

**ARTICLES OF INCORPORATION  
OF  
NORTH HAMPTON ASSOCIATION, INC.**

A Corporation Not For Profit

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

**ARTICLE I**

Name

The name of this corporation is North Hampton Association, Inc. called the "Association" in these Articles.

**ARTICLE II**

Office and Registered- Agent

The Association's principal office is located at 10161 Centurion Parkway North, Suite 190, Jacksonville, Florida 32256. Bert C. Simon, Esquire, who maintains a business office at 1660 Prudential Drive, Suite 203, Jacksonville, Florida 32207 is hereby appointed the initial registered agent of the Association. Both the Association's registered office and registered agent may be changed from time to time as provided by law.

**ARTICLE III**

Purpose and Powers of the Association

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

(a) Declaration Powers. Exercise all rights, powers, and privileges, and perform all duties of the Association from time to time set forth in the Declaration, including the right to enforce all of the provisions of the Declaration pertaining to the Association in its own name, including without limitation, enforcement of the provisions relating to the operation and maintenance of the Surface Water or Stormwater Management System.

(b) Property. Own, hold, improve, operate, maintain, sell, lease, transfer, and otherwise dispose of property of any nature whatsoever, real, personal, or mixed, tangible or intangible, in connection with this Association's affairs.

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

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

(e) Maintenance. Maintain, manage, repair, replace and operate all the Common Areas and Common Maintenance Areas, including but not limited to portions of the street right-of-ways and the Surface Water or Stormwater Management System and all associated facilities. The Association shall operate, maintain and manage the Surface Water or Stormwater Management System in a manner consistent with the St. Johns River Water Management District ("SJRWMD"), Permit No. 4-089-62883-1 requirements and applicable SJRWMD rules, and shall assist in the enforcement of the provisions of the Declaration that relate to the maintenance of the Surface Water or Stormwater Management System.

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

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

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

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

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

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

## **ARTICLE IV**

### Membership

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

Section 2. Club Owner. Although the Club Owner is not a Member of the Association, it shall have the right to attend Association meetings, to address the Board of Directors and Members of the Association, and to review and obtain copies of the Association's records relating to its participation in the Surface Water or Stormwater Management System and other matters affecting the Club Property or the Club Owner, including without limitation the Association's maintenance and repair of the landscaped and grassed areas of the entry road of the North Hampton PUD.

## **ARTICLE V**

### Voting Rights

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

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

CLASS B. The Class B member is Declarant, who is entitled to three (3) votes for each Lot or proposed Lot owned within the North Hampton PUD. The Class B membership will cease and convert automatically to Class A membership on the first to occur of the following events: (i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or (ii) ten (10) years from the recording date of the Declaration; or (iii) the effective date of the Declarant's written waiver of the Class B membership rights. Upon the conversion of Class B membership, all provisions of the Declaration, these Articles, and the By-Laws referring to classes of membership will be of no further force and effect.

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

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

## ARTICLE VI

### Board of Directors

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

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

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

<u>Name</u>	<u>Address</u>
Edward E. Burr	10161 Centurion Parkway North, Suite 190 Jacksonville, Florida 32256
Roger Postlethwaite	10161 Centurion Parkway North, Suite 190 Jacksonville, Florida 32256
Robert Furlong	10161 Centurion Parkway North, Suite 190 Jacksonville, Florida 32256

## **ARTICLE VII**

### Officers

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

<u>Names and Addresses</u>	<u>Office</u>
Roger Postlethwaite	President
Cheryl Graham	Vice President/Secretary
Joseph Carbonate, III	Treasurer

## **ARTICLE VIII**

### Existence and Duration

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

## ARTICLE IX

### By-Laws

The Association's By-Laws initially will be adopted by the Board of Directors. The Declarant shall have the right without the joinder or consent of any Owner, the Association, the holder of any mortgage, lien or other encumbrance affecting any portion of the Property, or any other Person to amend the By-Laws: (i) to comply with any requirements of a governmental agency, institutional Mortgagee, or other Person (including the Federal National Mortgage Association, Veterans Administration, or the Federal Housing Authority) willing to make, insure, guaranty, or purchase mortgage loans secured by a Lot; or (ii) to cure any ambiguity or error or any inconsistency between the By-Laws and the other Governing Documents. The By-Laws may also be amended or rescinded by a majority vote of a quorum of both classes of members present at any regular or special meeting duly called and convened, provided that, for so long as Declarant owns and holds any Lot for sale in the ordinary course of business, all amendments must be approved by Declarant in writing, and provided further, if the Federal Housing Authority or the Veterans Administration has guaranteed or insured any mortgage loans for Lots within the Property, then the FHA/VA has the right to veto any amendments of the By-Laws for so long as there is a Class B membership.

## ARTICLE X

### Amendments

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

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

## ARTICLE XI

### Other Approvals

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

## ARTICLE XII

### Voting Requirements

Section 1. Percentage Requirements. Unless any provision of those Articles, the Declaration or the By-Laws expressly requires the approval of both classes of the membership or of the Declarant or any other Person, the majority vote of those members present and voting at a duly called and convened meeting shall constitute the act of the membership. If any provision of these Articles, the Declaration, or the By-Laws expressly requires the approval of both classes of membership, and in the absence of an express provision requiring a specified percentage of the total votes eligible to be cast by either or both classes of membership, the majority vote of those members of each class present and voting at a meeting duly called and convened is sufficient to constitute the act of that class.

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

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

Section 4. Notice, Proxies, and Quorum Requirements. Written notice of all meetings of the membership must be given to all Owners not less than 15 days nor more than 45 days in advance of such meeting. The presence of members or proxies entitled to cast at least one-third (1/3) of the votes of each class, if such action must be approved by both classes, or of the

Class A members, if such action must be approved only by class A members, shall constitute a quorum. If the required quorum is not forthcoming, the members present shall have the power to adjourn the meeting, from time to time without notice other than announcement at the meeting, until the required quorum shall be present or represented. Proxies must be registered with the Secretary of the Association prior to members meetings. No Owner may hold more than five (5) proxies.

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

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

## **ARTICLE XIII**

### Interpretation

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

## ARTICLE XIV

### Incorporator

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

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

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this \_\_\_\_ day of January, 2001.

