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Thomas M. Little, Esquire
Foley & Lardner
100 North Tampa Street, Suite 2700
Tampa, Florida 33602

Pls: Palm Coast Abstract & title

**DECLARATION OF CONDOMINIUM
OF**

THE RESIDENCES II AT WORLD GOLF VILLAGE, A CONDOMINIUM

This DECLARATION OF CONDOMINIUM OF THE RESIDENCES II AT WORLD GOLF VILLAGE, A CONDOMINIUM, made this 21st day of March, 2003, by DMHB HOLDINGS, LLC, a Florida limited liability company (hereinafter referred to as "Developer"), for itself, its successors, grantees and assigns:

WITNESSETH:

WHEREAS, Developer is the owner in fee simple of certain real property, lying and being situated in St. Johns County, Florida, as more particularly set forth in Exhibit A attached hereto, which lands are herein called "the Land", subject to reservations, restrictions and easements of record; and

WHEREAS, the Developer contemplates erecting upon the Land from time to time multi-unit residential buildings, housing up to, but not exceeding, One Hundred Forty-Six (146) residential Condominium Units and related facilities in six (6) phases pursuant to the provisions set forth in Section 718.403, Florida Statutes; and

WHEREAS, the Developer has constructed or in the process of constructing four (4) residential buildings and related facilities on a portion of the Land described as Phase I on Exhibit A and desires to submit Phase I to condominium ownership pursuant to Chapter 718, Florida Statutes, the Condominium Act, as it exists on the date hereof; and

WHEREAS, the Developer from time to time may (but is not obligated to) submit additional portions of land described on Exhibit A-I, together with improvements thereon, to condominium ownership;

THE CONDOMINIUM DRAWINGS, REDUCTIONS OF WHICH ARE ATTACHED HERETO AS EXHIBIT B, ARE RECORDED IN CONDOMINIUM PLAT BOOK 7, PAGE 46, OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA.

NOW, THEREFORE, the Developer makes the following declarations:

1. NAME. The name by which this Condominium is to be identified is THE RESIDENCES II AT WORLD GOLF VILLAGE, A CONDOMINIUM.

2. DEFINITIONS. For all purposes in this Declaration and for all purposes in the Articles of Incorporation and Bylaws of THE RESIDENCES II AT WORLD GOLF VILLAGE CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (the "Association"), the following words shall have the definitions as hereinafter stated, to-wit:

(a) Articles. The Articles of Incorporation of the Association, as same may be amended from time to time.

(b) Assessments. Assessment means a share of the funds required for the payment of Common Expenses, which from time to time are assessed against the Condominium and its Unit Owner.

(c) Association. Association means THE RESIDENCES II AT WORLD GOLF VILLAGE CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, which is responsible for the operation of the Condominium and the Common Facilities (as defined hereafter), its successors and assigns.

(d) Board of Directors or Board. The Board of Directors or other representative body responsible for administration of the Association.

(e) Building. Any building contained within the Condominium Property from time to time as herein provided.

(f) Bylaws. The Bylaws of the Association as may be amended from time to time.

(g) Common Elements. Common Elements mean that portion of the Condominium Property not included in the Condominium Units, and all other property declared as Common Elements in the Condominium Act and this Declaration, specifically, including but not limited to, those items set forth in Paragraph 10 of this Declaration.

(h) Common Facilities or Association Property. Any real property or improvements thereon owned by the Association for the use and benefit of the Unit Owners.

(i) Common Expenses. All expenses and assessments properly incurred by the Association for the Condominium.

(j) Common Surplus. The excess of all receipts of the Association collected on behalf of the Condominium, including, but not limited to, assessments, rents, profits and revenues on account of the Common Elements, over the Common Expenses.

(k) Condominium. The condominium THE RESIDENCES II AT WORLD GOLF VILLAGE, A CONDOMINIUM, which is formed pursuant to this Declaration.

(l) Condominium Form of Ownership. That form of ownership of real property created pursuant to the provisions of Chapter 718, Florida Statutes, the "Condominium Act", and which is composed of Condominium Units that may be owned by one or more persons and, appurtenant to each Condominium Unit, an undivided share in the Common Elements.

(m) Condominium Act. Chapter 718, Florida Statutes, as it exists on the date hereof, which is incorporated herein by reference. All provisions thereof shall apply to this Condominium.

(n) Condominium Parcel. The Condominium Unit, together with the undivided share in the Common Elements appurtenant thereto.

(o) Condominium Unit or Unit. That part of the Condominium Property which is subject to exclusive ownership.

(p) Condominium Property. The lands, leaseholds and personal property that are submitted to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto provided by the Developer intended for use in connection with the Condominium.

(q) Declaration or Declaration of Condominium. The instrument or instruments by which this Condominium is created, as they are from time to time amended.

(r) Developer. Developer means DMHB Holdings, LLC, a Florida limited liability company, its successors or assigns, or any other person who creates the Condominium or offers Condominium Parcels for sale or lease in the ordinary course of business, but does not include an owner or lessee of a Condominium Unit who has acquired his or her Unit for his or her own occupancy.

(s) Institutional Mortgagee. Shall include any bank, federal savings and loan association, a state savings and loan association, an institutional investor, mortgage banker, the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation, federal or state agency, insurance company and/or a real estate investment trust or any other similar type of lender generally recognized as an institutional-type lender holding a mortgage on one or more Condominium Units or all or part of the Condominium Property and the successors and/or assigns of such entities.

(t) Limited Common Elements. Those common elements which are reserved for the use of a Condominium Unit(s), as specified herein, to the exclusion of all others. The Limited Common Elements shall include but not be limited to (i) covered parking spaces for some residential Condominium Units, which parking spaces are depicted in the Survey, Graphic Description and Plot Plan described in Exhibit B, (ii) driveways for some residential Condominium Units, which driveways are depicted in the Survey, Graphic Description and Plot Plan described in Exhibit B, (iii) any air conditioning and heating system exclusively serving that Condominium Unit which is located outside of the Condominium Unit, which shall be Limited Common Elements for the exclusive use of the Condominium Unit that they serve, (iv) the Unit lanai and deck areas depicted in the Survey, Graphic Description and Plot Plan and any improvements constructed thereon, (v) those other areas or facilities designated as Limited

Common Elements on the Survey, Graphic Description and Plot Plan contained in Exhibit B, and (vi) those items described in Paragraph 10 as Limited Common Element. A copy of each such Certificate of Assignment shall be included in the records of the Association. Notwithstanding any provision to the contrary, the Developer reserves the right to assign and re-assign the handicap spaces to such Unit Owners as Developer determines such parking spaces should be assigned to in Developer's sole and absolute discretion.

(u) Management Agreement. The agreement, if any, which provides for management of the Condominium Property and the Common Elements.

(v) Member. An owner of a fee simple estate in any Condominium Parcel who is a member of the Association.

(w) Unit Owner or Owner of a Condominium Unit. The owner of a fee simple estate in a Condominium Parcel.

(x) Units. Each of the Condominium Units is identified and designated as set forth in the Survey, Graphic Description and Plot Plan contained in Exhibit B. Each Condominium Unit consists of (1) the volumes of space enclosed by the unfinished inner surfaces of interior partition walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements as are ordinarily considered to be enclosures of space, (2) all interior dividing walls and partitions (including the space occupied by such interior walls and partitions), excepting load-bearing interior walls and partitions, (3) the decorated inner surfaces of the perimeter and interior walls (including decorated inner surfaces of all interior load-bearing walls), floors and ceilings, consisting of wallpaper, paint, plaster, carpeting, tiles and all other finishing materials affixed or installed as part of the physical structure of the Condominium Unit, (4) regular window panes, patio window panes, sliding glass door panes and other doors bounding the Condominium Unit, (5) all fixtures, mechanical systems and equipment installed for the sole and exclusive use of the Condominium Unit and (6) any party walls located between two Units which are combined to form a single living residence. Notwithstanding any provision to the contrary, pipes, wires, conduits, or other utility lines or installations constituting a part of the overall systems designed for the service of any particular Condominium Unit, or any of the structural members or portions of any kind, including fixtures and appliances and stairways within the Condominium Unit, which are not removable without jeopardizing the soundness, safety or usefulness of the remainder of the Building or another Condominium Unit, shall not be deemed to be part of any Condominium Unit.

(y) The Residences II Development. The Residences II Development means the lands described in Exhibit A and Exhibit A-I of this Declaration, as are now or hereafter made subject to this Declaration, and shall include any improvements, if any, constructed thereon.

3. PROPERTY SUBMITTED TO CONDOMINIUM FORM OF OWNERSHIP. Subject to easements, restrictions and reservations of record, the following property is hereby submitted to the Condominium Form of ownership:

Phase I: The property designated and described in Exhibit A hereto as "Phase I", together with the improvements erected or installed thereon, including, without limitation, four (4) Buildings, each containing six (6) Units ("Buildings IV, VII, XI, and XIV"), comprised of the following Unit Types:

(1) Buildings IV, VII, XI, and XIV shall each contain six (6) Units and be comprised of the following Unit types:

- (A) Two (2) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");
- (B) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and
- (C) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet and a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").

The Graphic Description and Plot Plan of Phase I identifying the Units are located on Exhibit B to this Declaration. The estimated latest date of completion of constructing, finishing and equipping the Condominium Property is April 1, 2003.

The Condominium will also include six (6) driveways for each Building, as shown on Exhibit B of this Declaration. The driveways shall be Limited Common Elements and each Condominium Unit Owner in Phase I shall have the exclusive right to use the driveway labeled with the same Unit number as the Unit acquired by the Unit Owner (as shown on the Graphic Description and Plot Plan attached as Exhibit B), subject to the easement set forth in paragraph 8(h) hereof. Phase I will also include the following commonly used facilities which shall be deemed Common Elements (as defined in Paragraph 10 below):

- (i) Fifteen (15) uncovered parking spaces, as depicted on the Survey, Graphic Description and Plot Plan attached as Exhibit B hereto.

4. PROPERTY WHICH MAY BE SUBMITTED TO CONDOMINIUM FORM OF OWNERSHIP:

The Condominium is a multi-family residential condominium which will be developed as a phase condominium and, accordingly, the Developer, pursuant to the provisions of Section 718.403, Florida Statutes, hereby retains the right at any time prior to seven (7) years after the recording date of this Declaration, to submit to the Condominium Form of Ownership by amendments to this Declaration the additional phases described in this Paragraph 4 and depicted in the Survey, Graphic Description & Plot Plan attached hereto as Exhibit B. The other Phases the Developer may develop, in its sole and absolute discretion, are Phase II, Phase III, Phase IV, Phase V, and Phase VI. Phases II, III, IV, V, and VI, as more fully discussed below, will consist, if developed, of additional Condominium Units and appurtenant facilities.

A. Phase II. Subject to the Developer's right to increase or decrease the number of Units and Buildings as described below, Phase II, if added to the Condominium, will consist of the property legally described as Phase II on Exhibit A-I attached hereto and the improvements located thereon, including two Buildings ("Building VI", and "Building VIII"), containing twelve (12) Units, more particularly described as follows:

- (1) Building VI shall contain six (6) Units and be comprised of the following Unit types:
 - (A) Two (2) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");
 - (B) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and
 - (C) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet and a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").
- (2) Building VIII shall contain six (6) Units and be comprised of the following Unit types:

- (A) Two (2) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");
- (B) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and
- (C) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet and a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").

