner is in default of the Restrictive Covenants and Easements, delineating the default or defaults.

3. **Compliance.** All persons or entities owning or occupying the Property shall obey all laws, ordinances, rules, regulations, requirements, and orders of the Federal, State, County and City governments, or any of them, and of any and all of their departments and bureaus, or of any other competent authority that may have jurisdiction over the Property.

4. **Amendment.** The Declarant hereby reserves the right to amend, modify or rescind such parts of this Declaration if the Declarant deems the same to be necessary or desirable so long as such amendment or modification does not substantially change the character, use, nature or general scheme of the site, interfere with the business of the person or entity in possession, impose any financial obligations on said person or entity or otherwise be unreasonable. Any amendment or modification to these Restrictive Covenants and Easements by the Declarant shall not require the consent of any person or entity and said amendment or modification shall only be required to be executed by the Declarant and recorded in the public records of Flagler County, Florida.

5. **Severability.** Invalidation of any of the provisions contained herein by judgement, court order or otherwise, shall in no way affect any of the other provisions which shall remain in full force and effect.

6. **Notices.** All notices, applications and requests provided for herein shall be in writing and sent via United States Certified Return Mail, return receipt requested, postage prepaid, or by recognized national overnight courier service (such as Federal Express, Airborne Express, etc.) to the Committee at 4982 Palm Coast Parkway N.W., Suite 7C, Palm Coast, Florida 32137-3617, attention: Mr. Ed Koehler; to the Declarant at Palm Coast Holdings, Inc., 1 Corporate Drive, Suite 3, Palm Coast,



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Florida 32151. The Committee or the Declarant may change the addresses for giving notice herein from time to time by recording such change of address in the Public Records of Flagler County, Florida in the same manner as for the recording of this Declaration and such change of address shall make reference to this Declaration. All such notices, applications and requests are deemed to be received on the date set forth on the return receipt.

7. Assignment. The duties or rights given to the Declarant by this Declaration may be assigned by the Declarant. Such assignment shall be made by recording a copy of such assignment in the Public Records of Flagler County, Florida in the same manner as for the recording of this Declaration and such assignment shall make reference to this Declaration.

8. Duration. The covenants, reservations, restrictions and other provisions of this Declaration shall run with and bind the Property and shall inure to the benefit of Declarant for a term of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years, unless an instrument signed by the then owners of at least 66% of the Property has been recorded agreeing to change or terminate (if not prohibited by other provisions of this Declaration), this Declaration in whole or in part.

IN WITNESS WHEREOF, Palm Coast Holdings, Inc., a Florida corporation, has caused these presents to be signed in its name by its proper officers and its corporate seal to be affixed this 19 day of July 1999.

WITNESSES:

Michael D. Chiumento
Kelly Devore

Palm Coast Holdings, Inc.

By: William I. Livingston
William I. Livingston, President

Attest: Eileen Linchen
Eileen Linchen, Assistant Secretary

(CORPORATE SEAL)

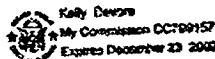
STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing document was acknowledged before me this 19 day of July, 1999, by William I. Livingston and Eileen Linchen, the President and Assistant Secretary, respectively, of Palm Coast Holdings, Inc., a Florida corporation, on behalf of the corporation. They are known to me and did not take an oath.

Kelly Devore

Notary Public, State of Florida

My Commission Number is:



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The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 1 Corporate Drive, Palm Coast, Florida.
Date; March 19, 1999.

Parcel 607, East of Plat Palm Coast Section 4.

DESCRIPTION:

A parcel of land lying within Government Section 42, Township 10 South, Range 31 East, and within Government Sections 5, 38 and 39, Township 10 South, Range 31 East, Flagler County, Florida, being more particularly described as follows;

BEGINNING at the southeast corner of Lot 1, Block 2, according to the Subdivision Map Country Club Cove Section-14 Palm Coast recorded in Map Book 6, Pages 54 Through 58, of the Public Records of Flagler County, Florida, thence North $07^{\circ}05'10''$ East a distance of 131.81 feet, thence North $70^{\circ}53'57''$ East along the southerly boundary line of Cotton Cove of Section-14 a distance of 658.99 feet, thence South $17^{\circ}01'25''$ East a distance of 276.25 feet, thence South $26^{\circ}08'59''$ East a distance of 917.49 feet, thence North $89^{\circ}09'48''$ East along the South line of Government Section 42 a distance of 105.93 feet to the northeast corner of Government Section 39, thence South $26^{\circ}12'22''$ East a distance of 479.08 feet, thence North $89^{\circ}20'20''$ East a distance of 747.97 feet to a point on the westerly right-of-way line of the Intra-coastal Waterway (500'R/W), thence South $20^{\circ}35'54''$ East along said right-of-way a distance of 1353.57 feet, thence departing said Intra-coastal Waterway South $69^{\circ}10'12''$ West along the northerly boundary of lands of Marina Cove a distance of 677.05 feet more or less, thence North $20^{\circ}49'48''$ West a distance of 123.00 feet, thence South $69^{\circ}10'12''$ West a distance of 123.00 feet, thence South $20^{\circ}49'48''$ East a distance of 19.71 feet, thence South $69^{\circ}10'12''$ West a distance of 179.56 feet to a point on the easterly right-of-way line of Palm Harbor Parkway (104'R/W), thence along said right-of-way the following courses North $49^{\circ}27'23''$ West a distance of 74.05 feet to a point of curvature, concave Northeasterly, thence Northwesterly a distance of 373.07 feet along the arc of said curve to the right having a central angle of $28^{\circ}30'00''$, a radius of 748.00 feet, a chord bearing of North $35^{\circ}12'23''$ West and a chord distance of 368.25 feet to a point of tangency, thence North $20^{\circ}57'23''$ West a distance of 1758.00 feet to a point of curvature, concave Southwesterly, thence Northerly a distance of 1118.76 feet along the arc of said curve to the left having a central angle of $58^{\circ}03'42''$, a radius of 1104.00 feet, a chord bearing of North $49^{\circ}59'14''$ West and a chord distance of 1071.50 feet to the POINT OF BEGINNING.