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

NORTH HAMPTON ASSOCIATION, INC., desiring to organize under the laws of the State of Florida as a corporation not for profit with its principal place of business at 10161 Centurion Parkway North, Suite 190, Jacksonville, Florida 32256, North Hampton Association, Inc. has named Bert C. Simon, whose business office is 1660 Prudential Drive, Suite 203, Jacksonville, Florida 32207 as its registered agent to accept service of process within this state, all in accordance with Section 607.034, Florida Statutes.

DATED this \_\_\_\_ day of January, 2001.

### ACCEPTANCE

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

DATED this \_\_\_\_ day of January, 2001.

# DECLARATION OF COVENANTS AND RESTRICTIONS FOR NORTH HAMPTON

THIS DECLARATION OF COVENANTS AND RESTRICTIONS is made by North Hampton, LLC, a Delaware limited liability company ("Developer") as of this 9<sup>th</sup> day of March, 2001.

## ARTICLE I

### INTRODUCTION AND DEFINITIONS

#### 1.1. Introduction

(a) Developer is the owner of the real property located in Nassau County, Florida more particularly described on Exhibit A attached hereto (the "Property"). The Club Owner is the owner of the real property more particularly described on Exhibit B attached hereto (the "Club Property"). The Property and the Club Property are adjacent to each other and are a part of the North Hampton PUD.

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

(c) The Club Owner joins in this Declaration solely for the purpose of consenting to the provisions of Article II paragraph 2.6 and 2.7, Article V paragraphs 5.2 and 5.6, Article VI paragraph 6.2(a)(iii) and Article X paragraph 10.1(a) hereof.

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

#### 1.2 Definitions

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

(a) "Association" means North Hampton Association, Inc., a corporation not for profit organized pursuant to Chapter 617, Florida Statutes, its successors and assigns.

(b) "Board" or "Board of Directors" means the Association's Board of Directors.

(c) "Club Owner" or "Owner of the Club Property" means the record owner from time to time of the Club Property, which currently is LandMar Resorts, Inc., a Florida corporation, whose address is 10161 Centurion Parkway North, Suite 190, Jacksonville, Florida 32256.

(d) "Club Property" means the real property located in Nassau County, Florida more particularly described on Exhibit B hereto, which is intended for use as a golf course and related uses, and all improvements thereon including a golf course, parking lots and associated facilities, the use of which is conditioned upon membership in, or the payment of use charges or fees, for the use of such facilities. The Club Property shall not include any of the Property or the Common Areas.

(e) "Common Areas" means all real property or any interest in real property from time to time owned by the Association or designated for ownership by the Association for the common use and enjoyment of all Lot Owners, together with all improvements, fixtures, and tangible personal property now or hereafter situated thereon and all appurtenant easements. The Common Areas initially will include the lands described on Exhibit C hereto. The Common Areas shall not include any portion of the Club Property.

(f) "Common Maintenance Areas" means all property from time to time designated by this Declaration or by the Developer as a maintenance responsibility of the Association for the common use and enjoyment of all Owners, including Club Owner, together with all improvements, fixtures, and tangible personal property now or hereafter situated thereon. Common Maintenance Areas may or may not be owned by the Association and may or may not be located within the Property.

(g) "Developer" means North Hampton, LLC, a Delaware limited liability company, whose address is 10161 Centurion Parkway North, Suite 190, Jacksonville, Florida 32256, its successors and assigns to whom the rights of the Developer hereunder are specifically assigned. Developer may assign all or a portion of such rights in one or more assignments. In the event of a partial assignment, the assignee shall not be deemed the Developer unless expressly stated in the assignment, but may exercise such rights of Developer as are specifically assigned to it. Any assignment may be made on a non-exclusive basis.

(h) "Golf Course Lots" means all Lots having frontage on or common boundaries with a portion of the Club Property.

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

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

(k) "Legal Documents" collectively means this Declaration of Covenants and Restrictions and any supplemental declarations made in accordance herewith, as amended from time to time, the Association's Articles of Incorporation (the "Articles") and the Association's By-Laws (the "By-Laws"), as the same may be amended from time to time.

(l) "Lot" means any plot of land shown on any recorded subdivision plat of the Property or portions thereof, which is intended as a building site for a Residential Unit, and excluding any areas designated as Common Areas or dedicated for utility sites or public use.

(m) "Master Plan" means the conceptual plan for the development of the North Hampton PUD as determined by the Developer and the Club Owner from time to time, including the plan of development as described by the PUD Ordinance. All references to the Master Plan shall be references to the latest revisions thereof.

(n) "Members" means the members of the Association as defined and described in Article IV of this Declaration and in the Articles of Incorporation of the Association.

(o) "Modifications Committee" means the committee established under Article - VIII hereof to review and approve or deny modifications, alterations, renovations or reconstruction of the exterior of Residential Units or Lots.

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

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

(r) "North Hampton PUD" means the multi-use commercial, residential and recreational development as described in the PUD Ordinance, as amended from time to time.

(s) "Owner" or "Lot Owner" means the record owner, whether one or more Persons, of the fee simple title to any Lot, including contract sellers, but excluding contract buyers and any Person holding such fee sample title merely as security for the performance of an obligation and excluding the Association, and governmental authorities and utility companies that have received dedications or conveyances of rights-of-way or utility sites. Developer is an Owner as to all portions of the Property owned by Developer.

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

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

(v) "Property" means the real property in Nassau County, Florida, described in Exhibit "A" attached to this Declaration and such additions or deletions thereto as may be made in accordance with the provisions of this Declaration. The Property shall not include any portion of the Club Property.

(w) "PUD Ordinance" means Nassau County, Florida Planned Unit Development Ordinance Number 99-28, as the same may be amended from time to time.

(x) "Reciprocal Easement Agreement" means that Reciprocal Easement Agreement dated January 10, 2001 between LandMar Resorts, Inc., a Florida corporation and North Hampton, LLC, a Delaware limited liability company, recorded in Official Records Book 967, page 541 of the Public Records of Nassau County, Florida.

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

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

(aa) "RU Assessment" means the Association's annual maintenance assessment for each Residential Unit as determined in accordance with the provisions of this Declaration.