The Developer may, however, (i) increase or decrease the number of Units and Buildings in Phase II provided that Phase II will include no less than eleven (11) nor more than thirteen (13) Units and (ii) modify the floor plans of the Units as provided herein.

If the Developer elects, in its sole and absolute discretion, to construct Phase II and add it to the Condominium, the Common Elements in Phase II will include thirteen (13) uncovered parking spaces and the Condominium shall also contain a driveway for each Unit in Phase II, as shown on Exhibit B of the Declaration. The driveways are Limited Common Elements and each Unit Owner shall have the exclusive right to use the driveway labeled with the same Unit number as the Unit acquired by the Unit Owner (as shown on the Graphic Description and Plot Plan attached as Exhibit B), subject to the easement set forth in paragraph 8(h) of the Declaration.

B. Phase III. Subject to the Developer's right to increase or decrease the number of Units and Buildings as described below, Phase III, if added to the Condominium, will consist of the property legally described as Phase III on Exhibit A-I attached hereto and the improvements located thereon, including two (2) Buildings ("Building IX" and "Building X"), containing thirty (30) Units, more particularly described as follows: (B)

- (1) Building IX shall contain seventeen (17) Units and be comprised of the following Unit types:

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- (A) Three (3) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");
 - (B) Four (4) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1");
 - (C) Seven (7) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2"); and
 - (D) Three (3) four (4) bedroom/four (4) bath Units of approximately 2,933 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 225 square feet, and a Limited Common Element deck of approximately 483 square feet ("Unit Type C").
- (2) Building X shall contain thirteen (13) Units and be comprised of the following Unit types:
- (A) Four (4) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");
 - (B) Three (3) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and
 - (C) Six (6) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").

The Developer may, however, (i) increase or decrease the number of Units and Buildings in Phase III provided that Phase III will include no less than twenty-seven (27) nor more than thirty-two (32) Units and (ii) modify the floor plans of the Units as provided herein.

If the Developer elects, in its sole and absolute discretion, to construct Phase III and add it to the Condominium, there shall be thirty-four (34) uncovered parking spaces and thirty (30) covered parking spaces constructed as part of Phase III, as shown on Exhibit B of the Declaration, and submitted to Condominium ownership as part of Phase III of the Condominium. The uncovered parking spaces will be Common Elements and the covered parking spaces will be Limited Common Elements. If the Developer constructs Phase III to contain thirty (30) Units, each Condominium Unit Owner in Phase III shall be assigned one (1) covered parking space. At the time of conveyance of the Units in Phase III, the Developer will assign to each Phase III Unit Owner the exclusive right to use one (1) covered parking space. If the Developer elects to decrease or increase the number of Units built in connection with Phase III, then the Developer will construct and assign a covered parking space to each Unit Owner in Phase III. Such assignment shall be in writing but shall not be recorded in the public records. Notwithstanding any provision to the contrary, the Developer reserves the right to assign and re-assign the handicap spaces to such Unit Owners as Developer determines such parking spaces should be assigned to in its sole and absolute discretion.

C. Phase IV. Subject to the Developer's right to increase or decrease the number of Units and Buildings as described below, Phase IV, if added to the Condominium, will consist of the property legally described as Phase IV on Exhibit A-I attached hereto and the improvements located thereon, including three Buildings ("Building XIX", "Building XX" and "Building XXI"), containing forty-three (43) Units, more particularly described as follows:

- (1) Building XIX shall contain fifteen (15) Units and be comprised of the following Unit types:
 - (A) Four (4) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");
 - (B) Three (3) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1");

(C) Five (5) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2"); and

(D) Three (3) four (4) bedroom/four (4) bath Units of approximately 2,933 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 225 square feet, and a Limited Common Element deck of approximately 483 square feet ("Unit Type C").

(2) Building XX shall contain fifteen (15) Units and be comprised of the following Unit types:

(A) Six (6) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");

(B) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1");

(C) Four (4) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2"); and

(D) Three (3) four (4) bedroom/four (4) bath Units of approximately 2,933 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 225 square feet, and a Limited Common Element deck of approximately 483 square feet ("Unit Type C").

(3) Building XXI shall contain thirteen (13) Units and be comprised of the following Unit types:

(A) Four (4) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common

Element deck of approximately 100 square feet ("Unit Type A");

(B) Three (3) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and

(C) Six (6) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").

The Developer may, however, (i) increase or decrease the number of Units and Buildings in Phase IV provided that Phase IV will include no less than thirty-nine (39) nor more than forty-six (46) Units and (ii) modify the floor plans of the Units as provided herein.

If the Developer elects, in its sole and absolute discretion, to construct Phase IV and add it to the Condominium, there shall be forty-six (46) uncovered parking spaces and forty-three (43) covered parking spaces constructed as part of Phase IV, as shown on Exhibit B of the Declaration, and submitted to Condominium ownership as part of Phase IV of the Condominium. The uncovered parking spaces will be Common Elements and the covered parking spaces will be Limited Common Elements. If the Developer constructs Phase IV to contain forty-three (43) Units, each Condominium Unit in Phase IV shall be assigned one (1) covered parking space. At the time of conveyance of the Units in Phase IV, the Developer will assign to each Phase IV Unit the exclusive right to use one (i) covered parking space. If the Developer elects to decrease or increase the number of Units built in connection with Phase IV, then the Developer will construct and assign a covered parking space to each Unit Owner in Phase IV. Such assignment shall be in writing but shall not be recorded in the public records. Notwithstanding any provision to the contrary, the Developer reserves the right to assign and re-assign the handicap spaces to such Unit Owners as Developer determines such parking spaces should be assigned to in its sole and absolute discretion. In addition, if the Developer elects, in its sole and absolute discretion to construct Phase IV and add it to the Condominium, the Developer also will construct a swimming pool and deck, which shall be Common Elements.

D. Phase V. Subject to the Developer's right to increase or decrease the number of Units and Buildings as described below, Phase V, if added to the Condominium, will consist of the property legally described as Phase V on Exhibit A-I attached hereto and the improvements

located thereon, including four Buildings ("Building XVI", "Building XVII", "Building XVIII" and "Building XXII"), containing twenty-four (24) Units, more particularly described as follow:

- (1) Building XVI shall contain six (6) Units and be comprised of the following Unit types:

(A) Two (2) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");

(B) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and

(C) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet and a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").

- (2) Building XVII shall contain six (6) Units and be comprised of the following Unit types:

(A) Two (2) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");

(B) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and

- (C) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet and a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").

(3) Building XVIII shall contain six (6) Units and be comprised of the following Unit types:

- (A) Two (2) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");

- (B) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and

- (C) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet and a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").

(4) Building XXII shall contain six (6) Units and be comprised of the following Unit types:

- (A) Two (2) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");

- (B) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet, a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common

Element deck of approximately 135 square feet ("Unit Type B-1"); and

- (C) Two (2) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a garage of approximately 280 square feet and a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2").

The Developer may, however, (i) increase or decrease the number of Units and Buildings in Phase V provided that Phase V will include no less than twenty-two (22) nor more than twenty-six (26) Units and (ii) modify the floor plans of the Units as provided herein.

If the Developer elects, in its sole and absolute discretion, to construct Phase V and add it to the Condominium, the Common Elements in Phase V will include twenty-four (24) uncovered parking spaces and the Condominium shall also contain a driveway for each Unit in Phase V, as shown on Exhibit B of the Declaration. The driveways are Limited Common Elements and each Unit Owner shall have the exclusive right to use the driveway labeled with the same Unit number as the Unit acquired by the Unit Owner (as shown on the Graphic Description and Plot Plan attached as Exhibit B) subject to the easement set forth in paragraph 8(h) of the Declaration.

E. Phase VI. Subject to the Developer's right to increase or decrease the number of Units and Buildings as described below, Phase VI, if added to the Condominium, will consist of the property legally described as Phase VI on Exhibit A-I attached hereto and the improvements located thereon, including one Building ("Building XV"), containing thirteen (13) Units, more particularly described as follows:

- (1) Building XV shall contain thirteen (13) Units and be comprised of the following Unit types:
 - (A) Four (4) four (4) bedroom/four (4) bath Units of approximately 2,422 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 219 square feet, and a Limited Common Element deck of approximately 100 square feet ("Unit Type A");
 - (B) Three (3) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet, and a Limited Common Element deck of approximately 135 square feet ("Unit Type B-1"); and

- (C) Six (6) three (3) bedroom/three (3) bath Units of approximately 1,921 square feet of living area, with each Unit containing a Limited Common Element screened lanai of approximately 217 square feet ("Unit Type B-2")

The Developer may, however, (i) increase or decrease the number of Units and Buildings in Phase VI provided that Phase VI will include no less than twelve (12) nor more than fourteen (14) Units and (ii) modify the floor plans of the Units as provided herein.

If the Developer elects, in its sole and absolute discretion, to construct Phase VI and add it to the Condominium, there shall be twelve (12) uncovered parking spaces and thirteen (13) covered parking spaces constructed as part of Phase VI, as shown on Exhibit B of this Declaration, and submitted to Condominium ownership as part of Phase VI of the Condominium. The uncovered parking spaces will be Common Elements and the covered parking spaces will be Limited Common Elements. If the Developer constructs Phase VI to contain thirteen (13) Units, each Condominium Unit in Phase VI shall be assigned one (1) covered parking space. At the time of conveyance of the Units in Phase VI, the Developer will assign to each Phase VI Unit the exclusive right to use one (1) covered parking space. If the Developer elects to decrease or increase the number of Units built in connection with Phase VI, then the Developer will construct and assign a covered parking space to each Unit Owner in Phase VI. Such assignment shall be in writing but shall not be recorded in the public records. Notwithstanding any provision to the contrary, the Developer reserves the right to assign and re-assign the handicap spaces to such Unit Owners as Developer determines such parking spaces should be assigned to in its sole and absolute discretion.

The contemplated Graphic Description and Plot Plan showing the approximate locations of the proposed Buildings and improvements, which may be submitted to this Condominium in Phases II, III, IV, V, and VI, is set forth in Exhibit B to the Declaration. The overall exterior appearance of the proposed Buildings may substantially differ from Buildings IV, VII, XI and XIV. In addition, the Developer has retained the right to modify the Plot Plan as to configuration, size and dimensions of the Buildings and Units provided that no Unit shall be less than 1000 square feet of air conditioned living area nor more than 4,500 square feet of air conditioned living area. Moreover, the Developer retains the right to modify the floor plans of the Units by increasing or decreasing the number of bedrooms and/or bathrooms in any Unit, provided that no Unit shall contain more than five (5) bedrooms and/or five (5) bathrooms nor less than one (1) bedroom and/or one (1) bathroom and/or by modifying the location, arrangement, size and/or number of any interior rooms. Accordingly, Buildings and Units which are added to the Condominium may be substantially different from the other Buildings and Units in the Condominium. The Developer also reserves the right to make nonmaterial changes in the legal description of each Phase.

The Developer reserves the right in its sole and absolute discretion to add recreational and other commonly used facilities without the consent of the Unit Owners or the Association, but is not obligated to add same. If facilities are added by the Developer, the Common Expenses of the Association and the Unit Owner's maintenance expenses may increase. Such recreational and other commonly used facilities that may be added or increased shall be whatever facilities Developer, in its sole discretion, deems necessary or desirable in connection with developing The Residences II at World Golf Village, a Condominium.