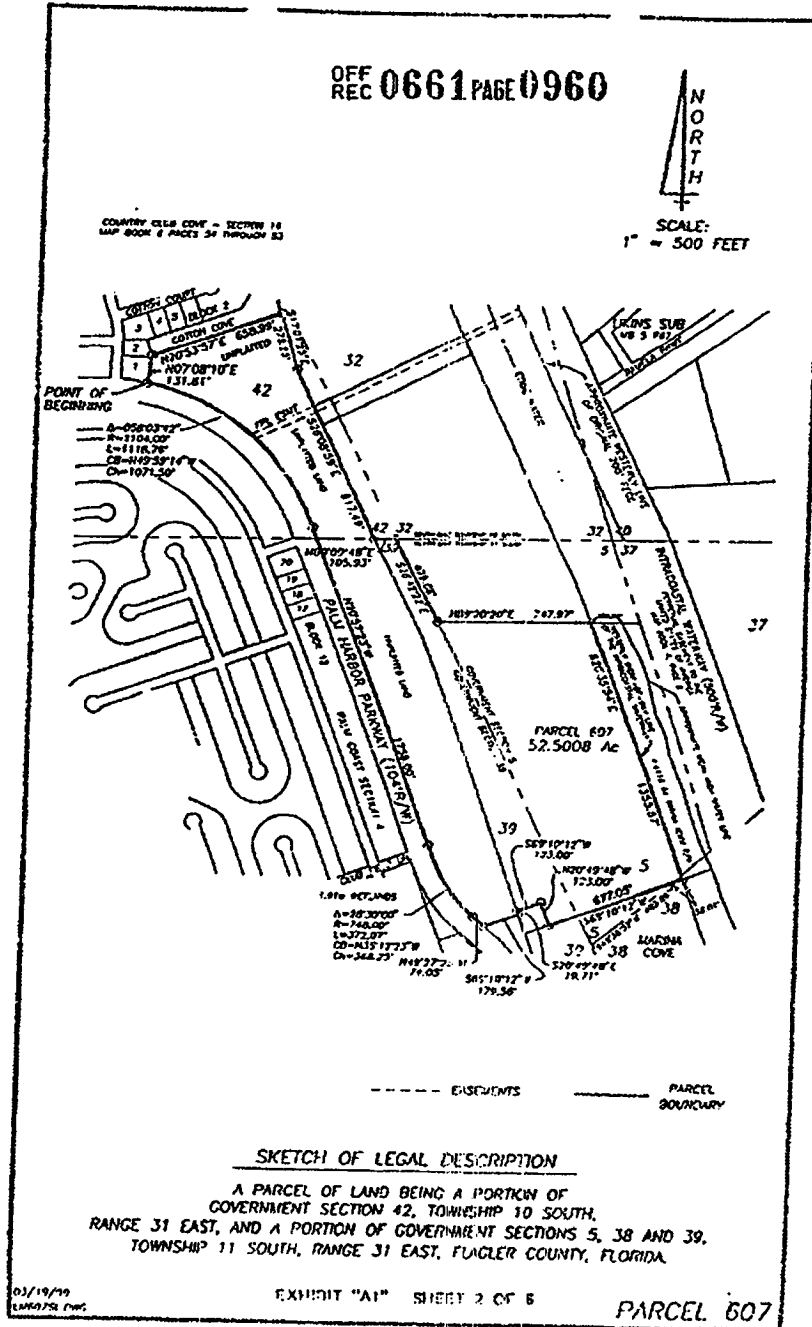
The above description is accompanied by an attached drawing titled "SKETCH OF LEGAL DESCRIPTION".

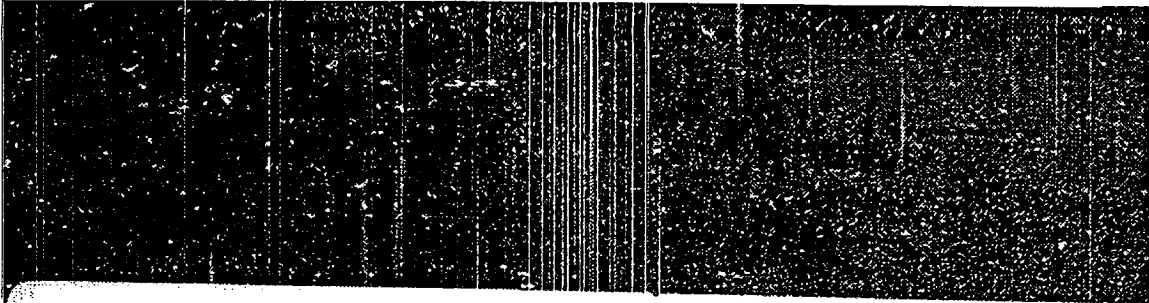
Parcel containing 52.5008 acre* more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida and locally referenced to the South line of Government Section 42, Township 10 South, Range 31 East, being North $89^{\circ}09'48''$ East.

EXHIBIT "A1" (THE "A1" PROPERTY)

SHEET 1 OF 6





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The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 1 Corporate Drive, Palm Coast, Florida.
Date; August 22, 1996.