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

(cc) "Subdivision Developer" means any Person, their successors or assigns, named as the grantee in a deed or other conveyance document executed by Developer (excluding Persons named as Mortgagees in documents securing obligations of Developer) that acquires part of the Property from the Developer for the purpose of developing such property as a residential community, including by way of example, the Person identified as the "developer" or "declarant" on any recorded subdivision plat, declaration of covenants and restrictions, or other instrument establishing a residential development. A Person that acquires one or more developed Lots from Developer (or one or more Lots which Developer is contractually required to develop) for the purpose of constructing a Residential Unit thereon for resale or personal use is not a Subdivision Developer.

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

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

## ARTICLE II

### PROPERTY RIGHTS AND COMMON AREAS

#### 2.1 Common Areas.

(a) Conveyance of Common Areas. The Developer will convey or cause to be conveyed to the Association in one or more conveyances, and the Association shall accept the title to the Common Areas owned by Developer at such time as in its sole discretion it deems appropriate, but not more than one year following substantial completion of construction of the improvements located thereon or the date the United States Department of Housing and Urban Development insures any First Mortgage on a Unit, whichever shall first occur. The conveyance shall be subject to taxes for the year of conveyance, restrictions, conditions, and limitations of record, and easements for ingress, egress, drainage and public utilities. Upon recordation of any deed or deeds conveying Common Areas to the Association, the Association shall be conclusively deemed to have accepted the conveyance evidenced by such deed or deeds.

(b) Right of the Developer to Designate Property as Common Area or to Withdraw Property from the Common Area. Notwithstanding anything to the contrary contained in this Declaration, the Developer shall have the right, in its sole discretion, to designate land, easements, use rights and personal property owned by the Developer as Common Areas provided only that such land shall be located within the Property or contiguous to the Property (for purposes of this subparagraph, property separated only by public or private roads, water bodies, golf courses, or open space shall be deemed contiguous). For so long as the Developer shall own any portion of the Property, the Developer may, at any time, withdraw, or cause to be withdrawn, land from the Common Areas in the Developer's sole discretion. The prior sentence notwithstanding, in the event such withdrawal of Common Area shall materially and adversely affect access or drainage to or from any Lot or the Club Property, the Developer shall not have the right to withdraw such Common Areas without the consent of the Owner of the Lot or the Club Property, which is so affected. Addition of land to and withdrawal of land from the Common Areas shall be evidenced by recording a deed or supplementary declaration in the public records of Nassau County, Florida, which shall specifically reference such addition or withdrawal. Withdrawal of land from the Common Areas by the Developer shall terminate any and all easements and rights of use of the Owners in such land. No land owned by the Developer shall be deemed to be Common Areas unless such land is expressly referenced as such herein, or subsequently designated as such by the Developer pursuant to this subparagraph, even if the Developer

consents or acquiesces to the use of such land by the Owners. In the event any land, easements, use rights, or personal property owned by the Association shall be withdrawn from the Common Areas pursuant to this Section, upon the Developer's written request, the Association shall promptly execute and deliver to the Developer any and all deeds, bills of sale, assignments or other conveyance documents as may be necessary or appropriate to confirm or effectuate the withdrawal of such Common Areas.

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

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

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

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

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

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

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

(f) Easements. The right of the Developer and, following the conveyance of the Common Areas to the Association, the Board of Directors of the Association to grant easements for - utilities or drainage across all or any part of the Common Areas.

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

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

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

2.3 General Easements. All Lots are subject to perpetual non-exclusive easements:

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

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

(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 SJRWMD Permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including buffer areas or swales, without the prior written approval of the SJRWMD.

2.4 Property Boundary Fence. As part of The Work, Developer may construct a privacy fence or landscaped buffers across some of the Lots and portions of the Common Areas to separate the Property or portions thereof, and provide a buffer, from adjoining portions or the Property, right-of-ways or other properties (the "Property Boundary Fence"). All Lots

upon which portions of the Property Boundary Fence are located, are subject to an exclusive perpetual easement for the location of the Property Boundary Fence. All such Lots are also subject to easements to the Association for the maintenance, repair and replacement of the Property Boundary Fence and the landscaping associated therewith, which may be exercised by the Association if the Lot Owner fails to properly maintain the Property Boundary fence as hereinafter provided.

2.5 Plat Easements. Reference is made to the utilities, drainage, ingress and egress, non-access, and other easements shown on a Plat. The Developer shall have the unrestricted right without the approval or joinder of any other Person to designate the use and to alienate, release or otherwise assign the easements shown on a Plat unless such easements have been previously conveyed or dedicated. The easements may be used to construct, maintain and operate water mains, drainage ditches, sewer lines and other suitable installations for drainage and sewage disposal, or for the installation, maintenance, transmission and *use* of electricity, gas, telephone, cable systems, and other utilities, whether or not the easements are shown on the Plat to be for drainage, utilities, or other purposes. The Owners of the Lots subject to easements shown on the Plat shall acquire no right, title or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over or under the easement area. The Owner of a Lot subject to any easement shall not construct any improvements on the easement areas, nor alter the flow of drainage, nor landscape such areas with hedges, trees or other landscape items that might interfere with the exercise of the easement rights. If any Owner constructs any improvements on such easement areas or landscapes such areas as aforesaid, the Owner of the Lot shall remove at the Owner's expense the improvements or landscape items upon written request of Developer, the Association or the grantee of the easement. If the Owner fails to promptly remove improvements or landscaping, the Developer, the Association or the grantee of the easement may enter on the Lot and remove the improvements or landscaping at the expense of the Owner, who shall reimburse the cost of removal within fifteen (15) days of demand. The party removing the improvements or landscaping shall not be responsible for any damage caused by the removal and shall not be required to restore any portion of the Lot damaged by the removal.

2.6 Lake Related Easements. The Association is hereby granted, perpetual non-exclusive unobstructed drainage easements through the lakes, marshes and other wetlands situated in whole or in part on the Property or the Club Property that are a part of the Surface Water or Stormwater Management System for access to operate and maintain or repair the system, including but not limited to, work within the retention areas, drainage structures, and drainage easements. The Club Property and each Lakefront Lot is subject to an easement to the Association from the top of the lake embankment to the rear lot lines (including any submerged portions of the Lot or the Club Property) for the installation, use, maintenance, repair and replacement of stormwater filtration and retention systems and related facilities including bulkheads. The Association shall also have perpetual easements across each Lakefront Lot and the Club Property for ingress and egress to such lake for the purposes of exercising any right or performing any obligation provided in this Declaration, on a Plat, or by Law, subject to the provisions of paragraph 5.6 hereof.