F. Developer Reservation. Developer, its successors or assigns, shall have the right to develop all or any part of the property described in Exhibit A-1 of this Declaration, not added as a Phase in any manner it deems appropriate, including as separate and distinct condominiums or residential subdivisions; provided said development is consistent with zoning regulations. Developer may, but shall not be obligated, to develop the lands described in Exhibit A-1, as one or more additional sections of the Condominium. Developer reserves the right in its exclusive discretion to control the mixture and location of buildings and other improvements in future sections of the Condominium. Developer, at its option, may provide for a separate condominium or homeowners association to operate any one or more of the separate condominiums or subdivisions. The Association, any other condominium or homeowners association created, and the Unit Owners in each phase and/or residential subdivision shall have a perpetual non-exclusive easement for utilities, drainage, and ingress and egress over, under, and through those portions of the common elements and common areas not occupied by the building(s) of each of the other separate condominiums or subdivisions, and such easement shall survive the termination of any other phases and/or sections. Phases need not be added in any particular order. Developer reserves the right in its exclusive discretion to control the mixture and location of the buildings and other improvements in any future section of The Residences II Development until the Declaration of Condominium and condominium plat of such section or the subdivision plat for the subdivision, as the case may be, is recorded in the Public Records of St. Johns County, Florida, notwithstanding any prior master plan, artist's renderings in sales literature or brochures, or other representations.

G. Recreational and Other Commonly Used Facilities. There are no recreational or other commonly used facilities for the Condominium except for the uncovered parking spaces indicated on the Survey, Graphic Description, and Plot Plan contained herein as Exhibit B and located on the lands legally described in Exhibit A attached hereto.

The Developer reserves the right to add additional recreational and other commonly used facilities to the Condominium without the consent of the Unit Owners or the Association, but is not obligated to add same. If facilities are added by the Developer to the Condominium, the Common Expenses of the Association and the Unit Owner's maintenance expense may increase. Such recreational and other common facilities that may be added shall be whatever facilities Developer, in its sole discretion, deems necessary or desirable in connection with developing the Condominium.

The Unit Owners shall have an obligation to contribute to the payment of expenses for maintenance, repair, replacement and insurance for such recreational and other commonly used facilities constructed as a part of the Condominium, based on each Unit Owner's undivided percentage share in the Common Expenses as set forth in Paragraph 11 of this Declaration. Each

Unit Owner's undivided percentage share in the Common Expenses is computed based upon the ratio of one over the total number of all Units in the Condominium. The Unit Owners in the Buildings where the Limited Common Element elevators are located shall equally share the Limited Common Expenses attributable to the Limited Common Element elevators. There is a lien right against each Unit to secure the payment of assessments coming due for the use, maintenance, upkeep or repair of the recreational or commonly-used facilities. The Unit Owner's failure to make these payments may result in foreclosure of the lien.

5. AMENDMENT OF DECLARATION ADDING PHASES:

A. Notwithstanding anything to the contrary herein, the Developer expressly reserves the right to amend this Declaration so as to submit to condominium form of ownership the additional Phases set forth in paragraph 4 herein, together with improvements thereon, as part and parcel of this Condominium without the consent thereto by the Association, Unit Owners other than the Developer, lienors or mortgagees of Units. The Developer may amend this Declaration as afordescribed by recording an amendment (or amendments) of this Declaration in the Public Records of St. Johns County, Florida, which amendment (or amendments) shall describe and submit the land being submitted to condominium ownership, and which amendment (or amendments) shall have attached thereto such certificates, surveys, plans and sketches as are required by the Condominium Act. Such amendments need be executed and acknowledged only by Developer and need not be approved by the Association, Unit Owners, or lienors or mortgagees of Units of the Condominium, whether or not elsewhere required for amendments.

B. Developer presently contemplates submitting the five (5) Phases described in Paragraph 4 hereof to the Condominium form of ownership as part of this Condominium, and all the Phases added as part of this Condominium must be added within seven (7) years after the date on which this Declaration of Condominium is recorded in the Public Records of St. Johns County, Florida. In the event any of the Phases are not so developed by said date, the Phase not developed will not become part of the Condominium and will not share in the Common Elements, Common Surplus and Common Expenses of this Condominium, and Developer or its successors shall have the right to develop said property in any manner it deems appropriate consistent with zoning regulations. Developer may, but shall have no obligation to, develop the lands described in Exhibit A-I as additional phases of the Condominium or as separate condominiums and to submit them to separate and distinct condominium ownership similar to this Condominium.

C. In the event Developer develops all of the lands described in Exhibit A-I as additional separate condominiums or subdivisions of The Residences II Development, the total number of condominium units in all sections of The Residences II Development and/or residential dwelling units in all subdivisions of The Residences II Development may total, but will not exceed 146. It is contemplated that the Association will be the condominium association responsible for the operation and management of all condominiums, if developed as separate condominiums of The Residences II Development; provided, however, Developer, at its option, may provide for a separate condominium association to operate and manage any one or more of the separate condominiums. Unless otherwise provided in the Declaration of Condominium for each separate condominium of The Residences II Development, the owners of a vested present interest in the fee title to any of the condominium units in any section of The Residences II

Development which is operated and managed by the Association shall automatically be members of the Association and shall be entitled to the same voting rights as are extended herein to Unit Owners in Phase I submitted hereby. If the lands are developed as separate condominiums, the operation of such additional condominium(s) by the Association shall not constitute and is not intended to result in a merger of the Common Elements, and each separate condominium section of The Residences II Development if so developed, shall constitute a separate and distinct condominium or subdivision from all other actions. If the Developer elects in its sole and absolute discretion to build residential subdivisions in a section of The Residences II Development, the Developer may in its sole and absolute discretion create a homeowners association to manage and operate same.

D. Unless limited by the Declaration for a particular subdivision, all Unit Owners, lessees and guests of a condominium or other residential unit on any of the Lands described in Exhibit A-I to this Declaration, shall have and are hereby granted a perpetual, non-exclusive license (subject to termination as provided herein) for the use of any recreational or common facilities constructed in any Phase that becomes a part of this Condominium (provided such recreational or common facilities are Common Elements), subject to the following conditions of use:

- (a) All such users must abide by all non-discriminatory rules and regulations promulgated by the Board of Directors of the Association; and
- (b) The unit owner in any such separate condominium must pay an annual use fee to the Association, established by the Board of Directors of the Association. The use fee shall be reasonably based on a pro rata sharing by all such unit owners and unit owners in The Residences II Development of the expenses of insuring, maintaining, operating, and repairing the recreational and other common facilities. The fee will be established on an annual basis and shall be due and payable in such manner as the Board of Directors of the Association determines. The requirement to pay the annual use fee does not apply to any members of the Association.

If a Unit Owner fails to abide by the rules and regulations promulgated by the Board of Directors of the Association or to pay its annual use fee to the Association, the Unit Owner's license to use said recreational or common facilities shall terminate and the Unit Owner shall be prohibited from using such recreational or common facilities.

E. The addition of each Phase to the Condominium shall cause the Common Elements of the added Phase to merge with the Common Elements of Phase I. If and when subsequent Phases are added, the percentages of ownership of the Common Elements attributable to each Unit shall be determined in the manner set forth in Paragraph 11 herein. All Limited Common Elements of each Phase added shall be only for the exclusive use of the Unit Owners designated to use same by the Developer pursuant to the Amendment to Declaration of Condominium adding said Phase.

6. UNIT IDENTIFICATION. The location of the Condominium Units on the Condominium Property submitted to the Condominium Form of Ownership is set forth as Phase

I on the Survey, Graphic Description and Plot Plan attached hereto and made a part hereof as Exhibit B. Each Condominium Unit is described on said Survey, Graphic Description and Plot Plan in such manner that there can be determined therefrom the identification, location, dimensions and size of each as well as the Common Elements and Limited Common Elements, if any, appurtenant thereto. Each Condominium Unit is identified by a letter and/or number as shown on the Survey, Graphic Description and Plot Plan attached hereto as Exhibit B and made a part hereof, so that no such Condominium Unit bears the same designation as any other such Condominium Unit.

7. CHANGE IN PLANS AND SPECIFICATIONS. The Developer is hereby authorized to make changes in the plans and specifications and construction methods and materials during the construction of improvements on said Property, so long as such changes do not conflict with the Condominium Act.

8. EASEMENTS AND RIGHTS OF ACCESS. Each of the following easements is a covenant running with the land of the Condominium and, notwithstanding any of the other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of the Condominium.

(a) Utility Services. Easements as may be required for utility services in order to adequately serve the Condominium Property or any Condominium Unit, Limited Common Element or Common Element, including, but not limited to, electricity, gas, telephones, security, sewer, water, lighting, irrigation, drainage, television antenna and cable television facilities and any electronic security facilities. However, easements through a Condominium Unit shall be only according to the plans and specifications for the Building containing the Condominium Unit or as the Building is actually constructed, or reconstructed, unless approved in writing by the Owner. A Unit Owner shall do nothing within or outside his or her Condominium Unit that interferes with or impairs the utility services using these easements. The Association shall have a right of access to each Condominium Unit and the improvements constructed thereon when necessary for the maintenance, repair or replacement of any Common Elements (which include Limited Common Elements) or for making emergency repairs which are necessary to prevent damage to the Common Elements (which include Limited Common Elements) or to another Condominium Unit or Condominium Units; provided, however, such right of access shall not be deemed to be an easement and shall not unreasonably interfere with the Unit Owner's permitted use of the Condominium Unit and, except in the event of an emergency, entry into any Condominium Unit shall be made on reasonable notice to the Unit Owner.

(b) Easement of Support. Every portion of a Condominium Unit contributing to the support of a Building or an adjacent Condominium Unit shall be burdened with an easement of support for the benefit of all Condominium Units in the Building.

(c) Use of Common Elements. The Common Elements shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Unit Owners and residents of the Condominium, and their guests and invitees, for all proper and

normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

(d) Encroachments. If any portion of the Common Elements or Limited Common Elements encroaches upon any Condominium Unit; if any Condominium Unit encroaches upon any other Condominium Unit or upon any portion of the Common Elements or Limited Common Elements; or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvement; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the Common Elements or Limited Common Elements made by or with the consent of the Association; or (iv) any repair or restoration of any improvements (or any portion thereof) or any Condominium Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Condominium Unit or the Common Elements or Limited Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand. Such easements shall exist to a distance of not more than three feet as measured from any common boundary between adjacent Condominium Units and between each Condominium Unit and any adjacent Common Element along a line perpendicular to such boundaries at such points. Any such easement for encroachment shall include an easement for the maintenance and use of encroaching improvements in favor of each of the Unit Owners and their respective designees.

(e) Overhanging Troughs and Gutters. There shall be easements for overhanging troughs or gutters, downspouts and the discharge therefrom of rainwater and the subsequent flow thereof over the Condominium Units and the Condominium Property.

(f) Natural Growth. There shall be easements for overhanging natural growth of trees and shrubbery over the Condominium Units, the Limited Common Elements and the Common Elements.

(g) Restrictions, Reservations and Easements of Record. The creation of this Condominium is subject to restrictions, reservations and easements which have been placed of record prior to the formation and filing hereof.

(h) Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, driveways, paths, lanes and walks as the same may from time to time exist upon the Common Elements and the Limited Common Elements, including but not limited to the driveways; and for vehicular traffic and parking over, through, across and upon such portions of the Common Elements as may from time to time be paved and intended for such purposes, same being for the use and benefit of the Association and the Unit Owners and residents of the Condominium and their employees, guests and invitees.