DESCRIPTION:

A parcel of land lying within Government Sections 22 and 42, Township 10 South, Range 31 East, and within Government Section 5, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows;

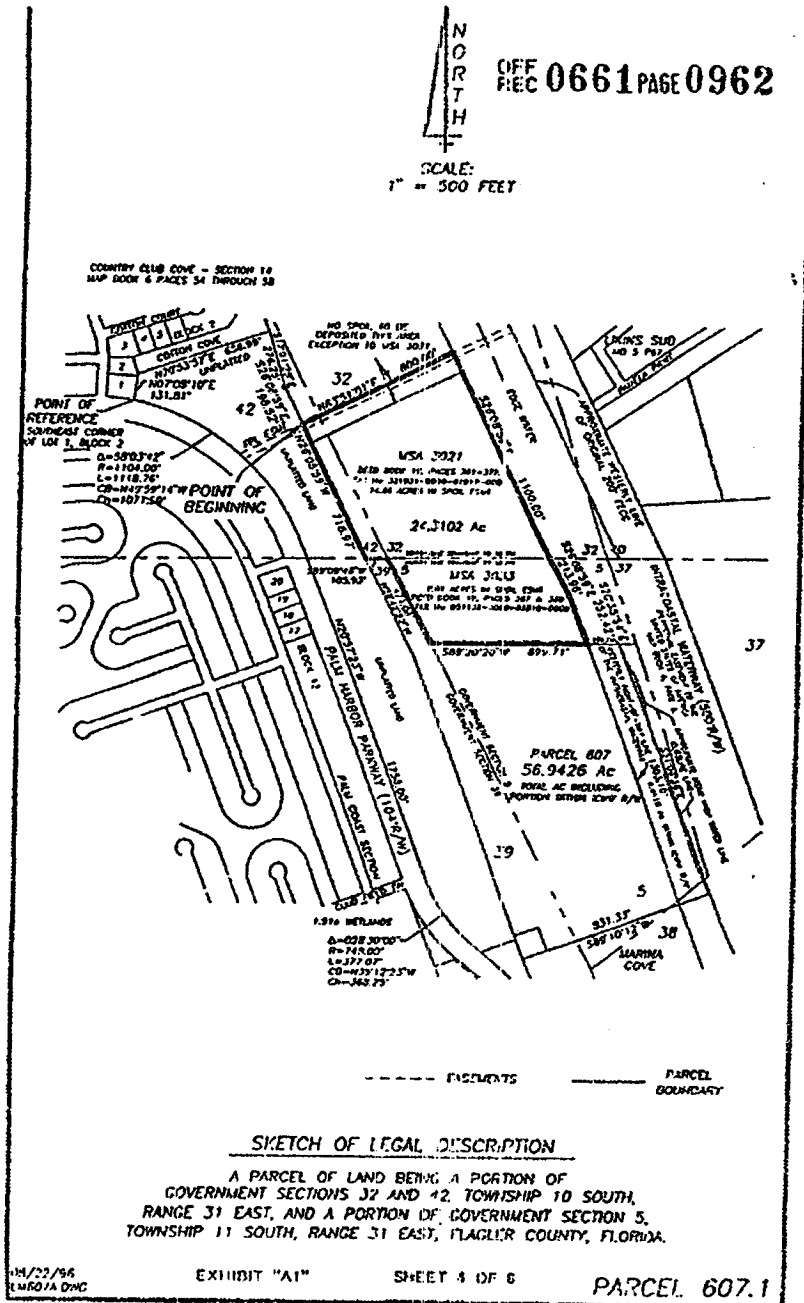
A POINT OF REFERENCE being the southeast corner of Lot 1, Block 2, according to the Subdivision Map Country Club Cove Section-14 Palm Coast recorded in Map Book 6, Pages 54 Through 58, of the Public Records of Flagler County, Florida, thence North 17°08'10" East a distance of 131.81 feet, thence North 70°53'37" East along the southerly boundary line of Cotton Cove of Section-14 a distance of 658.99 feet, thence South 17°01'25" East a distance of 276.21 feet, thence South 26°08'50" East a distance of 198.52 feet to the POINT OF BEGINNING of this description, thence North 63°51'01" East a distance of 800.00 feet to a point on the westerly right-of-way line of the Intracoastal Waterway (500'R/W), thence South 26°08'59" East a distance of 1100.00 feet to a point on the southerly line of Township 10 South, thence continue South 26°08'59" East along said right-of-way a distance of 213.96 feet, thence South 20°35'54" East a distance of 252.42 feet, thence departing said Intracoastal Waterway South 89°20'20" West a distance of 899.71 feet to a point on the westerly line of Government section 5, thence North 26°42'22" West along the easterly line of said Section 5 a distance of 479.08 feet to the northwest corner of said Section 5, thence South 89°09'48" West along the South line of Government Section 42 a distance of 105.93 feet, thence departing said South Line of Section 42 North 26°08'59" West a distance of 718.97 feet to the POINT OF BEGINNING.

Parcel containing 24.0102 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida and locally referenced to the South line of Government Section 42, Township 10 South, Range 31 East, being North 89°09'48" East.

EXHIBIT "A1"

SHEET 3 OF 6



The following Log Description prepared by Clyde W. Beach, Palm Coast Engineering and Design Services, Inc. 1 Corporate Drive, Palm Coast, Florida.
 Date; February 26, 1996.

Parcel 614, East of Plat Palm Coast Section 14.