## 2.7 Club Property Easements and Other Matters.

(a) Developer hereby grants to the Club Owner, its designees, successors and assigns, and its members, guests and invitees, as an appurtenance to the Club Property

easements over the Property for the purpose of doing any and every act or thing necessary or customarily done in connection with the playing of the game of golf on the Club Property and maintaining the Club Property. These easements include, without limitation: (i) easements for the unintentional hitting of golf balls over and on the Property and the recovery of golf balls from the Property in accordance with and subject to the terms and provisions of the Reciprocal Easement Agreement; (ii) easements for the location, use and maintenance of golf cart paths in accordance with and subject to the terms and provisions of the Reciprocal Easement Agreement; and (iii) the use of necessary and usual equipment upon the Club Property, and the noise level associated therewith, together with all normal and usual activities associated with playing golf and maintaining and operating a golf course and club.

(b) The Owners of Golf Course Lots by acceptance of title to their Lots subject to the terms of this Declaration, shall be deemed to have assumed all risks associated with ownership of property adjacent to a golf course, and the Owner of the Club Property shall not be responsible for and shall have no liability in connection with any damage to property, including any Residential Units, or personal injury or death which may result from or in connection with the playing of golf on the Club Property or the use by any person of the golf easements granted herein.

(c) By acceptance of title to their Lots subject to the terms of this Declaration, all Owners acknowledge and agree that the Club Property is private property and that no Lot Owner has any rights or privileges with reference to the Club Property by virtue of ownership of a Lot. By way of example and not limitation: (i) no Owner or occupant of a Lot has any right to enter upon the Club Property, whether or not during hours of operation, to walk, run, walk their pets or for any other reason, without checking in at the Club Property office; (ii) the Owner of the Club Property may make any modifications or alterations of the Club Property that it deems appropriate, including relocating portions of the golf course or modifying landscaping, without any approval or consent of any Lot Owner or other Person.

(d) Developer also hereby grants to the Club Owner, its successors and assigns, as an appurtenance to the Club Property, an easement to install and maintain a sign or signs identifying and advertising the Club Property as a golf course on that portion of the entrance area to the Property on which Developer has installed a sign identifying the North Hampton PUD.

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

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

occupying such Owner's Lot, subject to the Association's Regulations.

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

### **ARTICLE III**

#### **USE RESTRICTIONS**

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

3.2 Architectural Standards.

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

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

3.3 Minimum Square Footage. Residential Units shall have a minimum square footage of interior heated and air conditioned living area, exclusive of garages, porches and patios based on approximate Lot size, as follows:

<u>Lot Width (Feet)</u>	<u>Minimum Square Footage</u>
55	1,400
65	1,700
80	1,800
90	2,000
100	2,300

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

3.5 Landscaping. In connection with the initial construction of a Residential Unit on a Lot, complete landscaping plans for the Lot shall be prepared and submitted with the Lot site plan and the Residential Unit plans and specifications as part of the architectural approval process. Landscape plans for Lakefront Lots shall include sod to the top of the waterline of the lake. All landscaping plans shall include an automatic underground sprinkler system covering the entire Lot including grassed areas of the lake banks of Lakefront Lots. Irrigation water for Lots shall be supplied by the central water system constructed by Developer as part of the Work, and not by wells located on Lots. Site plans and landscaping plans shall be designed to preserve to the maximum practical extent existing trees. No living trees measuring ten (10) inches or more in diameter at a point two (2) feet above the ground may be removed without the written approval of the Developer unless located within five (5) feet of the approved location of the Residential Unit or within the approved driveway location. Any Person removing trees in violation of this covenant shall pay to the Developer a stipulated liquidated damage sum of \$200.00 per inch of diameter measured two (2) feet above the ground for each tree.

3.6 Permits and Restrictions. Reference is made to the St. Johns River Water Management District ("SJRWMD") Permits No. 40-089-63594-1, No. 4-089-62883-2 and the United States Army Corp of Engineers ("USACE") Permit No. 199904805 (IP-DS) (copies of which are on file in the offices of the Association). The Property has been developed in accordance with requirements of these permits and the Association has the obligation to assure that all terms and conditions thereof are enforced. The Association shall have the right to bring an action, at law or in equity, against a Lot Owner violating such permits.

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

### 3.7 Fences and Walls.

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

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

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

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

### 3.9 Parking Restrictions and Garages.

(a) Parking. No vehicle, boat, mobile home, or trailer may be parked, stored, or repaired, anywhere within the Property except that functional passenger automobiles, vans, motorcycles, and non-commercial trucks of one ton capacity or less (collectively "Permitted Vehicles") may be parked in the garage or driveway of the Residential Unit, or in any approved parking areas on the Lot. Boats, trailers, motor homes, recreational

vehicles and other vehicles that are not Permitted Vehicles may be regularly parked only in the garage of a Residential Unit. No parking places may be constructed on any Lot, except as constructed in accordance with plans and specifications approved by Developer. Commercial vehicles or any Permitted Vehicles with advertising thereon shall not be parked within public view on a regular basis. Streets within the Property shall not be regularly used for parking. The Association may enforce the foregoing restrictions in any lawful manner, including the imposition of reasonable, uniform fines for willful or repeated violations. Nothing in this paragraph prohibits the emergency repair or servicing of Permitted Vehicles, so long as such repair or servicing is completed within 48 hours, or the occasional parking of vehicles by delivery personnel or guests of Owners in a manner not complying with this paragraph.

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

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

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

### 3.11 Occupancy and Leasing Restrictions.

(a) Occupancy. Each of the Residential Units shall be occupied only by the Owner or lessee of a Residential Unit, members of their family, their servants and nonpaying social guests. Entire Residential Units may be rented provided the occupancy is only by the lessee and the members of their family, servants and nonpaying social guests.