(i) Developer's Ingress and Egress and Utility Purposes. In addition to the foregoing, the Developer for itself, its successors, assigns, agents and employees, including, without limitation, any person residing within the Condominium Property, their guests and invitees, their mortgagees, successors and assigns, expressly reserves an easement for ingress and egress and utility purposes over and across all roads existing from time to time within the Condominium Property, if such property is submitted to the Condominium Form of Ownership.

(j) Grant of Additional Easements, Modifications and Termination. The Association shall have the right to (i) grant and declare additional easements over, upon, under and/or across the Common Elements in favor of the Unit Owners and residents of the Condominium and their guests and invitees, or in favor of any other person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements within or outside of the Condominium in favor of the Association and/or the Unit Owners and residents of the Condominium and their guests and invitees or in favor of any person, entity, public or quasi-public authority, or utility company, as the Association may deem desirable for the proper operation and maintenance of the Condominium, or any portion thereof, or for the health, safety or welfare of the Unit Owners, or for any other reason or purpose. So long as such additional easements, or the modification, relocation or abandonment of existing easements will not unreasonably and adversely interfere with the use of Condominium Units for dwelling purposes, no joinder of any Unit Owner or any mortgagee of any Condominium Unit shall be required or, if same would unreasonably and adversely interfere with the use of any Condominium Unit for dwelling purposes, only the joinder of the Unit Owners and mortgagees of Condominium Units so affected shall be required. To the extent required, all Unit Owners hereby irrevocably appoint the Association as their attorney-in-fact for the foregoing purposes.

(k) Cross Easements. Developer, for itself and for the owners of residences constructed on the lands shown on Exhibit A-I attached, and the association(s) operating such lands shown on Exhibit A-I attached, reserves a perpetual non-exclusive easement for utilities, drainage and ingress and egress, together with the right to maintain and repair same, over, under and across those portions of the Common Elements of this Condominium not occupied by a building. Further, Developer hereby grants to the Association and the Unit Owners a non-exclusive perpetual easement for utilities, drainage, parking and ingress and egress, together with the right to maintain and repair same, over, under and across the portions of the lands described on Exhibit A-I not ultimately occupied by building(s) constructed by Developer or its successors or assigns.

9. DEVELOPER'S UNITS AND PRIVILEGES. The Developer is irrevocably empowered, notwithstanding anything herein to the contrary, to sell, lease or rent Condominium Units to any person approved by it, subject to the terms of Paragraph 22, unless prohibited by law. The Developer shall have the right to transact on the Condominium Property any business necessary to consummate the sale of Condominium Units, including but not limited to the right to maintain models, sales offices and construction trailers, erect signs, place employees in the office, models and sales centers, use the Common Elements and show unsold Condominium Units. In addition to and without limiting the generality of the foregoing, the Developer shall have the right to show the Condominium Units it owns, the Limited Common Elements appurtenant thereto, if any, and the Common Elements to prospective purchasers and tenants, as well as the right to maintain a sales office, and to place and maintain signs and other promotional material on the Condominium Project. The sales office(s), signs and all items pertaining to sales shall not be considered Common Elements and shall remain the property of the Developer. In the event there are unsold Condominium Units, the Developer retains the right to be the Owner thereof, under the same terms and conditions as other Owners, save for this right to sell, rent or lease as contained in this paragraph. The Developer reserves the right to have an independent third party operate within the Common Elements and provide additional services for Unit

Owners and such service will be paid specifically by the Unit Owners on a use basis only. If a Unit Owner does not use the service, the Unit Owner will not be charged any fees.

10. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

(a) The Common Elements, as hereinabove defined, shall include within its meaning, in addition to the terms as listed in Section 718.108, Florida Statutes, the following items:

(1) Easements through Condominium Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to the Condominium Units and to Common Elements;

(2) Easements of support in every portion of a Condominium Unit which contributes to the support of other Condominium Units and/or Common Elements;

(3) Installations for the furnishing of utility services to the Common Elements or to a Condominium Unit other than the Condominium Unit containing the installation;

(4) The property and installations in connection therewith required for the furnishing of services to more than one Condominium Unit or to the Common Elements including, but not limited to, the guest elevator(s), if any, and stairway(s), if any;

(5) Fixtures on property owned or held for the common use, benefit and enjoyment of all Owners of Condominium Units in the Condominium;

(6) Cross-easements for ingress, egress, support, maintenance, repair, replacements and utilities;

(7) Easements for encroachments by the perimeter walls, ceilings and floors surrounding each Condominium Unit caused by the settlement or movement of the Building or by minor inaccuracies in building or rebuilding which may now exist or hereafter exist, and such easements shall continue until such encroachments no longer exist;

(8) Roads installed on the Condominium property by the Developer or any third party with the approval of the Developer that have not been dedicated to the State of Florida or a political subdivision thereof;

(9) Fifteen (15) covered parking spaces;

(10) Each stairwell and breezeway, as depicted on the Survey, Graphic Description and Plot Plan attached as Exhibit B, shall be a Common Element; and

(11) The surface water management system for the land.

(b) The Limited Common Elements, as hereinabove defined, shall include within its meaning, the following items:

(1) Lanai and Deck Areas. The lanai and deck areas of each Unit, as more particularly shown on the Graphic Description and Plot Plan attached hereto as Exhibit B, which use shall be limited to the Owners of the Units to which said lanai and deck areas are attached; and

(2) Driveways. The driveways, as shown on the Graphic Description and Plot Plan attached as Exhibit B to this Declaration shall be a Limited Common Element for the exclusive use of the Unit Owners designated by the Developer to use same.

Notwithstanding any provision to the contrary, amendments to the Common Elements may be made as provided for in Chapter 718.110(5) and 718.110(6), Florida Statutes.

Unit Owners shall not do anything within their Units or on the Common Elements which would adversely affect the safety or soundness of the Common Elements or any portion of the Condominium Property.

11. Percentage of Ownership of Common Expenses and Common Surplus. The undivided share of the Common Expenses and ownership of the Common Elements and Common Surplus attributable to each Condominium Unit shall be computed upon the following basis:

(a) The Developer has not considered the size of the Unit in apportioning the Common Expenses and in determining the ownership of Common Elements and Common Surplus. Each Unit in Phase I has an undivided one-twenty-fourth (1/24th) share in the ownership of the Common Elements and the Common Surplus, and in apportioning the Common Expenses. With respect to Limited Common Expenses for the Limited Common Element elevators, the Unit Owners in the Buildings where the Limited Common Element elevators are located shall equally share the Limited Common Expenses attributable to the Limited Common Element elevators.

(b) If and when the Developer elects to submit additional phases to Condominium ownership, the percentage of the undivided ownership interest in the Common Elements appurtenant to each Unit of the prior phases shall be automatically adjusted and the new percentage of the undivided ownership interest in the Common Elements appurtenant to each Unit Condominium at that time shall be determined by dividing one by the total number of Units which have been submitted to the Condominium ownership. Thus, for example, if and when Phase II is added to the Condominium and assuming that Phase II will have twelve (12) Units, each Unit in Phase I and Phase II will have appurtenant to it a one-thirty-sixth (1/36th) undivided ownership interest in the Common Elements and the Common Surplus. The adjusted fractional undivided ownership interest in the Common Elements attributable to each Unit shall be binding upon the Unit Owners, their grantees, assigns, successors, executors or heirs of each and every Unit previously submitted to Condominium ownership pursuant to the Declaration.

12. COMMON EXPENSES AND COMMON SURPLUS.

(a) Common Expenses of the Condominium Association, as defined hereinabove, shall be shared by all Unit Owners in accordance with an undivided share in the ownership of the Common Elements and the Common Surplus attributable to each Condominium Unit submitted to condominium ownership, as set forth in Paragraph 11 hereinabove. It is understood that this shall include all expenses in connection with any assessments, insurance and all other expenditures for which the Association shall be responsible.

(b) The Common Surplus shall be owned by Unit Owners in accordance with the provisions set forth in Paragraph 11 hereinabove as it relates to the undivided share in the ownership of the Common Elements and Common Surplus attributable to each Condominium Unit submitted to condominium ownership pursuant to this Declaration.

13. GOVERNING BODY. The affairs of the Condominium shall be conducted by a corporation incorporated pursuant to the Florida Statutes governing corporations not for profit. The name of the corporation to conduct the affairs of the Condominium shall be THE RESIDENCES II AT WORLD GOLF VILLAGE CONDOMINIUM ASSOCIATION, INC., the Articles of Incorporation of which are attached hereto as Exhibit C and are made a part hereof as though set out in full herein. The Bylaws of the Association are attached hereto as Exhibit D and are made a part hereof as though set out in full herein.

14. MEMBERSHIP IN THE ASSOCIATION.

(a) The Association shall at all times maintain a register setting forth the names of the Owners of all of the Condominium Units and in the event of the sale or transfer of any Condominium Unit to a third party, the purchaser or transferee shall notify the Association in writing of his or her interest in such Condominium Unit together with such recording information as shall be pertinent to identify the instrument by which purchaser or transferee has acquired his or her interest in the Condominium Unit. Further, the Owner of each Condominium Unit shall at all times notify the Association of the names of the parties holding any mortgage or mortgages on any Condominium Unit, the amount of such mortgage or mortgages and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any Condominium Unit may, if he, she or it so desires, notify the Association of the existence of any mortgage or mortgages held by such party on any Condominium Unit and, upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

(b) The Developer and all persons hereinafter owning an interest in the Condominium Units, whose interest is evidenced by the recordation of a proper instrument in the Public Records of St. Johns County, Florida, shall automatically be members of the Association and such membership shall automatically terminate when such persons have divested themselves of such interest.

(c) An Owner or Owners of a single Condominium Unit shall collectively be entitled to one (1) vote for that Condominium Unit, which vote shall be cast by the voting member. If any Condominium Unit is owned by more than one person, other than a husband and

wife, one of the Owners of such Condominium Unit shall be designated, by a duly sworn certificate signed by all of the record Owners of the Condominium Unit and filed with the Secretary of the Association, as the voting member for that Condominium Unit. Failure by all Owners of a Condominium Unit (except in the case of a husband and wife who are the sole owners of the Condominium Unit) to file such a sworn certificate with the Secretary prior to a members' meeting shall result in depriving such Owners of a vote at such meeting. In the case of a corporation, partnership or joint venture, the officer, director, agent or partner entitled to vote shall be designated by a certificate signed by the appropriate officer, director or partner of such entity and filed with the Secretary of the Association. In the case of a husband and wife who are the sole owners of the Condominium Unit, they need not designate the voting member and either of them appearing at a meeting of the members may, if there is no objection from the other, cast the voting interest for that Condominium Unit. The appearance at any meeting of any co-owner of a Condominium Unit shall constitute that Condominium Unit's presence for the purpose of establishing a quorum, whether or not the co-owner in attendance is authorized to vote. Whenever a particular numerical or percentage vote is called for or provided for in this Declaration, the Articles or Bylaws (unless the particular provision describing the vote required shall specifically require to the contrary), the vote required shall be that percentage or fraction of the total number of voting interests of the Unit Owners present and voting, or if the provision involved so requires, that percentage or fraction of the total number of votes entitled to be voted on the matter. Unless a particular provision shall require otherwise, a majority vote of the number of voting interests of Unit Owners present and voting and entitled to vote on any matter shall be controlling, provided a quorum is present. A person or entity owning an interest in more than one (1) Condominium Unit may be designated as a voting member for each Condominium Unit which he, she or it owns, and may cast one (1) vote for each such Condominium Unit.

(d) There shall be one (1) voting member for each Condominium Unit submitted to condominium ownership pursuant to this Declaration and amendments hereto.