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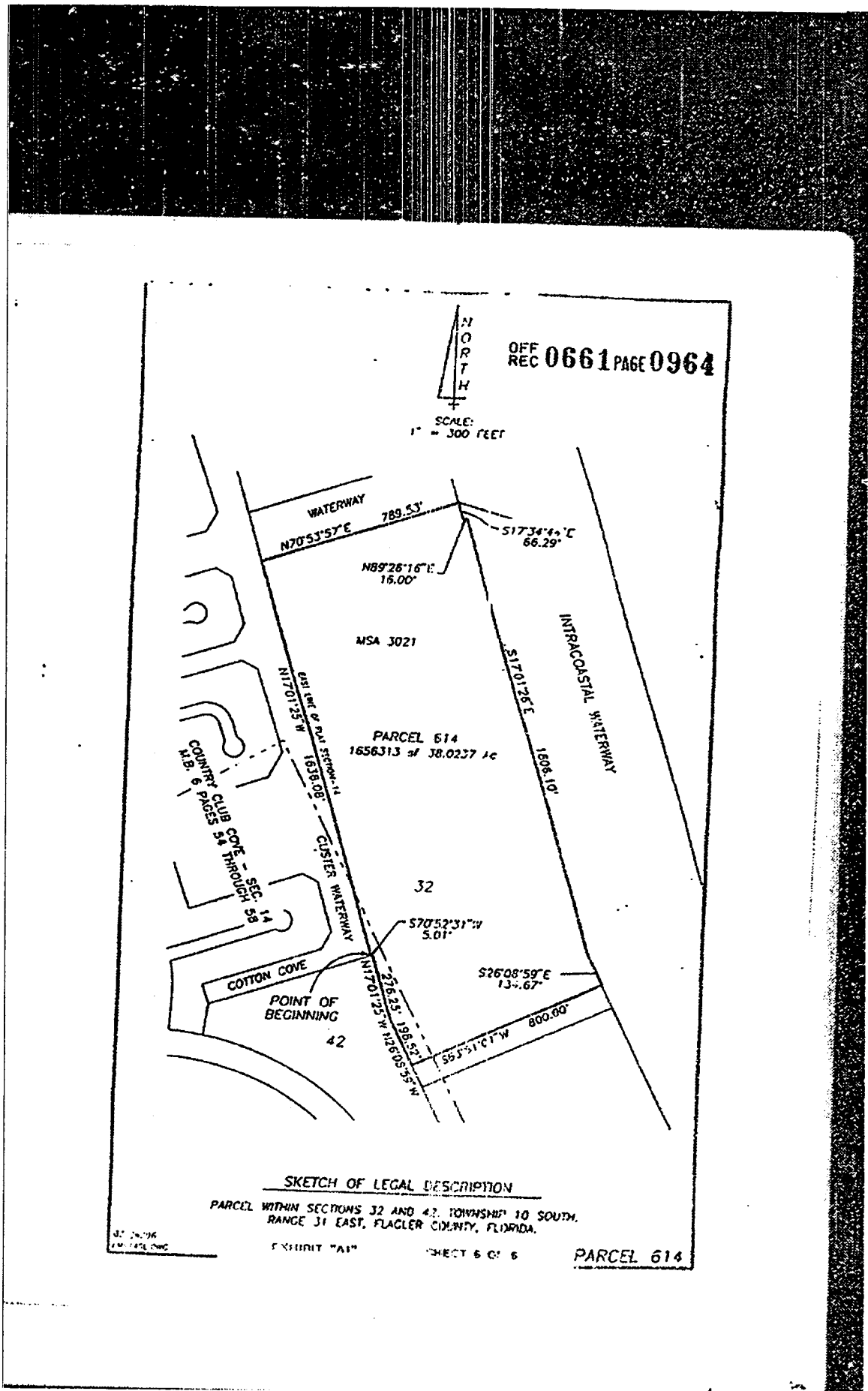
DESCRIPTION:

A parcel of land lying in Government Sections 32 and 42, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

BEGINNING at the southeast corner of lands platted as the Subdivision Map Country Club Cove Section-14, Palm Coast, recorded in Map Book 6, Pages 54 through 58, of the Public Records of Flagler County, Florida, thence North 17°01'25" West along the East boundary of said Section-14 a distance of 1636.08 feet, thence departing Section-14 North 70°53'57" East a distance of 789.53 feet to a point on the West right-of-way line of the Intra-coastal Waterway (500' R/W), thence South 17°34'44" East a distance of 66.29 feet, thence North 89°26'16" East a distance of 16.00 feet, thence South 17°01'26" East a distance of 1806.10 feet, thence South 26°08'59" East a distance of 174.67 feet, thence departing said Intra-coastal Waterway South 61°51'01" West a distance of 800.00 feet, thence North 26°08'59" West a distance of 190.52 feet, thence North 17°01'25" West a distance of 276.25 feet, thence South 70°52'11" West a distance of 5.01 feet to the POINT OF BEGINNING.

Parcel containing 38.0237 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida and locally referenced to the East line of the Subdivision Map Country Club Cove Section-14, Palm Coast, recorded in Map Book 6, Pages 54 through 58, of the Public Records of Flagler County, Florida, being North 17°01'25" West.





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The following Legal Description prepared by Clyde W. Roensch, Palm Coast Engineering and Design Services, Inc. 1 Corporate Drive, Palm Coast, Florida.
Date; March 19, 1999.

Portion of the Intracoastal Waterway;

DESCRIPTION:

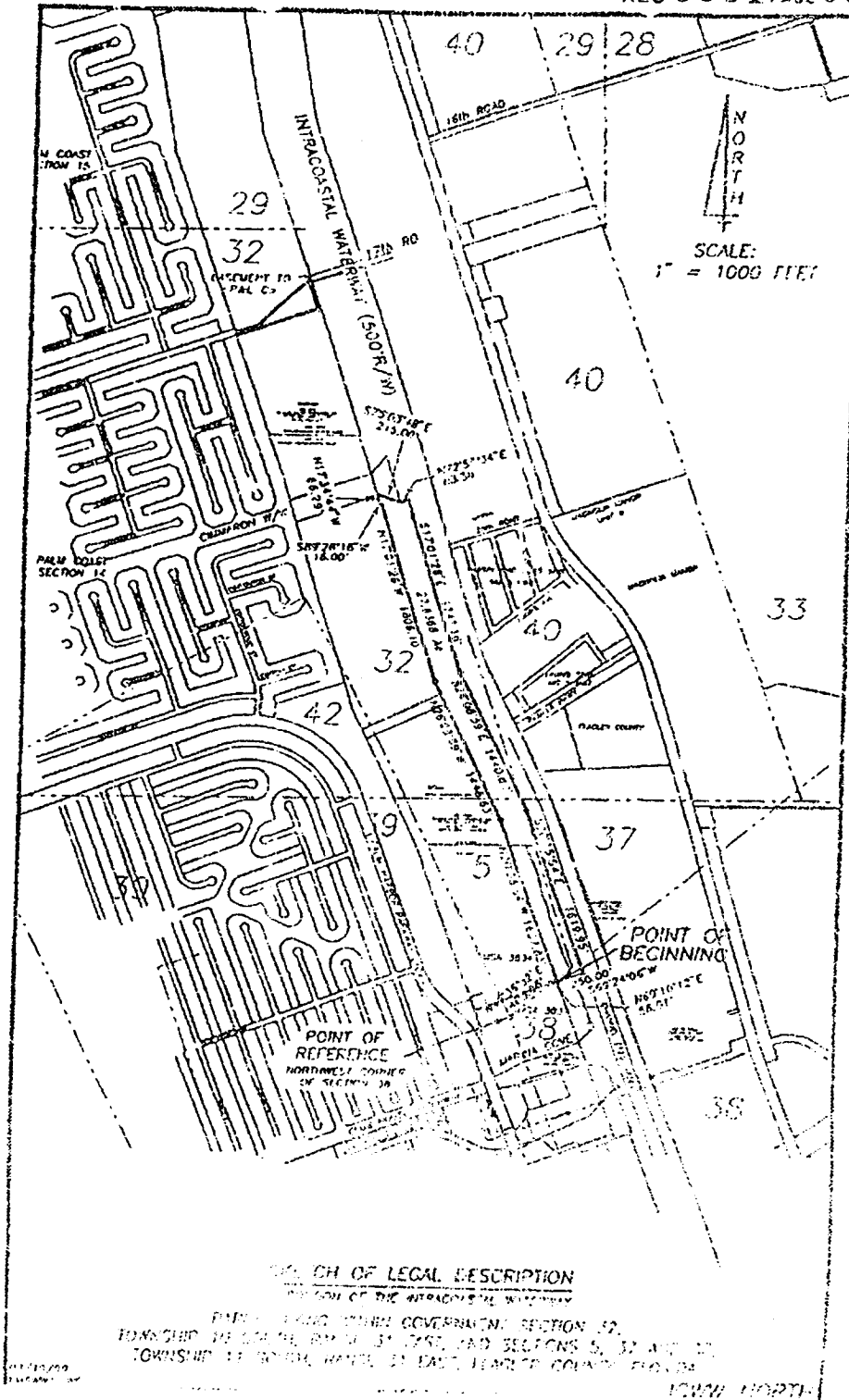
A parcel of land being a portion of Government Section 12, Township 10 South, Range 31 East, and a portion of Sections 5, 37 and 38, Township 11 South, Range 31 East, Flagler County, Florida, being a portion of the westerly 250.00 feet of the 500 foot wide right-of-way of the Intracoastal Waterway recorded in Official Records Book 551, Pages 1841 through 1846 of the Public Records of Flagler County, Florida, being more particularly described as follows:

A POINT OF REFERENCE being the Northwest Corner of Section 38, Township 11 South, Range 31 East, thence North 49°36'52" East along the North line of Section 38 a distance of 485.86 feet, thence North 69°10'12" East a distance of 56.01 feet to a point on the West right-of-way line of the Intracoastal Waterway (500'R/W) and the POINT OF BEGINNING of this description, thence northerly along said westerly right-of-way line the following courses North 20°35'54" West a distance of 1607.83 feet, thence North 26°08'59" West a distance of 1448.63 feet, thence North 17°01'26" West a distance of 1806.10 feet, thence South 89°26'15" West a distance of 16.00 feet, thence North 17°34'44" West a distance of 66.29 feet to a point on the southerly line of Cimmaron Waterway Official Records Book 549, Pages 966 through 990, thence departing the Westerly right-of-way line of said Intracoastal Waterway South 75°01'48" East along said southerly line of Cimmaron Waterway a distance of 215.00 feet, thence departing Cimmaron Waterway North 72°58'34" East a distance of 81.58 feet to a point on the center of right-of-way of the Intracoastal Waterway (500'R/W), thence South 17°01'26" East along said center of Waterway a distance of 1743.16 feet, thence South 26°08'59" East a distance of 1440.80 feet, thence South 20°35'54" East a distance of 1619.55 feet, thence departing said centerline South 69°24'06" West a distance of 250.00 feet to the POINT OF BEGINNING.

The above description being accompanied by an attached drawing titled "SKETCH OF LEGAL DESCRIPTION".

Parcel containing 27.8368 acres more or less.

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**ARTICLES OF INCORPORATION
OF
VILLAGE AT PALM COAST
HOMEOWNERS ASSOCIATION, INC.**

(A corporation not for profit)

In compliance with the requirements of Chapter 617 of the Florida Statutes, the undersigned, a resident of Florida of full age, has this day adopted these Articles of Incorporation for the purpose of forming a corporation not for profit and so hereby certify:

**ARTICLE I
DEFINITIONS**

All terms defined in the Declaration of Restrictive Covenants and Easements of VILLAGE AT PALM COAST, Phase I, subdivision (recorded in Official Records Book 33, Page 1-4, Flagler County, Florida) ("Declaration") shall have the same meanings herein as in the Declaration.