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

(c) Compliance. All tenants shall be subject to the terms and conditions of the Legal Documents and the rules and regulations promulgated thereunder as though such tenant were an Owner. Each Owner agrees to cause his lessee, and the occupants, or persons living with Owner or with his lessee to comply with the Legal Documents and the rules and regulations promulgated thereunder. Each Owner is responsible and liable for all violations and losses caused by such tenants or occupants, notwithstanding the fact that the occupants of the Residential Unit are also fully liable for any violation of the documents and regulations. In the event that a lessee or occupant violates a provision of the Legal Documents, the Board shall have the power to bring legal proceedings against the lessee to recover sums due for damages or injunctive relief, or for any other remedy available at law or equity. The Owner will be jointly and severally liable with the tenant to the Association for any amount (as determined in the sole discretion of the Association) which is required by the Association to repair any damage to any portion of the property or to pay any claim for personal injury, death or damage to property caused by the act or omission of the tenant. Special assessments may be levied against the Lot for such amounts.

3.12 Animals. No animals, livestock, or poultry shall be raised, bred, or kept anywhere within the Property, except that common household pets may be kept by the occupants of each Residential Unit, provided such pets are not kept, bred or maintained for any commercial purpose and provided further that such pets are neither dangerous nor a nuisance to the residents of the Property. "Common household pets" means dogs, cats, domestic birds, and fish. Dogs must be kept on a leash or within enclosed areas at all times. The Association may establish a maximum number of pets that may be kept on a Lot.

3.13 Storage of Fuel Tanks. Garbage and Trash Receptacles. All above ground tanks, cylinders or containers for the storage of liquified petroleum, gas or other fuels, garbage or trash, must be located inside of Residential Units or within side or rear yards and must be screened from view from adjacent Lots and the adjacent streets. Except for regular collection and disposal, no rubbish, trash, garbage, or other waste material or accumulations shall be kept, stored, or permitted anywhere within a Lot, except inside the Residential Unit, or in refuse containers concealed from view.

3.14 Utilities. All potable water and sewage facilities and service to the Property shall be supplied by the central water supply and sewage system installed by Developer as part of The Work. Except for wells installed by Developer or the Club Owner, no well of any kind shall be dug or drilled on the Property, including wells used to provide irrigation for the landscaping located on Lots. No septic tank may be constructed on any Lot, and no wastewater may be discharged on the open ground or into the lakes.

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

3.16 Signs, Mailboxes, Banners and Flags. No sign of any kind shall be displayed to public view within the Property, except customary address signs and a lawn sign of not more than four (4) square feet in size advertising a Lot for sale or rent, which complies with the regulations of the Modifications Committee. All signs permitted by this subsection must be approved by the Developer (as to initial construction of address signs) or the Modifications Committee. The size, design and color of all mailboxes and the supporting structures must be approved by the Developer and must comply with Postal Service regulations. One flag of the United States of America may be displayed on each Lot in accordance with Regulations established by the Modifications Committee. No banners or other flags may be displayed on a Lot, except as permitted by Modifications Committee regulations.

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

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

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

3.20 General Prohibitions and Indemnity. No activity is permitted, nor shall any object or substance be kept, stored, or emitted, within the Property in violation of Law. No noxious, destructive, or offensive activity is permitted within the Property, nor shall anything be done within the Property that may constitute a nuisance to any other Person lawfully occupying any portion of the Property. Each Owner shall defend, indemnify, and hold the Association and other Owners harmless against all loss from damage or waste caused by such Owner, or by any occupant of such Owner's property. Notwithstanding the foregoing, or any other provision of the Declaration to the contrary, an Owner's liability to the Association for unintentional acts or omissions is limited to the available proceeds of any insurance maintained by such Owner or the Association if, at the time of such act or omission, such Owner or the Association has reasonably adequate insurance in force. Collection of such proceeds is at the Association's risk. To the extent from time to time available, the Association's insurance must provide for waiver of subrogation by the Association's insurer against any Owner because of any unintentional act or omission for which such Owner is responsible under this paragraph.

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

## ARTICLE IV

### MEMBERSHIP AND VOTING RIGHTS

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

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

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

(b) Class B. The Class B Member is Developer who is entitled to three votes for each Lot and proposed Lot owned by Developer within the North Hampton PUD. The provisions of Article VI of the Declaration exempting portions of the Property owned by the Developer from the Association's assessments do not affect the calculation of the Class B Member's voting rights under this Article. The Class B membership will cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs first: (i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; (ii) ten (10) years from the recording date of this Declaration; or (iii) the effective date of the written waiver of the Class B voting rights by the Class B Member.

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

4.4 Inspection of Records. All books, records, and papers of the Association will be open to inspection and copying during reasonable business hours by any Owner, the Club Owner (with reference to matters directly affecting the Club Owner) and by Developer, so

long as Developer is a Member of the Association. Such right of inspection may be exercised personally or by one or more representatives. Upon request, the Association also will furnish to any such Person copies (certified, if requested) of any of its books, records, and other papers, although the Association may make a reasonable, uniform charge for such copies and certification. The Declaration, Articles, and By-Laws must be available for inspection by any Owner or the Developer at the Association's principal office, where copies also may be purchased at a charge to cover reproduction costs.

4.5 Extraordinary Action. The Association's Articles of Incorporation provide that certain actions of the Association as described in the Articles require the approval of a supermajority of the Members. In addition, any such action shall require the written approval of the Developer for so long as the Developer is a member of the Association.

4.6 Club Owner. Although the Club Owner is not a Member of the Association, it shall have the right to attend Association meetings, to address the Board of Directors and Members of the Association, and to review and obtain copies of the Association's records relating to its participation in the Surface Water or Stormwater Management System and other matters directly affecting the Club Property or the Club Owner, including without limitation the Association's maintenance and repair of the landscaped and grassed areas of the entry road of the North Hampton PUD.