(e) All the affairs, policies, regulations and property of the Association shall be controlled and governed by the Board of Directors of the Association, consisting of not less than three (3) and not more than seven (7) voting members who are to be elected annually in accordance with the Articles and Bylaws; provided, at all times there may only be an odd number of Directors on the Board.

(f) Subsequent to the filing of this Declaration, the Association, when authorized by a vote of two-thirds (2/3) of the total vote of the members of said Association, may purchase and/or acquire and enter into agreements, from time to time, whereby it acquires leaseholds, memberships and other possessory or use interests in lands or facilities, whether or not contiguous to the lands of the Condominium intended to provide for the enjoyment, recreation and other use or benefit of the Unit Owners. The expense of ownership, rental fees, operations, replacements and other undertakings in connection therewith shall be Common Expenses, together with all other expenses and costs herein or by law defined as Common Expenses.

15. AMENDMENT OF DECLARATION.

(a) This Declaration may be amended by affirmative vote of sixty-seven percent (67%) of the Unit Owners at a meeting duly called for such purpose pursuant to the Bylaws; provided, however, that no amendment shall be made which shall in any manner impair the security of an Institutional Mortgagee having a mortgage or other lien against any one or more Condominium Units or Condominium Parcels, or any other record owners of liens thereon. However, if such amendment is only for the purpose of correcting an error or omission in this Declaration or in other documentation required by law to establish the condominium form of ownership, then such amendment shall nevertheless be effective when duly passed by an affirmative vote of fifty-one percent (51%) of the members of the Association present or represented by written proxy in accordance with the Bylaws and recorded among the Public Records of St. Johns County; provided, however, that the property rights of the Unit Owners are not materially and/or adversely affected by such amendment.

(b) If it shall appear through scrivener's error, that a Condominium Unit has not been designated as owning an appropriate undivided share of the Common Elements or does not bear an appropriate share of the Common Expenses or that all the Common Expenses or interest in the Common Surplus or all of the Common Elements in the Condominium have not been distributed in the Declaration, such that the sum total of the shares of Common Elements which have been distributed or the sum total of the shares of the Common Expenses or ownership of Common Surplus fail to equal one hundred percent (100%) (or if it shall appear that, through such error, more than one hundred percent (100%) of Common Elements or Common Expenses or ownership of the Common Surplus shall have been distributed) such error may be corrected by the filing of an amendment to this Declaration approved by the Board or a majority of the Unit Owners. The amendment to the Declaration shall be evidenced by a certificate of the Association which shall include the recording data identifying the Declaration and shall be executed in the form required for the execution of a deed and recorded in the Public Records of St. Johns County, Florida.

(c) The Developer, during the time it is in control of the Board of Directors of the Association may amend this Declaration or the Articles or the Bylaws of the Association to correct an omission or an error, or to effect any other amendment, except that this procedure for amendment cannot be used if such amendment would, in the reasonable opinion of the Developer, materially and adversely affect substantial property rights of Unit Owners unless the affected Unit Owners consent in writing to such amendment. The execution and recording of any amendment by the Developer pursuant to this Paragraph 15 (c) shall be conclusive evidence, however, that the amendment does not materially adversely affect substantial property rights of Unit Owners who did not join in or consent to such execution, and any such amendment shall be effective as provided herein unless subsequently rescinded.

(d) Notwithstanding the foregoing, no amendment shall materially alter or modify the appurtenances to any Condominium Unit, nor change the proportion or percentage by which the Owner of the Condominium Unit shares the Common Expenses and owns the Common Surplus, unless the record Owner(s) thereof and all record owners of mortgages or other liens thereupon and unless all the record owners of all other Units shall join in the execution of the amendment to the Declaration which in any way relates to a change in the

percentage of ownership in the Common Elements or sharing of Common Expenses as it pertains to each Unit Owner and/or Condominium Unit. Moreover, no amendment may be made to this Declaration which would affect the surface water management system, including the water management portions of the Common Elements, without the prior written approval of the St. John's Water Management District.

(e) Notwithstanding any provision of this Declaration to the contrary, mortgagee consent shall not be required for any amendment to this Declaration unless such amendment materially affects the rights and interests of any mortgagee, or is otherwise required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and no mortgagee shall unreasonably withhold its consent to any proposed amendment. Except for amendments to this Declaration changing the configuration or size of any Condominium Unit in any material fashion, materially altering or modifying the appurtenances to any Condominium Unit, or changing the proportion or percentage by which the owner of any Condominium Unit shares the common expenses and owns any common surplus and except for any amendments to this Declaration permitting time-share estates, amendment to this Declaration shall be presumed not to materially affect the rights or interests of mortgagees. In the event that mortgagee consent to any amendment to this Declaration is provided other than by a properly recorded joinder, such consent shall be evidenced by an affidavit of an officer of the Association recorded in the Public Records of St. Johns County, Florida. This Paragraph may not be amended without the consent of the Developer and all of the mortgagees of Condominium Units.

(f) Notwithstanding any provision to the contrary, in the event of conflict between this Paragraph and Paragraph 5, the terms of Paragraph 5 shall control. The Developer has the right to amend the Declaration so as to submit to Condominium form of ownership the additional Phases set forth in Paragraph 4 of the Declaration, together with improvements thereon as part and parcel of this Condominium without the consent thereto by the Association, Unit Owners other than the Developer, lienors or mortgagees of Units.

16. TYPE OF OWNERSHIP. Ownership of each Condominium Parcel, which shall include the Condominium Unit and the undivided share in the Common Elements herein specified, shall be evidenced by Special Warranty Deed from the Developer conveying fee simple title to the Condominium Parcel.

17. ASSESSMENTS, LIABILITY, LIEN, INTEREST, COLLECTION.

(a) The Association, through its Board of Directors, shall have the power to make and collect assessments, special assessments and such other assessments as are provided for by the Condominium Act, this Declaration and/or the Bylaws.

(b) Common Expenses shall include, but not be limited to, costs and expenses incurred or expended by the Association for operation, maintenance and management of the Condominium Property, property taxes and assessments against the Condominium Property (until such time as any of such taxes and assessments are made against the Condominium Parcels individually and thereafter only as to such taxes or assessments, if any, as may be assessed against the Condominium Property as a whole), insurance premiums as described in Paragraph 20, legal and accounting fees, management fees and operating expenses of the Condominium

Property and the Association; maintenance, repairs and replacements (but only as to the Common Elements and Limited Common Elements, except for emergency repairs or replacements to individual Condominium Units deemed necessary to protect the Common Elements [and if properly chargeable to the individual Condominium Unit concerned the Association may nevertheless thereafter charge such individual Unit Owner concerned]), charges for utility and water used in common for the benefit of the Condominium or, if not separately metered for each unit, any bulk metered or bulk calculated utility services rendered to the Condominium Property or the Condominium Units for their benefit including, but not limited to, charges for all gray water used to irrigate the Common Elements, cleaning and janitorial services for the Common Elements and Limited Common Elements, cable television or other common technology services and liability incurred by the Association in and about the enforcement of its rights and duties against the members or others, and the creation of reasonable contingency or reserve requirements for the protection of the members and the Condominium Property (i.e., reserves for replacements, operating reserve to cover deficiencies and unforeseen contingencies), and all other expenses declared by the Board of Directors of the Association to be Common Expenses from time to time, and any and all other sums due from the Association under any lease, contract or undertaking for recreational facilities. Also, the Unit Owners will also deliver to the Association the assessment payments due to The Amenities Association for The Residences, Inc., the Master Association (as defined herein) and the Residential Association (as defined herein), which amounts will be remitted by the Association to the respective association.

(c) The Association shall estimate from time to time the amount of Common Expenses it expects to incur and the period of time involved therein and shall assess sufficient monies from Unit Owners to meet this estimate. Assessments for Common Expenses shall be borne by Unit Owners in the portions or shares set forth in Paragraphs 11 and 12 hereinabove. Assessments shall be payable monthly or in such other installments and at such other times as may be fixed by the Board of Directors.

(d) Should the Association through its Board of Directors at any time determine that the assessments made are not sufficient to pay the Common Expenses, or in the event of emergencies, the Board of Directors shall have the authority to levy and collect additional assessments to meet such needs of the Association.

(e) All notices of assessments from the Association to the Unit Owners shall designate when they are due and payable.

(f) The Association has a lien on each Condominium Unit for any unpaid assessments, regular or special, made hereunder and costs incurred in collecting same, including reasonable attorney's fees and interest (as described in Paragraph 17 (g) below), which are incident to the collection of the assessment with respect to said Condominium Unit or enforcement of the lien. The lien is effective from and shall relate back to the last to occur of the recording of this Declaration of Condominium or an amendment hereto creating the Unit. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien. The lien shall be recorded in the Public Records of St. Johns County and provide for the description of the Condominium Unit, the name of the record owner, the name and address of the Association, the amount due and the due dates.

(g) In addition to the lien rights set forth above, the Association shall be entitled to collect interest at a rate determined by the Association, which rate shall not exceed the highest rate allowed by law, from the due date until the date of payment of any assessment, regular or special, made hereunder, which is not paid within ten (10) days of the due date of any such assessment.

(h) A Unit Owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments which come due while he or she is the Unit Owner. Additionally, a Unit Owner is jointly and severally liable with the previous Owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the Owner may have to recover from the previous Owner the amounts paid by the Owner. The liability of a first mortgagee or its successors or assignees who acquire title to a Unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due prior to the mortgagee's acquisition of title is limited to the lesser of:

(1) The Unit's unpaid common expenses and regular periodic assessments which accrued or came due during the six (6) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

(2) One percent (1%) of the original mortgage debt.

The provisions of this paragraph shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discovered by the Mortgagee.

The person acquiring title shall pay the amount owed to the Association within thirty (30) days after transfer of title. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the Parcel and proceed in the same manner as provided in this section for the collection of unpaid assessments.

(i) The Association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien.

(j) The Developer shall not be liable for the payment of assessments on Condominium Units that it owns during the period that the Developer has guaranteed the assessment, since the Developer guarantees to each Unit Owner that assessment of Common Expenses of the Condominium imposed upon each Unit Owner (other than the Developer) will not exceed Four Hundred Twenty-Five and 79/100 Dollars (\$425.79) per month for the period beginning upon the recording of this Declaration through the remainder of first fiscal year; Four Hundred Eighty-Nine and 65/100 Dollars (\$489.65) per month for the period of the second fiscal year; and Five Hundred Sixty-Three and 09/100 Dollars (\$563.09) per month for the period from the first day of the third fiscal year through the end of the guarantee period. The guarantee period commences with the recording of this Declaration and continues until the expiration of twenty four (24) months from the date of recording of this Declaration or the turnover of control of the

Association, whichever occurs earlier ("Initial Termination Date"). The Association's fiscal year shall be from January 1 through December 31, unless the Board determines otherwise. During such period, the Developer will pay to the Association any amount of Common Expenses incurred during that period which exceeds the guaranteed level of assessments against other Unit Owners. After the Initial Termination Date, the Developer will have the option of extending the guarantee for one or more additional stated periods by written notice to the Board, provided the guarantee amount shall remain the same as the last period set forth above.

(k) Although the assessments are not part of the Common Expenses, unless required that the assessment is paid directly to the respective association, each Unit Owner shall pay to the Association all assessments required by The Amenities Association for The Residences, Inc., the Saint Johns Northwest Master Association, Inc., and the Saint Johns Northwest Residential Association, Inc. The Association shall remit to the respective association its assessments paid by the Unit Owners.