**ARTICLE II
NAME**

The name of the corporation is VILLAGE AT PALM COAST HOMEOWNERS ASSOCIATION, INC., hereafter referred to as the "Association".

**ARTICLE III
PRINCIPAL OFFICES**

The principal office of the Association is located at 13 Eisenhower Place, Palm Coast, Florida 32164.

**ARTICLE IV
REGISTERED AGENT**

Palmetto Charter Services, Inc., whose address is 150 Magnolia Avenue, Daytona Beach, Florida 32114, is hereby appointed the initial registered agent of this Association.

**ARTICLE V
PURPOSES AND POWERS OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance and preservation of common property, facilities and amenities conveyed to the Association by Longview Village Development Company, a Kansas corporation, its successors and assigns, or by others with the consent of Longview Village Development Company and to promote the health, safety and welfare

of the residents within property submitted to the jurisdiction of this Association. In furtherance of their purposes, the Association shall have the power 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 as the same may be amended and supplemented from time to time.

(b) fix, levy, collect and enforce payment by any lawful means, of all charges, fines or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all 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, and the maintenance and repair of the surface water or stormwater management systems including, but not limited to, work within retention areas, drainage structures and drainage easements.

(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.

(d) borrow money, 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) employ personnel and retain independent contractors and professionals to enter into any agreements consistent with the purposes of the Residential Association, including contracts or for professional management and to delegate to such professional management certain powers and duties of the Association.

(f) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

(g) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area.

(h) have and exercise any and all common law and statutory powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Florida may now or hereafter have or exercise.

ARTICLE VI
MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, shall automatically be a member of the Association.

The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII
VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. The Class A Members shall be all Owners of Lots, the titles to which have been conveyed by the Declarant, the Successor Declarant or the Assignee of the development rights to such owners, and Class A Members shall be entitled to one (1) vote for each subdivision lot owned. In the event of multiple ownership, i.e., more than one (1) person or entity constitute the owners of a single lot, all such owners shall be members of the Association. The vote for such lot shall be exercised as the multiple owners may determine among themselves, provided, however, that under no circumstances shall more than one (1) vote be cast with respect to any one (1) lot.

Class B. The Class B Member shall be the Declarant, or a Successor Declarant, or the Assignee of the development rights hereunder. The Class B Member shall be entitled to twelve (12) votes for each subdivision lot owned in VILLAGE AT PALM COAST subdivision. The Class B Membership shall cease to exist and shall be converted into Class A Membership upon the happening of either of the following events, whichever shall first occur:

(a) Within three (3) months after the Declarant, the Successor Declarant or the Assignee of the development rights hereunder conveys ninety (90%) percent of the Lots in all phases (including proposed phases) of VILLAGE AT PALM COAST subdivision; or

(b) Upon voluntary conversion by Declarant, its successors or assigns, of its Class B Membership to Class A Membership; said conversion to be established by written notice by Declarant to the Association; or

(c) Upon the expiration of ten (10) years after the date of closing on the sale of the first (1st) Lot by the Declarant.

**ARTICLE VIII
BOARD OF DIRECTORS**

The affairs of the Association shall be managed by a Board of Directors initially composed of three (3) directors. Directors need not be members of the Association. The number of directors may be changed by amendment of the Bylaws but shall not be less than three (3). The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
William F. McCroy, Jr.	13 Eisenhower Place Palm Coast, Florida 32164
Frank Castigiovanni	13 Eisenhower Place Palm Coast, Florida 32164
Jeffrey T. Montgomery	2713 West 116 th Street Leewood, Kansas 66211

**ARTICLE IX
BYLAWS**

Bylaws of the Association shall be adopted by the Board of Directors and thereafter may be altered, amended or rescinded in the manner provided for in the Bylaws. In the event of a conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

**ARTICLE X
DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by holders of not less than three-fourths (3/4) of the total votes. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027 F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

**ARTICLE XI
DURATION**

This Association shall exist perpetually.

**ARTICLE XII
AMENDMENTS**

The Declaration allows certain amendments and supplements to the Declaration to be effected by the Declarant alone and the Declarant may amend these Articles to bring the Articles into conformity with any such amendment or supplement without the joinder or consent of any Class A Member. Otherwise, amendment of these Articles shall require the assent of holders of two-thirds (2/3) of the total votes entitled to be cast. No such amendment shall conflict with the Declaration and no amendment shall diminish without interference with the rights and privileges of the Declarant without its specific written consent.

**ARTICLE XIII
RESTATEMENT OF ARTICLES**

(a) All provisions contained within these Articles plus any amendments thereto may at any time be integrated into a single instrument as "Restated Articles" and adopted by the Board. Such Restated Articles shall be specifically designated as such and shall state, either in the heading or in the introductory paragraph, the name of Association and, if it has been changed, the name under which it was originally incorporated and the date of filing of the original articles or any restatements thereof in the Office of the Secretary of State of Florida. Such Restated Articles shall also state that they were duly adopted by the Board and that such Restated Articles only restate and integrate and do not further amend the provisions of these Articles as theretofore amended, or that any amendment included therein has been adopted pursuant to Article XII hereof and that there is no discrepancy between these Articles as theretofore amended and provisions of the Restated Articles other than the including of the properly adopted amendments.

(b) Upon filing of Restated Articles by the Secretary of State of Florida, the original Articles, as theretofore amended, shall be superseded, and thenceforth the Restated Articles shall be these Articles of Incorporation of the Association.

(c) Amendments may be made simultaneously with restatement of these Articles if the requirements of Article XII are complied with. In such event, the Articles of Incorporation shall be specifically designated as Amended and Restated Articles of Incorporation.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned incorporator has executed these Articles of Incorporation this _____ day of _____, 2000.