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

## ARTICLE V

### RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

#### 5.1 The Common Area.

(a) General. Subject to the rights of the Developer and the Owners, as set forth in this Declaration, the Association has exclusive management and control of the Common Areas, and all of its improvements, fixtures, furnishings, equipment, and other related personal property. The Association shall maintain the Common Areas and all landscaping and personal property located on the Common Areas in a safe, clean, attractive, sanitary, and serviceable condition, and in good order and repair. The Association's duties with respect to the Common Areas commence upon substantial completion of each facility, whether or not title has been conveyed to the Association, and include the management, operation, maintenance, repair, replacement, and renewal of all improvements, equipment,

and tangible personal property installed by Developer as part of The Work, and any replacements or additions thereto made in accordance with the provisions of the Legal Documents.

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

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

(a) Lake Maintenance. The Association shall maintain the lakes and ponds that are a part of the Surface Water Management System in accordance with applicable permits and governmental requirements, notwithstanding that a portion of any lake or pond may be located within one or more Lots or the Club Property. Subject to the rights of the Developer, the Club Owner, and Nassau County, Florida, and other governmental authorities, the Association shall be responsible to maintain in good condition the water quality and to control the growth and removal of plants, fungi, waterfowl and animals within the lakes. The provisions of this paragraph do not supersede the provisions of Article VII hereof that require Lakefront Owners to maintain the lake shoreline located adjacent to their property, nor of paragraph 5.2(c)(i) allowing the Club Owner to determine water levels and allocations. The Association shall also maintain those portions of the North Hampton PUD designated by applicable permit as conservation tracts, stormwater management tracts or similar designations, in accordance with all permit requirements, rules, and regulations promulgated by all local, state and federal authorities having jurisdiction.

(b) Surface Water Management. The Association shall operate and maintain the Surface Water Management System in accordance with the permits issued by the Florida Department of Environmental Protection, the SJRWMD, and the USACE and all regulations or conditions applicable thereto, including all lakes, littoral areas, retention areas, drainage easements, "Private Easements" shown on a Plat, control structures, underdrains, culverts and filtration systems. Maintenance of the Surface Water or Stormwater Management System(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 SJRWMD. Any repair or

reconstruction of the Surface Water Management System shall be as permitted, or if modified, as by prior written approval of the SJRWMD. All maintenance obligations of the Surface Water Management System of the Association shall be performed as ordered by the Board of Directors of the Association, and the cost of such maintenance incurred by the Association pursuant to this subparagraph, shall be a common expense of the Association to be collected and paid by the Lot Owners in the manner prescribed by this Declaration, except that the Owner of the Club Property shall reimburse the Association for seventeen and seven tenths percent 17.7% of such costs. Any modification of the Common Areas that would adversely affect the Surface Water or Stormwater Management System must have the prior written approval of the SJRWMD and the Club Owner.

(c) Landscaped and Grassed Areas.

(i) The Association shall maintain, repair and replace all landscaping and grassed areas: (A) within the rights of way of Amelia Concourse and related utility easement areas leading to the North Hampton PUD; (B) within the right of way of or located adjacent to North Hampton Club Way and related utility easement areas, including those portions of the Club Property located adjacent to North Hampton Club Way that are not maintained by the Club Owner as part of the golf course, except those portions of Lots fronting thereon, which the Lot Owner shall maintain; (C) at entranceways to subdivisions within the Property; (D) on or about lift station sites or other utility parcels within the Property; (E) in areas designated on the Plat or the Master Plan as landscaped buffer zones or landscaped areas; (F) which have been designated as Common Maintenance Areas by the Developer, except such portions of the aforesaid areas to be maintained by Lot Owners under the provisions of Article VII hereof. The foregoing shall include all sprinkler systems, pumps and other related improvements installed by Developer in such areas. The Club Owner shall not be responsible for maintenance of, nor shall it be required to share the costs incurred by the Association in performing maintenance, repair or replacement of such landscaped or grassed areas. The Association shall not be responsible for maintenance of, nor shall it be required to share in the cost of maintaining, any landscaped or grassed areas (except as set forth above) or any irrigation equipment located within the Club Property, except as hereinafter set forth regarding pumps and related equipment located within the Club Property.

(ii) Developer and the Club Owner grant to the Association a revocable license to use the water drawn from the lakes within the Property or the Club Property and supplied to Association for the purpose of irrigating the above described landscaped areas, subject to applicable permits and the rights of the Club Owner and the Developer. The Club Owner and Developer shall have the sole right to allocate the usage of the water among themselves, the Association and others, but agree to provide lake water to the Association for irrigation to the extent the water supply is sufficient, as determined by the Club Owner and Developer. Following transfer of control of the Association from the Developer to Lot Owners, the Club Owner shall have the sole right to determine water supply allocation. If pumps or other irrigation equipment or systems are located on or shared with the Club Property, the Club Owner shall periodically provide to the Association a statement with supporting documentation setting forth the total cost of operating and maintaining the pumps and related facilities and equipment required to draw water from the lakes and the Association's share of such costs based on the relative usage. The Association shall reimburse the Club Owner for its share of such total costs within thirty (30) days of each statement,

which reimbursement may be made by the Club Owner by deducting the Association's share of such costs from other monies due to the Association from the Club Owner.

(d) Signage. The Association shall also maintain signage within the Property identifying the North Hampton PUD and the various subdivisions therein.

(e) Street Lights. The Association shall maintain, repair and replace and pay the electric charges for the street lights located within the right of way of Amelia Concourse installed by Developer as part of the Work. The Association shall be responsible to pay electricity charges and maintenance charges to the electric utility company for the street lights located within the Property.

(f) Recreational Vehicle, Boat and Other Storage Areas. Areas designated by the Developer or the Association for the storage of recreational vehicles, boats or other items shall be Common Maintenance Areas to be maintained by the Association as a common expense.

### 5.3 Services.

(a) General. The Association may obtain and pay for the services of any Person (including the Developer and the Club Owner) to manage its affairs to the extent it deems advisable and may contract for such other personnel as the Association determines are necessary, convenient, or desirable for the proper operation of the Common Areas or the performance of the Association's responsibilities hereunder, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts. The Association may obtain and pay for legal and accounting services necessary, convenient, or desirable in connection with the operation of the Property or the enforcement of the Legal Documents or the Association's Regulations.