18. MAINTENANCE. The responsibility for the maintenance of the Condominium Property as it may apply hereafter, shall be as follows:

(a) By the Association. The Association shall be responsible for the maintenance, repair or replacement of the following:

(1) All Common Elements, including, but not limited to all stairways, walkways, outside lighting and all landscaping on the Common Elements;

(2) All portions of the Condominium Units (except interior wall surfaces) contributing to the support of the Building, which portions shall include, but not be limited to, the outside walls of the Building, load bearing columns, the roofs of the Buildings and the skylights, if any, on the Condominium Property. The expenses incurred by the Association to maintain same shall be Common Expenses;

(3) All Common Elements including but not limited to conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of the Condominium Unit contributing to the support of the Building or within interior boundary walls and all such facilities contained within a Condominium Unit which service part or parts of the Condominium other than the Condominium Unit within which it is contained and all roads located on the Condominium Property that have not been dedicated and accepted by the State of Florida or a political subdivision thereof;

(4) All Limited Common Elements except as described in subparagraph 18(b) of this Declaration;

(5) All incidental damage caused to a Condominium Unit by such work shall be promptly repaired at the expense of the Association; and

(6) All driveways and garage doors, excluding garage door openers.

(b) By the Unit Owner. Each Unit Owner shall operate, maintain, repair and replace, at the Unit Owner's expense:

(1) All portions of the Condominium Unit, if any, except the portions to be maintained, repaired and replaced by the Association. Included within the responsibility of the Unit Owner shall be windows, screens on windows and doors on the exterior of his or her Condominium Unit, and framing for same, terraces, any improvements on said terraces. All such maintenance, repairs and replacements shall be done without disturbing the rights of other Unit Owners;

(2) The air conditioning and heating systems exclusively serving the Unit Owner's Condominium Unit, whether inside or outside of his or her Condominium Unit;

(3) All lanais, patios, decks, balconies, terraces, or lanais and any private fountains; and

(4) Within the Owner's Condominium Unit, all cabinets, electrical fixtures, appliances, security systems, water heaters, carpeting and other floor coverings, sinks, fans, stoves, refrigerators, garage door openers, washers, if any, dryers, if any, disposals, if any, compactors, if any, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, television transmission, sewage and sanitary service to the Condominium Unit, as well as all personal property of the Unit Owner.

All property to be maintained, repaired and/or replaced by a Unit Owner shall be maintained at all times in a first class condition and in good working order, if same affects the exterior appearance of the Condominium, so as to preserve a well-kept appearance throughout the Condominium, and no such maintenance, repair or replacement shall be performed in a manner which changes or alters the exterior appearance of the Condominium from its original appearance or condition without the prior written consent of the Association. All property to be maintained, repaired and/or replaced by a Unit Owner which is inside of the Unit Owner's Condominium Unit and which does not affect the exterior appearance of the Condominium shall be maintained at all times in a condition which does not and will not adversely affect any other Unit Owner, or any portion of the Condominium Property.

No Unit Owner shall operate, maintain, repair or replace any portion of the Common Elements or Common Facilities to be operated, maintained, repaired and/or replaced by the Association, including, but not limited to, the landscaping of the Common Elements, without first obtaining written approval from the Association. Each Unit Owner shall promptly report to the Association any defects or need for repairs, maintenance, or replacements, the responsibility for which is that of the Association.

Notwithstanding anything herein to the contrary, the cost and expense of any maintenance, repair or replacement of the Condominium Property necessitated by the negligence, misuse or neglect of a specific Unit Owner(s) shall be the sole responsibility of said Unit Owner(s).

(c) At the option of the Association:

The Association may, at its own expense:

(1) Use and expend the assessments collected, to maintain, care for and preserve the Condominium Property, except those portions thereof which are expressly required to be maintained, cared for and preserved by the Unit Owners and except that assessments for reserves shall be used for the purposes for which they are reserved unless their use for other purposes is approved in advance by a vote of the majority of the voting interest of the Association at a duly called meeting;

(2) Purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above;

(3) Enter into and upon the Condominium Units when necessary and with as little inconvenience to the Owners as possible in connection with the maintenance, repair or replacement of any Common Elements, including any Limited Common Elements or for making emergency repairs which are necessary to prevent damage to the Common Elements, including any Limited Common Elements or to another Condominium Unit or Condominium Units. Whenever it is necessary to enter any Condominium Unit for the purpose of performing any such maintenance, repair and replacement, the Unit Owner shall permit the Association or persons authorized by it to enter the Condominium Unit for such purposes, provided that such entry may be made only at reasonable times and with reasonable advance notice, except that in the case of an emergency, no advance notice will be required. To facilitate entry in the event of any emergency, the Owner of each Condominium Unit, if required by the Association, shall deposit a key to his or her Condominium Unit with the Board of Directors and provide to the Association the security code to the alarm, if any;

(4) Insure and keep insured said Condominium Property in the manner set forth in the Declaration against loss from fire and/or other casualty, and Unit Owners against public liability and to purchase such other insurance as the Board of Directors may deem advisable;

(5) Collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from the Unit Owners for violation of the Bylaws, the Rules and Regulations, if any, and the terms and conditions of this Declaration;

(6) Employ workmen, janitors and gardeners and purchase supplies and equipment, to enter into contracts in connection with any of the foregoing items or for other services deemed advisable and generally to have the powers of an apartment house manager, including the right to employ or contract with, if deemed advisable, a maintenance service contractor or apartment house manager, who shall maintain, service or manage the Building and the Condominium Property, and to delegate to such contractor or manager such powers as may be necessary in connection with the operation of the Buildings and the Condominium Property; and

(7) Pay any charge, assessment or tax imposed by any improvement district or special taxing district.

19. ENFORCEMENT OF MAINTENANCE. In the event a Unit Owner fails to operate, maintain or repair his or her Condominium Unit, as required in Paragraph 18 above, the

Association or any other Unit Owner shall have the right to petition to the Division of Florida Land Sales, Condominiums and Mobile Homes for mandatory non-binding arbitration, as more specifically set forth in the Arbitration Rules of Procedure promulgated by the Division.

20. INSURANCE. The insurance (other than title insurance) which shall be carried upon the Condominium Property and the property of the Unit Owners shall be governed by the following provisions:

(a) Purchase; named insured; custody and payment of policies. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Common Elements, Limited Common Elements and the respective Condominium Units for the full replacement or insurable value thereof. The named insured shall be the Association individually and as an agent for the Unit Owners covered by the policy without naming them and their mortgagees to the extent of their respective interests. Unit Owners may obtain insurance coverage at their own expense upon their personal property and for their personal liability. All Association policies shall provide that payments for losses made by the insurer shall be paid to the Insurance Trustee (as described in Paragraph 20 (n)) (if appointed). All policies shall provide thirty (30) days' notice of cancellation to the Association. The above insurance provision specifically does not include coverage on personal property coverage for floor coverings, wall coverings and ceiling coverings of each Condominium Unit or for personal liability or living expenses of Unit Owners. Each Unit Owner should obtain insurance coverage at his or her own expense to protect his or her Condominium Unit, furnishings, including floor coverings, wall coverings or ceiling coverings, furniture, personal property, personal liability, and living expenses and all electrical fixtures, appliances, air conditioner, heating equipment, water heater and built-in cabinets located within the Condominium Unit. The insurance coverage acquired by the Association does not protect a Unit Owner against liability, personal injury or damage occurring within his or her Condominium Unit; it does not cover loss or damage to the Unit and its contents resulting from fire, theft, loss, vandalism, wind, water, rain, hurricanes or other casualty, and does not include floor coverings, wall coverings, ceilings coverings, living expenses and all electrical fixtures, appliances, air conditioner, heating equipment, water heater and built-in cabinets located within the Condominium Unit. It shall be the obligation of the individual Unit Owner to purchase and pay for any insurance covering such risks.

(b) Coverage.

(1) Casualty insurance coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Buildings on the Condominium Property.

(2) Public liability coverage in such amounts and with such coverage as shall be required by the Board of Directors of the Association, with cross-liability endorsement to cover liabilities of the Unit Owners as a group.

(3) Workers' compensation coverage to meet legal requirements.

(4) Flood insurance coverage to meet legal requirements.

(5) Fidelity Bonds. The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this section, the term "persons who control or disburse funds to the Association" means those individuals authorized to sign checks, and the president, secretary and the treasurer of the Association. The Association shall bear the cost of bonding.

(6) Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

(c) Premiums. Premiums upon such insurance policies purchased by the Association shall be a Common Expense. If any policy of insurance is canceled, the Association shall give notice to each mortgagee listed in the roster of mortgagees.

(d) Shares of proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Insurance Trustee (if appointed) as agent for the Association, the Unit Owners and their mortgagees. The duty of the Insurance Trustee shall be to receive the insurance proceeds and other funds that are paid to it and hold the same in trust for the purposes stated herein and for the benefit of the Unit Owners and their mortgagees in the following shares:

(1) Unit Owners. An undivided share for each Unit Owner, that share being the same as the undivided share in the Common Elements appurtenant to his or her Condominium Unit.

(2) Mortgagees. In the event a mortgagee endorsement of an insurance policy has been issued to a Condominium Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear. Any Institutional Mortgagee or person holding a mortgage on a Condominium Unit shall be entitled to request and receive a mortgagee endorsement to the hazard insurance carried by the Association if such mortgagee endorsement is reasonably available, and a copy of the policy. No mortgagee shall have any right to participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of proceeds made to the Unit Owner and mortgagee, which distributions shall be made by check payable jointly to the Unit Owner and mortgagee.

(e) Distribution of proceeds. Proceeds of insurance policies received by the Insurance Trustee (if appointed) shall be distributed to or for the benefit of the beneficial owners in the manner hereafter provided.

(f) Association as agent. The Association is irrevocably appointed agent for each Unit Owner and for each holder of a mortgage or other lien upon a Condominium Unit and for each owner of any other interest in the Condominium Property, to adjust all claims arising

under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

(g) Determination whether to reconstruct and repair. Whether or not Condominium Property damaged by casualty shall be reconstructed and repaired shall be determined in the following manner:

(1) Lesser Damage. If two-thirds (2/3) or more of the Condominium Units are tenantable after the casualty (as determined by the Board of Directors of the Association), the damaged Condominium Property shall be reconstructed and repaired.

(2) Major Damage. If less than two thirds (2/3) of the Condominium Units are tenantable after the casualty (as determined by the Board of Directors of the Association), whether the damaged Property will be reconstructed and repaired or the Condominium terminated shall be determined at a meeting of Unit Owners which shall be held within sixty (60) days from the casualty. Notice of such meeting shall be properly given to all such Unit Owners, and a majority of the voting interests shall constitute a quorum for such meeting. If the reconstruction and repair is approved at the meeting by a majority of the Unit Owners present at the meeting, the damaged Condominium Property will be reconstructed and repaired; but if not so approved, the Condominium shall be terminated in the manner provided in this Declaration for termination by agreement, except that no further consent or vote of Unit Owners or mortgagees shall be required for such termination, it being conclusively presumed in such instance that the required number of Unit Owners and mortgagees have consented to such termination.

(3) Binding Decision. The Board of Directors of the Association's decision as to whether or not less than two-thirds (2/3) of the Condominium Units are tenantable after a casualty shall be binding upon all Unit Owners.

(h) Responsibility for reconstruction and repair. The responsibility for reconstruction and repair after casualty shall be the same as for maintenance and repair of the Condominium Property as provided herein.