Mark A. Watts

**DESIGNATION AND
ACCEPTANCE OF REGISTERED AGENT**

Having been named as Registered Agent for the above-stated Association, the undersigned hereby agrees to act in this capacity, and the undersigned further agrees to comply with the provisions of all statutes relative to the proper and complete performance of the undersigned's duties.

Palmetto Charter Services, Inc.

By: _____
Thomas S. Hart

Dated: _____

**BYLAWS
OF
VILLAGE AT PALM COAST
HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

Section 1. All terms which are defined in the Declaration of Covenants, Conditions and Restrictions for VILLAGE AT PALM COAST subdivision, recorded in Official Records Book 33, Page 1-4, of the Public Records of Flagler County, Florida ("Declaration"), shall have the same meanings herein as defined in the Declaration.

Section 2. The Association as used herein shall mean the VILLAGE AT PALM COAST HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit (the "Association"). The Association is NOT a condominium association.

**ARTICLE II
LOCATION OF PRINCIPAL OFFICE**

The principal office of the Association shall be located at 13 Eisenhower Place, Palm Coast, Florida 32164, or at such other place as may be established by resolution of the Board of Directors of the Association.

**ARTICLE III
MEMBERSHIP AND ASSESSMENTS**

Section 1. Every Owner, including Declarant, shall become a Member of the Association in the manner set forth in the Articles; provided, however, that any such person or entity who holds an ownership interest only as security for the performance of an obligation shall not be a Member. Once established, an Owner's membership shall be appurtenant to, and may not be separated from, ownership of a Lot.

Section 2. Assessments shall be made and collected in accordance with the Declaration.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 1. A majority of the Board shall constitute a quorum to transact business at any meeting of the Board, and the action of the majority present at a meeting at which a quorum is present shall constitute the action of the Board.

Section 2. Any vacancy occurring on the Board because of death, resignation or other termination of services of any Director, shall be filled by the Board; except that Declarant, to the exclusion of other Members and/or the Board itself, shall fill any vacancy created by the death, resignation, removal or other termination of services of any Director appointed by Declarant. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office and shall serve until his successor shall have been elected and/or appointed and qualified.

**ARTICLE V
ELECTION OF DIRECTORS BY CLASS A MEMBERS**

Section 1. After Turnover, nomination for election to the Board of Directors shall be made by the Nominating Committee appointed by the Board of Directors or by a motion made from the

floor at the annual meeting. Such nominations for Directors may be made from among Members or nonmembers.

Section 2. Election to the Board of Directors shall be by secret written ballot. At such election the Class A Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD

Section 1. The Board shall have power:

(a) To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article X, Section 2 hereof;

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, officer or Director of the Association in any capacity whatsoever;

(c) To establish, levy and assess, and collect Assessments;

(d) To adopt and publish Rules and Regulations governing the use of the Common Areas and facilities and the personal conduct of the Members and their guests thereon;

(e) To exercise for the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to the Members in the Declaration.

Section 2. It shall be the duty of the Board:

(a) To cause to be kept minutes of all its acts and corporate affairs.

(b) To supervise all officers, agents and employees of the Association.

ARTICLE VII
BOARD MEETINGS

Section 1. A regular meeting of the Board shall be held at least once every six months. A regular meeting of the Board shall also be held immediately following the regular annual meeting of the Members.

Section 2. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no additional notice thereof need be given.

Section 3. Special meetings of the Board shall be held when called by the President of the Association or by a majority of the Directors after not less than three (3) days' notice to each Director except in cases of emergency.

Section 4. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and if either before or after the meeting, each of the Directors not present 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 of the Association and made part of the minutes of the meeting.

Section 5. Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participating by such means shall constitute presence in person at a meeting.

ARTICLE VIII **OFFICERS**

Section 1. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer and such other officers as may be deemed necessary or appropriate by the Board. The President shall be a Director.

Section 2. The officers shall be chosen by a majority vote of the Directors.

Section 3. All officers shall hold office at the pleasure of the Board.

Section 4. The President shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out and sign all notes, leases, mortgages, deeds and all other written instruments. The President shall not also be the Secretary.

Section 5. The Vice President shall perform all the duties of the President in his absence and such other duties as the Board shall prescribe.

Section 6. The Secretary of the Association shall be the ex-officio Secretary of the Board, shall record the votes, and keep minutes of all proceedings in a minute book to be kept for that purpose. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all Members together with their addresses as registered by such Voting Members (as set forth in Article X, Section 3 hereof).

Section 7. The Treasurer shall receive and deposit in appropriate accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board, provided however that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. Any check issued by the Association must be signed by two (2) authorized Persons, one (1) of whom shall be the Treasurer or the Assistant Treasurer. The Treasurer shall keep proper books of account the Association's books. He shall prepare the annual Budget and an annual balance sheet statement and the Budget and balance sheet statement as approved by the Board, shall be presented to the membership at its regular annual meeting.

ARTICLE IX **COMMITTEES**

Section 1. The Association shall have a Nominating Committee and such other committees as the Board of Directors may from time to time deem appropriate.

Section 2. The Nominating Committee shall be comprised of no less than three (3) or more than five (5) Members appointed by the Board no less than ninety (90) days prior to Turnover or an Annual Members' Meeting. The chairperson shall be a Director. The Nominating Committee shall have the responsibility of preparing a slate of candidates for the election of Directors in accordance with Article V of these Bylaws. The Nominating Committee shall provide the slate of candidates to the Board for its approval. If approved, the Board shall then provide the slate of candidates to the Members at the time the Members receive notice of the meeting, as set forth in Article X, Section 3 of these Bylaws. The Members may nominate additional candidates at the meeting at which the votes are cast, and nothing herein shall be construed to limit a Member's right to vote for a candidate other than those presented by the Nominating Committee.