(b) Connected Community. The Association is authorized and empowered to enter into agreements or to assume agreements with the providers of intranet, Internet, television and radio telecommunications, and/or security services for the Lots and the Common Areas within the Property. The Association is also authorized and empowered to lease or otherwise allow the occupancy of portions of the Common Areas by such service providers for the installation of equipment and operation of such services with or without the payment of consideration. The cost of such services is deemed to be a common expense and shall be included in the Association's annual budgets and the annual maintenance assessments against each Lot. Without limiting the generality of the foregoing, the Association shall perform the duties and obligations and shall have the rights and privileges of the "owner" under that Agreement dated January 23, 2001 with BrightStar Digital Group, Inc. regarding the provision of television programming, intranet connectivity and Internet services to each of the Lots and the Common Areas. Each Owner by acceptance of the deed to his Lot, subject to the terms of the Declaration, shall be deemed to have acknowledged the benefits to his Lot derived from the aforesaid agreement and to pay all charges thereunder applicable to his Lot. Provided however, the Association shall not be responsible or liable for the performance or non-performance of such service providers, but shall use reasonably diligent efforts to enforce adequate performance under such agreement for the benefit of the Owners.

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

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

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

5.7 Restriction on Capital Improvements. All capital improvements to the Common Areas, except for replacement or repair of those items installed by Developer as part of The Work, and except for personal property related to the Common Areas, must be approved by the Developer so long as there is a Class B membership and two-thirds (2/3) of the Lot Owners present in person or by proxy and voting at a meeting duly convened for such purpose.

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

## ARTICLE VI

### COVENANTS FOR ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation for the Assessments. Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association any annual or supplemental assessments or charges and any special assessments established and levied pursuant to the terms of this Declaration. Assessments shall be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon from due date at the highest lawful rate and costs of collection thereof, including reasonable attorneys' fees shall be the personal obligation of the Owner of the Lot at the time the assessment was made. In addition, the assessments against Lots shall be secured by a lien in favor of the Association as set forth herein. No Owner of a Lot may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or common services, or abandonment of his Lot.

6.2 Annual Maintenance Assessments.

(a) General.

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

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

(iii) The Association shall prepare a minimum of two (2) annual budgets pertaining to the performance of its obligations under this Declaration. One budget (the "Special Budget") shall relate only to the Association's responsibilities under paragraph 5.2(b) hereof pertaining to operation, maintenance and repair of the Surface Water Management System. A second budget (the "General Budget") shall relate to all other activities and obligations of the Association, including without limitation maintenance and repair of the Common Areas and the provisions of subparagraph 5.3(b) hereof. Reimbursements due from the Club Owner shall be derived solely from the Special Budget and shall be calculated by applying the percentages set forth in paragraph 5.2(b) hereof. Assessments payable by Lot Owners shall be derived from the General Budget, which shall include that portion of the Special Budget not applicable to the Club Property. The only obligations of the Club Owner are the foregoing reimbursement obligations, and the Club Property is not subject to assessments under this Article.

(b) Amount.

(i) Until January 1 of the year immediately following the recording date of this Declaration, the maximum annual maintenance assessment shall be Nine Hundred Fifty Dollars (\$950.00) for each RU Assessment. The Board of Directors may fix the RU Assessment at an amount not in excess of the maximum.

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

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

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

6.3 Special Assessments. The Association may levy special assessments payable in one or more installments applicable to that year only for the purpose of defraying, in whole or in part, any expense that is not reasonably expected to be incurred on a regular basis,

including the cost of any purchase of additional real property for the use and benefit of Owners, or construction, reconstruction, renewal, repair, or replacement of a capital improvement upon the Common Areas; provided that such assessment is approved by two-thirds (2/3) of those Members present in person or by proxy and voting at a meeting duly convened for such purpose.

6.4 Property Taxes. The Association shall timely pay all ad valorem real estate taxes, special assessments and other taxes, if any, levied on the Common Areas, and shall assess each Lot Owner for his proportionate amount thereof (based on RU Assessments). At the Board's discretion, such assessment may be payable in a lump sum within thirty (30) days after notice or all or any portion thereof may be assessed as a part of the annual maintenance assessment described above. Each year the Board shall determine after receiving notice of the amount of taxes due, whether such assessment shall be levied, and its amount. The Club Property is not subject to assessments under this paragraph.

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

6.6 Uniformity of Assessments. The annual maintenance assessment and any special assessments for the Common Areas against all Lots within the Property must be uniform, except that any Lots owned by Developer shall be exempt from assessments; provided that Developer shall have agreed to fund the deficits, if any, between the aggregate amount assessed Lot Owners other than Developer, and the total expenses of the Association during the applicable period. Developer shall be obligated to fund such deficits only as they are actually incurred by the Association. The Developer may cease to pay any portion of the deficit of the annual operating expenses of the Association under the provisions of this paragraph when Developer is no longer entitled to elect a majority of the Board of Directors of the Association, or at any time following thirty (30) days notice to the Association of Developer's election to cease paying such deficits, whichever first occurs. Following cessation of funding of the deficit, the Developer shall pay an annual maintenance assessment amount attributable to any Lots then owned by Developer at one-half (1/2) the rate assessed against Lots owned by Owners other than Developer. This provision is not and shall not be construed as a guaranty or representation as to the level of assessment imposed under the provisions of this Article. Upon transfer of title of a Developer owned Lot other than for purposes of completing The Work, such lands shall be assessed in the applicable amount established against other Owners, prorated as of, and commencing with, the month following the date of transfer of title.

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

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

6.9 Remedies of the Association.

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

(b) Foreclosure. The Association's lien against Lots may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Owner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees, and any assessments against his property that become due during the period of foreclosure. All such costs and expenses and assessments are secured by the lien foreclosed. The Association has the right to bid at the legal sale to acquire the property foreclosed, or to acquire such property by deed or other proceeding or conveyance in lieu of foreclosure, and thereafter to hold, convey, lease, encumber, and otherwise deal with such property as an owner, but for purposes of resale only.

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

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

## **ARTICLE VII**

### **OBLIGATIONS OF OWNERS**

7.1 Maintenance. Each Owner at his expense, shall maintain in a good order and repair and keep in an attractive condition all portions of his Lot, and the improvements located thereon. Each Owner of a Lot on which improvements have been constructed shall maintain the lawn and other landscaped areas located in the public right-of-way or Common Areas, if any, between his Property line and the paved portion of the street in a neat and attractive condition. Landscape maintenance shall include regular lawn mowing, fertilizing, pest control, irrigation and edging. Owners of Lakefront Lots shall keep the shoreline of the lake free of litter and debris and shall maintain and irrigate the lawn and landscaping to the waterline of the lake.