(i) Plans and Specifications. Any reconstruction and repair must be substantially in accordance with the plans and specifications for the original improvements, or if not, then according to plans and specifications approved by the Board of Directors of the Association and two-thirds (2/3) of the voting interests.

(j) Assessments, determination of sufficiency of funds. If the proceeds of insurance are not sufficient to defray the costs of construction and repair for which the Association is responsible, assessments shall be made by the Association against all Unit Owners in sufficient amounts to provide funds for the payment of those costs previously incurred or to be incurred. The assessments shall be made as for a Common Expense.

(k) Disbursement of Funds. The funds held by the Insurance Trustee (if appointed) after a casualty, which will consist of proceeds of insurance and the sums collected from assessments against Unit Owners on account of the casualty, shall be disbursed in the following manner and order:

(1) Termination of the Condominium. If the Condominium is terminated by failure of the Unit Owners to approve reconstruction and repair after Major Damage, the insurance funds shall be remitted jointly to the Unit Owners and their mortgagees of the damaged Condominium Units to compensate them for the cost of reconstruction and repair. The Unit Owners and their mortgagees of the damaged Condominium Unit shall receive a share equal to the estimated cost of reconstruction and repair of the damage in each Condominium Unit as it bears to the total of these costs in all damaged Condominium Units; provided, however, that no Unit Owner and his or her mortgagee shall be paid an amount in excess of the estimated cost of repair of his or her Condominium Unit. The remaining funds shall be owned by the Unit Owners and their mortgagees as their interests appear, in the undivided shares in which they own the Common Elements prior to the termination, and shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being made payable jointly to them.

(2) Reconstruction and repair of damage. If the damaged property is to be reconstructed and repaired, the funds shall be disbursed in the following manner:

a. If the estimated costs of reconstruction and repair which are the responsibility of the Association do not exceed Ten Thousand Dollars (\$10,000.00), the funds shall be disbursed by the Insurance Trustee (if appointed) upon the order of the Association in payment of these costs.

b. If the estimated costs of reconstruction and repair which are the responsibility of the Association exceed Ten Thousand Dollars (\$10,000.00), the funds shall be disbursed by the Insurance Trustee (if appointed) in payment of these costs in the manner required by the Board of Directors of the Association, which shall supervise the work and approve all disbursements as being due and properly payable.

c. If there is a balance of insurance proceeds after payment of the cost of reconstruction and repair which are the responsibility of the Association, this balance shall be distributed to owners of damaged Condominium Units who have responsibility for reconstruction and repair of their Condominium Units. The distribution shall be in the shares that the estimated cost of reconstruction and repair of this damage in each damaged Condominium Unit bears to the total of these costs in all damaged Condominium Units; provided, however, that no Unit Owner shall be paid an amount in excess of the estimated cost of repair of his or her Condominium Unit. If there is a mortgage upon a Condominium Unit, the distribution shall be paid to the Unit Owner and the mortgagee jointly and they may use the proceeds as they may determine.

(1) Benefit of mortgagees. The provisions in this section are for the benefit of mortgagees of Condominium Units as well as Unit Owners, and may be enforced by any such mortgagee, and shall not be amended without the consent of all Institutional Mortgagees holding first mortgages on Condominium Units. Notwithstanding the foregoing, the Association shall not be responsible for its failure to make a payment jointly to the Unit Owners and the mortgagee if the mortgagee has not previously notified the Association in writing that it has a mortgage on a Condominium Unit.

(m) Policy Copies. A copy of each insurance policy in effect shall be available for inspection by the Unit Owners at reasonable times.

(n) Insurance Trustee. The Board of Directors of the Association shall have the option in its discretion of appointing an Insurance Trustee hereunder. If the Association fails or elects not to appoint such Insurance Trustee, the Association will perform directly all obligations imposed upon such Insurance Trustee by this Declaration. Fees and expenses of any Insurance Trustee are Common Expenses. The Insurance Trustee, if so appointed, shall be a bank or trust company in Florida, with trust powers, with its principal place of business in the State of Florida. The Insurance Trustee shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies, nor the failure to collect any insurance proceeds.

21. CONDEMNATION AND EMINENT DOMAIN.

(a) The taking of any Condominium Property by condemnation or eminent domain proceedings shall be deemed to be a casualty, and the awards for the taking shall be deemed to be proceeds from insurance on account of casualty and shall be deposited with an Insurance Trustee (if appointed). Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with an Insurance Trustee (if appointed), and in the event of a failure to do so, in the discretion of the Association, the Association may bring an action against a defaulting Unit Owner in the amount of his or her award, or the amount of that award shall be set off against the sums hereafter made payable to that Unit Owner.

(b) In the event of any condemnation or eminent domain proceedings, a meeting of the members of the Association shall be called within sixty (60) days after the taking of any Condominium Property by condemnation or eminent domain proceedings is final to determine whether the Condominium will be terminated. Termination of the Condominium shall be effected as provided in Paragraph 26 of this Declaration.

(c) If the Condominium is terminated after condemnation or eminent domain proceedings, the proceeds of the awards and special assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation or eminent domain proceedings, the size of the Condominium will be reduced, the Unit Owners of condemned or taken Condominium Units will receive their pro rata share of the condemnation award applicable to said Condominium Units, and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee (if appointed) after a casualty.

(d) If the taking reduces the size of a Condominium Unit and the remaining portion of the Condominium Unit can be made tenantable, the award for the taking of a portion of the Condominium Unit shall be used for the following purposes in the order stated as the following changes shall be effected in the Condominium:

(1) The Condominium Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be paid by the Owner of the Condominium Unit.

(2) The balance of the award, if any, shall be distributed to the Owner of the Condominium Unit and to each mortgagee of the Condominium Unit, the remittance being made payable jointly to the Unit Owner and his or her mortgagees.

(e) If the taking is of the entire Condominium Unit or so reduces the size of a Condominium Unit that it cannot be made tenantable, the award for the taking of the Condominium Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

(1) The award shall be paid jointly to all Unit Owners and the mortgagees of Condominium Units not tenantable and in an amount equal to the market value of the Condominium Unit immediately prior to the taking and with credit being given for payments repairing and replacing the Common Elements.

(2) The remaining portion of the Condominium Unit, if any, shall become part of the Common Elements and shall be placed in condition for use by all of the Unit Owners in the manner approved by the Board; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Elements.

(3) The shares in the Common Elements appurtenant to the Condominium Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements among the reduced number of Unit Owners. This shall be done by restating the shares of continuing Unit Owners in the Common Elements as elsewhere provided in the Declaration.

(4) If the amount of the award for the taking is not sufficient to pay the market value of a condemned or taken Condominium Unit to the Unit Owner and to condition the remaining portion of the Condominium Unit for use as a part of the Common Elements, the additional funds required for those purposes shall be raised by assessments against all of the Unit Owners who will continue as owners of Condominium Units after the changes in the Condominium effected by the taking. The assessments shall be made in proportion to the shares of those Unit Owners in the Common Elements after the changes effected by the taking.

(5) If the market value of a Condominium Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Condominium Unit and the Association within thirty (30) days after notice by either party, the value shall be determined by one MAI appraiser mutually agreed upon by the Unit Owner, mortgagees and the Association, or if the parties are unable to agree as to an appraiser, the value shall be determined as the average of three (3) appraisals by three (3) such appraisers, one (1) of whom shall be selected by the Association, one by the Unit Owner, and one by the appraiser so selected. The cost of such appraisal or appraisals shall be a Common Expense of the Association.

(f) Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Elements. The balance of the awards for the taking of the Common Elements, if any, shall be distributed to the Unit Owners in the share in which they own the Common Elements after adjustment of these shares on account of the condemnation or eminent domain proceedings. If there is a mortgage on a Condominium Unit, the distribution shall be paid jointly to the Owner and the mortgagee(s) of the Condominium Unit.

(g) The changes in Condominium Units, in the Common Elements and in the ownership of the Common Elements that are effected by condemnation shall be evidenced by an amendment of this Declaration of Condominium that need be approved only by the Board of Directors of the Association.

22. MAINTENANCE OF COMMUNITY INTEREST. In order to maintain a community of congenial owners who are financially responsible and thus protect the value of the Units, the transfer of Units by any Unit Owner other than the Developer shall be subject to the following provisions so long as the Condominium exists, which provisions each Unit Owner covenants to observe:

(1) Sale. There are no restrictions on the sale of a Unit.

(2) Lease. No Unit Owner may lease any Unit for a period of less than seven (7) days, nor without prior approval of the Association. The Association shall have the power to disapprove leases and reject the application for approval of a lease where a Unit Owner is not current in the payment of assessments unless the Unit Owner brings the assessment payments current. In the event a Unit Owner leases his or her Unit, the Unit Owner shall comply, to the extent applicable, with the requirements set forth in Chapter 509, Florida Statutes, pertaining to a "public lodging establishment". Moreover, no Condominium Unit shall be used or sold on a "time-share" basis.

23. RESTRAINT UPON SEPARATION AND PARTITION. Any transfer of a Condominium Parcel must include all elements thereof as aforescribed and appurtenances thereto, whether or not specifically described, including but not limited to the Unit Owner's share in the Common Elements and the Limited Common Elements and his or her Association membership. The shares in the Common Elements appurtenant to a Unit are undivided and no action for partition of the Common Elements shall lie. Further, the undivided share in the Common Elements shall not be separated from the Condominium Unit and the share in the Common Elements appurtenant to a Condominium Unit cannot be conveyed or encumbered except together with the Condominium Unit.

24. USE RESTRICTIONS. In addition to other obligations and duties heretofore set out in this Declaration, every Unit Owner or occupant of a Condominium Unit shall abide by the following use restrictions and any rules and regulations adopted by the Association which are not inconsistent with the provisions set forth herein or the Exhibits hereto.

THERE ARE NO RESTRICTIONS ON CHILDREN RESIDING IN THE CONDOMINIUM.

(a) Each Condominium Unit shall be used only for the purpose of a residence in which there shall not be more than two (2) persons per bedroom, excluding visitors and guests.

(b) All automobiles shall be parked only in the parking spaces so designated for that purpose by the Association. Each Unit Owner agrees to notify all guests of the regulations regarding parking, and to require guests to abide by such parking regulations. No parking of commercial trucks of any nature or similar commercial vehicles shall be permitted for a period of more than four hours except temporarily during periods for purposes of actual construction or repair of a structure, or moving in or out and for moving or transferring furniture or for grounds maintenance. No commercial truck, commercial van, or other commercial vehicle, and no recreation vehicle shall be permitted to be parked overnight. Notwithstanding the foregoing, vans equipped for personal passenger use shall be permitted, even if such vans are not kept fully enclosed inside a structure. No boat, boat trailer or other trailer of any kind, camper, mobile home, motor home or disabled vehicle shall be permitted to be parked or stored on the Land. Any such vehicle or any of the properties mentioned in this subparagraph may be removed by the Association at the expense of the Unit Owner owning and/or responsible for the same, for storage or public or private sale, at the election of the Association; and the Unit Owner owning and/or responsible for the same shall have no right of recourse against the Association therefor. No repairing of automobiles, trailers, boats, campers, golf carts, or any other property of a Unit Owner will be permitted on the Land.

(c) No commercial truck, commercial van, or other commercial vehicle, and no boat, boat trailer or other trailer of any kind, camper, mobile home, disabled vehicle, motor home or recreational vehicle shall be used on the Condominium Property as a domicile or residence, either permanent or temporary.