**ARTICLE X
MEETINGS OF MEMBERS**

Section 1. Annual Members' Meeting. The regular, annual meeting of the Members ("Annual Members' Meeting") shall be held at such time on such day of the month of March in each year, and at such place as the Board shall determine. If the day for the Annual Members' Meeting shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special Meetings. Special meetings of the Members for any purpose may be called at any time by the President of the Association, a majority of the members of the Board, or upon written request of the Voting Members who have the right to vote one-fourth (1/4) of all of the votes of the entire membership at meetings of the Members.

Section 3. Notice. Notice of any meeting shall be given to the Members and Declarant by the Secretary. Notice may be given either personally, or by sending a copy of the notice through the mail, postage prepaid, to the address of Declarant or the Members appearing on the books of the Association. Notice of any meeting, regular or special, shall be delivered or mailed at least forty (40), but not more than sixty (60), days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve an election governed by Article V, or any action governed by the Articles or by the Declaration, notice of such meeting shall be given or sent as therein provided.

Section 4. Quorum. The presence at any meeting of the Members or Declarant entitled to cast one-third (1/3) of the votes possessed by the entire membership shall constitute a quorum for any action governed by these Bylaws. Any action governed by the Articles or by the Declaration shall require a quorum as therein provided.

**ARTICLE XI
VOTING AND PROXIES**

Section 1. At all meetings of Members, Declarant and the Members may vote in person or by written ballot, as more fully set forth in the Articles. Members and Declarant shall have the right to vote by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months.

**ARTICLE XII
BOOKS AND PAPERS**

The books, records and papers of the Association shall, upon prior written request, be subject to inspection by any Member, Institutional Mortgagee or Declarant during normal business hours.

**ARTICLE XIII
CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words:

VILLAGE AT PALM COAST HOMEOWNERS ASSOCIATION, INC.

**ARTICLE XIV
ACCOUNTING RECORDS; FISCAL MANAGEMENT**

Section 1. Accounting Method. The Association shall use the accrual method of accounting, as the Board shall determine, all records of which shall be open to inspection by Declarant and Members, or their respective authorized designees at reasonable times upon prior

written request. Such authorization of a designee of a Member must be in writing and signed by the Person giving the authorization and dated within sixty (60) days of the date of inspection.

Section 2. Budget. The Board shall adopt a Budget (as provided for in the Declaration) of the anticipated Expenses of the Association for each forthcoming calendar year at a regular or special meeting of the Board ("Budget Meeting") called for that purpose to be held no later than October 1 of the year prior to the year to which the Budget applies. Within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to Declarant and each Member. The copy of the Budget shall be deemed furnished and the notice of the Individual Lot Assessment shall be deemed given upon its delivery or upon its being mailed as aforesaid. The failure of the Board to adopt a Budget in a timely fashion shall not abrogate or alter the obligation of each Member to pay such Member's share of the expenses, and each Member shall continue to pay the same assessment in the same installments as were in effect for the preceding year until otherwise notified by the Association.

Section 3. Fiscal Year. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) Assessments shall be made monthly, quarterly, semi-annually, or annually, as determined by the Board.

Section 4. Payment of Assessments. Assessments shall be payable as provided for in the Declaration.

Section 5. Deficit Spending. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should any deficiency exist which results from there being greater Expenses than monies from Assessments, then such deficits shall be the subject of an adjustment to the applicable Assessment.

Section 6. Depository. The depository of the Association shall be such bank(s) and/or savings and loan association(s) as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account(s) shall be only by checks signed by such individuals as are authorized by the Board. All such funds shall be insured by an agency of the United States Government.

Section 7. Annual Report. A report of the accounts of the Association shall be made annually as set forth in Article VIII, Section 7 hereof, and a copy of the report shall be furnished to Declarant and each Member no later than ninety (90) days following the fiscal year for which the report is made. Additionally, a copy of the report shall be furnished to any Institutional Mortgagee upon written request to the Association.

Section 8. Notices. All notices and mailings to the Members or Declarant required under these Bylaws shall be deemed to be furnished to the above-named parties upon their delivery or mailing to the above-named parties shown on the records of the Association at their last known addresses as shown on the records of the Association.

ARTICLE XV **AMENDMENTS**

Section 1. In General. Subject to the provisions of Section 4 below, these Bylaws may be amended at any regular or special meeting of the Board at which there is a quorum by a vote of a majority of the Directors provided that those provisions of these Bylaws which are governed by the Articles may not be amended except as provided in the Articles or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration.

Section 2. Instrument. Any instrument amending, modifying, repealing or adding Bylaws shall identify the particular Section or Sections affected and give the exact language of such modification, amendment or addition or of the provisions repealed. A copy of each such

amendment, modification, repeal or addition certified to by the Secretary or Assistant Secretary of the Association shall be recorded in the Public Records of Flagler County, Florida, not more than thirty (30) nor less than five (5) business days after a copy of same has been delivered to Declarant.

Section 3. Conflicts. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the event of any conflict between the Articles and the Declaration, the Declaration shall control.

Section 4. Rights of Declarant. No amendment to these Bylaws shall be effective which prejudices or otherwise detrimentally affects any of Declarant's rights or privileges without Declarant's prior written consent.

ARTICLE XVI
GENDER

Whenever the male pronoun is used herein, it shall be understood to be the female pronoun if the context or sex of the party referred to so requires.

IN WITNESS WHEREOF, we, being all of the Directors of the VILLAGE AT PALM COAST Homeowners Association, Inc., have hereunto set our hands this _____ day of _____, 2000.

VILLAGE AT PALM COAST
HOMEOWNERS ASSOCIATION, INC.
a Florida not-for-profit corporation

William F. McCroy, Jr.

Frank Castigiovanni

Jeffrey T. Montgomery