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

## ARTICLE VIII

### ARCHITECTURAL CONTROL

#### 8.1 Architectural Approval.

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

(b) Assignment to Association. The Developer shall retain the right of architectural approval of Residential Units and related improvements until the first to occur of: i) construction of a new Residential Unit on the last vacant Lot in the Property; or ii) the effective date of an assignment of the architectural approval rights herein reserved from Developer to the Association. Developer may assign, and the Association shall accept, all or some of the architectural approval rights herein reserved.

(c) Modifications Committee. The Developer and the Association (following assignment) shall appoint a standing committee identified as the Modifications Committee, composed of two or more persons who need not be Owners to review and approve or deny all alterations, additions, renovations or reconstruction of improvements previously approved by the Developer. The Modifications Committee does not have the authority to approve matters contrary to the provisions of this Declaration or the Architectural Criteria or to approve matters disapproved by the Developer. Refusal to approve any alterations, additions or other modifications may be based on any grounds, including purely aesthetic ones, which in the sole discretion of the Modifications Committee are deemed sufficient. Any change in the exterior appearance of any building, wall, fence or other structure or improvements, and any change in the appearance of landscaping, shall be deemed an alteration requiring approval; provided, however, that lights, flags and other decorations customary for holidays shall not require approval hereunder (but may be regulated as to quantity, nature, hours of operation, and how long they may remain in place). Since each situation is unique, in approving or

disapproving requests submitted to it hereunder the Modifications Committee may vary its standards among the various portions of the Property to reflect differing characteristics. Accordingly, approval or disapproval of a request pertaining to one Lot shall not serve as precedent for a similar request from an Owner of another Lot where there are relevant characteristics distinguishing one from the other.

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

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

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

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

## ARTICLE IX

### OPERATION AND EXTENSION

#### 9.1 Developer's Additions.

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

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

(c) Additional Declarations. Developer reserves the right, as the Property is developed and offered for sale, to subject portions thereof to additional specific covenants and restrictions which apply only to each portion as defined and described in each such set of additional covenants and restrictions. Such additional covenants may also provide for additional property owners' associations having administrative responsibility and control over certain portions of the Property. All such additional covenants and restrictions shall be

reasonably consistent with the common scheme of development set forth in this Declaration and in the Master Plan.

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

## **ARTICLE X**

### **GENERAL PROVISIONS**

#### 10.1 Enforcement

(a) Legal Proceedings. The Developer, the Association, or any Lot Owner has the right to enforce by any appropriate proceeding all restrictions, covenants, and easements now or hereafter imposed by, or pursuant to, the provisions of the Legal Documents, and the Club Owner shall have the right to enforce its rights and privileges hereunder. If the Association or the Club Owner or the Developer is the prevailing party in any litigation involving the Legal Documents or any of the Association's Regulations, or if any Owner obtains the enforcement of any provision of the Legal Documents against any Owner, other than Developer, the Club Owner or the Association, then such party may recover all costs and expenses, including reasonable attorneys' fees incurred in trial and appellate proceedings from such non-prevailing Owner. In no event may such costs and expenses be recovered against the Association, the Club Owner or Developer, unless otherwise provided by Law. If the Association is the prevailing party against any Owner, such costs and expenses, including reasonable attorneys' fees, may be assessed against the Owner's Lot, as provided in the Article entitled "Covenant for Assessments". If any Owner or class of Owners is a prevailing party against any other Owner or class of Owners, such Owner or Owners may be reimbursed by the Association for all or any part of the costs and expenses incurred, including reasonable attorneys' fees, in the discretion of the Board of Directors.

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

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

dissolution, all responsibility relating to the Stormwater Management System and the permits must be assigned to' and accepted by an entity approved by the USACE and SJRWMD.

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

10.3 Amendment.

(a) Developer. The Developer reserves and shall have the sole right without the joinder or consent of any Owner, the Association, the holder of any mortgage, lien or other encumbrance affecting the Property, or any other Person, except the Club Owner to the extent the amendment affects the rights or obligations of the Club Owner or Club Property hereunder: (i) to amend this Declaration to comply with any requirements of a governmental agency, institutional First Mortgagee, or other person (including the Federal National Mortgage Association, Veterans Administration, or the Federal Housing Authority) willing to make, insure, guaranty, or purchase mortgage loans secured by a Lot; (ii) to amend this Declaration or the other Legal Documents to cure any ambiguity or error or any inconsistency between these provisions and the other Legal Documents, a Plat, the Master Plan, or the PUD Ordinance; or (iii) to comply with the requirements of law or any governmental permit or approval applicable to the Property.

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

(c) Club Owner. No amendment of any provision hereof directly affecting the Club Property or the Club Owner, including paragraph 5.2 hereof, shall be effective without the written joinder of the Club Owner.

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

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

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

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

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

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

(b) Financial Statements. Upon written request to the Secretary of the Association, to receive copies of the annual financial statements for the immediately

preceding fiscal year of the Association, provided, however, the Association may make a reasonable, uniform charge to defray its cost incurred in providing such copies; and

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

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

10.8 Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration shall be interpreted, or enforced to prevent Developer, or its contractors, subcontractors, agents, employees, successors or assigns from doing or performing on all or any part of the Property owned or controlled by Developer whatever it or they determine to be necessary, convenient, or desirable to complete The Work. The foregoing includes the right for Developer and any Person designated by Developer in writing to construct and use signs, construction trailers, or buildings, model units, design centers, and offices for sales and resales of Lots.

10.9 Assignment. Developer may assign to any Person, including Subdivision Developers and persons engaged in the business of constructing improvements on Lots for resale purposes, all or some of the rights, privileges and exemptions granted herein to Developer in connection with the ownership, use, or development of a portion of the Property including by way of example the rights, privileges and exemptions described in paragraph 10.8 hereof. Any such assignment shall be non-exclusive unless otherwise noted, and shall be effective only for so long as such right, privilege or exemption would inure to the benefit of Developer.

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

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

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