(d) Each Unit Owner shall maintain his or her Condominium Unit in good condition and repair, including all internal surfaces within or surrounding his or her Condominium Unit, and each Unit Owner shall maintain and repair the fixtures therein and shall promptly pay for any utilities which are metered separately to his or her Condominium Unit. Landscaped and grassed areas shall be used only for the purposes intended. No articles belonging to Unit Owners or residents shall be kept in such areas, temporarily or otherwise.

(e) Each Unit Owner shall maintain his or her Condominium Unit in a clean and sanitary manner.

(f) No Owner or resident of a Condominium Unit may make or permit any disturbing noises, as determined by the Board of Directors, in the Building or on the Condominium Property, whether made by himself, his or her family, friends, guests, pets or employees, nor may he do or permit to be done anything by such persons that would interfere with the rights, comforts, or other conveniences of other residents. No person may play or suffer to be played any musical instrument, stereo, phonograph, radio or television set in his or her Condominium Unit or on or about the Condominium Property if the same shall in any manner disturb or annoy the other residents or Owners of the Condominium Property.

(g) Each Unit Owner may identify his or her Condominium Unit by a name plate of a type and size approved by the Association and mounted in a place and manner so approved. All mailboxes shall be approved by the Association prior to installation. No newspaper tubes or driveway reflectors shall be installed.

(h) No signs, advertising, or notices of any kind or type whatsoever, including, but not limited to, "For Rent" or "For Sale" signs, shall be permitted or displayed on any Condominium Unit or Common Element or Limited Common Element; nor shall the same be posted or displayed in such a manner as to be visible from the exterior of any Condominium Unit, without the prior written approval of the Board of Directors, except that the Developer can post such signs until all of the Condominium Units owned by it are sold.

(i) All damage to the Condominium Property caused by the moving and/or carrying of articles therein shall be paid by the Unit Owner or person in charge of such articles. The Association may require the Unit Owner to deposit funds with the Association as security for any damage caused by moving and/or carrying articles therein.

(j) Soliciting is strictly forbidden. Unit Owners should notify the Association if a solicitor appears, and appropriate action will be taken.

(k) No Owner or resident of a Condominium Unit shall permit or suffer anything to be done or kept in his or her Condominium Unit which will increase the insurance rates on his or her Condominium Unit, the Limited Common Elements, if any, or the Common Elements, or which will obstruct the rights or interfere with the right of other owners or residents or annoy them by unreasonable noises or otherwise; nor shall an owner of a Condominium Unit commit or permit any nuisances, immoral or illegal act in a Condominium Unit, the Limited Common Elements, if any, or on the Common Elements.

(l) Each Unit Owner or resident shall conform to and abide by the Bylaws and uniform rules and regulations in regard to the use of the Condominium Unit, Limited Common Elements and Common Elements which may be adopted in writing from time to time by the Board of Directors of the Association, and to see that all persons using the Unit Owner's property by, through, or under him do likewise.

(m) Each Unit Owner or resident shall allow the Association or its authorized agent to enter any Condominium Unit and the improvements thereon during reasonable hours when necessary for the maintenance, repair and/or replacement of any Common Elements which include Limited Common Elements or for making emergency repairs which are necessary to prevent damage to the Common Elements which include the Limited Common Elements or to another Condominium Unit or Condominium Units.

(n) Unit Owners or residents shall make no repairs to any plumbing or electrical wiring within a unit except by a plumber or electrician licensed by law in St. Johns County, Florida.

(o) All garbage trash containers shall be located within designated closed-in areas in such a manner as to be out of view of the street and neighboring and adjacent units.

(p) No outside antennas, antenna poles, antenna masts, electronic devices, antenna towers or citizen band (CB) or amateur band (ham) antennas shall be permitted except as approved by the Board of Directors in writing. No outside satellite receptor dishes or devices or any other type of electronic device now in existence, or that may hereafter come into existence, that is utilized or designed to be utilized for the transmission or reception of electronic or other type of signal shall be allowed without the prior written approval of the Board of Directors. A flagpole for display of the American flag only and any other flag approved in writing by the Board of Directors shall be permitted and its design and location must be first approved in writing by the Board of Directors. An approved flagpole shall not be used as an antenna.

(q) All alterations, modifications and improvements of the Condominium Units shall be made only after prior written approval of the Board of Directors.

(r) Solar collectors shall be permitted only at locations and on structures as are first approved in writing by the Board of Directors.

(s) Any change to the exterior lighting of a Condominium Unit must be approved in writing by the Board of Directors.

(t) No household pets in excess of fifty (50) pounds shall be permitted by Unit Owners on the Condominium Property, except as approved by the Board of Directors in writing, which approval is subject to the Board's sole and absolute discretion. All permitted pets must be contained in the Owner's Condominium Unit and shall not be permitted to roam free. Further, all permitted pets must be leashed at all times when not located in the Condominium Unit and may be walked only in designated areas. No goats, chickens, pigeons or any other obnoxious animals, fowl, reptiles or other exotic pets shall be kept or permitted to be kept. Commercial activities involving pets shall not be allowed. Owners shall promptly remove and dispose of all waste of the permitted pets.

(u) A change in the design, material or location of all exterior mail boxes must first be approved in writing by the Board of Directors.

(v) No ceramic tiles or wood floors which are not supplied by the Developer may be installed in a Condominium Unit unless the Board of Directors has approved the plan for providing adequate noise insulation.

(w) No Unit Owner shall change, modify, or alter the floor covering on the terraces installed by the Developer without the prior written approval of the Board, including, but not limited to, the placement of any soft or water absorbing materials on the terraces.

(x) Personal property of Unit Owners including bicycles, mopeds, and similar items shall be kept in the Condominium Units or storage areas for the Condominium Unit, if any, except when in use.

(y) Unit Owners shall not use the guest parking spaces for their own personal use.

(z) All window coverings shall be lined with a color on the side exposed to the public acceptable to and approved by the Association.

(aa) All garage doors shall remain closed, except for when entering or exiting the garage.

(bb) The use of golf carts in area of the Common Elements, except by the Developer's sales agents, are prohibited.

(cc) Unit Owners may not install any film coating on the windows of their Unit that would change the color of the windows.

The Association has the right to establish additional rules and regulations governing the conduct of all residents and also the use of the Condominium Units, Limited Common Elements and Common Elements, so long as such additional rules and regulations are not inconsistent with the terms and conditions of this Declaration.

25. DEVELOPER'S RIGHTS DURING DEVELOPMENT PERIOD. During such time as the Developer, its successors or assigns is in the process of construction or sale of Condominium Units on the lands described in Exhibit A hereto, the Developer, its successors or assigns expressly reserve the following rights:

(a) The right to prohibit access to any uncompleted Building to any of the residents of the Condominium, while such uncompleted Building is under construction and development. No Unit Owner or his or her guests or invitees shall in any way interfere or hamper the Developer, its employees, contractors, successors or assigns, in connection with such construction. Thereafter, during such time as the Developer, its successors or assigns, owns any Condominium Units within the Buildings and is carrying on any business in connection therewith, including the selling, renting or leasing of such Condominium Units, the Unit Owners, their guests and invitees shall in no way interfere with such activities or prevent access to such Condominium Units by the Developer, its successors or agents.

(b) An easement for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies, center cores and other portions of the Common Elements as may be from time to time necessary and intended for such purpose of going from one portion of the Condominium Property to another, including but not limited to, all recreational facilities and, where necessary, for the proceeding from one portion of the Condominium Property to the other, and for vehicular traffic as may be necessary for the Developer, its guests, assigns and invitees for the purpose of crossing over various portions of the Condominium Property to obtain ingress and egress to the Condominium Property. Provided, however, that nothing contained herein shall be construed to allow any person or entity to enter upon the Condominium Property unless it is upon an area specifically designated for such traffic and necessary for such ingress and egress as described above and under no circumstances shall such traffic be allowed through or over any Condominium Unit not owned by the Developer its successors or assigns, or any Limited Common Element appurtenant thereto.

26. TERMINATION. The Condominium may be terminated in the following manner:

(a) Except as provided in Paragraph 20(g)(2), the termination of the Condominium may be effected by unanimous agreement of all Unit Owners and all mortgagees holding mortgages on said Condominium Units, which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyances of land. The termination shall become effective when such agreement has been recorded in the Public Records of St. Johns County, Florida.

(b) Upon termination of the Condominium, the Condominium Property shall be owned in common by all the Unit Owners in the same undivided shares as each Unit Owner had in the Common Elements pursuant to the provisions of this Declaration. All liens shall be transferred to the undivided share in the Condominium Property attributable to the Condominium Unit originally encumbered by the lien in its same priority.

27. COVENANTS. All provisions of this Declaration shall be construed to be covenants running with the land and with every part thereof and interest therein, and every Unit Owner and claimant of the land or any part thereof or interest therein, and his or her heirs, executors, administrators, personal representatives, successors, assigns and leases shall be bound by all the provisions of this Declaration.

28. INVALIDATION AND OPERATION.

(a) Invalidation of any portion of this Declaration or of any provision contained in a conveyance of a Condominium Unit, whether by judgment or court order or law, shall not affect any of the other provisions, which shall remain in full force and effect.

(b) In the event any court should hereafter determine that any provision as originally drafted herein violates the rule against perpetuities or any other rule of law because of the duration of the period involved, the period specified in the Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law and for such purpose measuring lives shall be those of the incorporator of the Association.

29. INTERPRETATION. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the plural shall include the singular, and the singular shall include the plural. The provisions of this Declaration shall be literally construed to effectuate its purpose of creating a uniform plan for the operation of a condominium in accordance with the laws made and provided for same, to-wit: Chapter 718, Florida Statutes, as of the date hereof.

30. HURRICANE SHUTTERS. Unit Owners may install hurricane or storm shutters only in accordance with the specifications adopted by the Board of Directors, which shall include specifications concerning color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building code. The Board reserves the right (but is not obligated), subject to provisions of Section 718.3026, Florida Statutes, and the approval of a majority of voting interests of the Condominium, to install hurricane shutters and may maintain, repair, or replace such approved hurricane shutters, whether on or within Common Elements, Limited Common Elements, Units, or the Association Property. However, where laminated glass architecturally designed to function as hurricane

protection which complies with the applicable building codes has been installed, the Board may not install hurricane shutters. The Board may operate shutters installed pursuant to this paragraph without permission of the Unit Owners only where such operation is necessary to preserve and protect the Condominium Property and Association Property. The expense of installing and repairing hurricane shutters by the Board shall constitute a Common Expense, although a Unit Owner who has previously installed hurricane shutters or laminated glass architecturally designed to function as hurricane protection which complies with the applicable building code shall receive a credit equal to the pro rata portion of the assessed installation costs assigned to each Unit.

31. CONSENT BY MORTGAGEES. In the event that mortgagee consent is required for any amendment to this Declaration pursuant to Paragraph 15, the approval of fifty-one percent (51%) of the Institutional Mortgagees holding mortgages of record on Condominium Units in the Condominium shall be required.

An addition or amendment shall not be considered material if it is for the purpose of correcting technical or scrivener's errors, or for clarification only. An Institutional Mortgagee who receives a written request from the Association to approve material additions or amendments to the above items who does not deliver or post a negative response to the Association within thirty (30) days shall be deemed to have approved such addition or amendment.

32. NOTICE TO INSTITUTIONAL MORTGAGEES. Upon written request to the Association, Institutional Mortgagees will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the Condominium Project or the Condominium Unit securing its mortgage.

(b) Any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

33. ADDITIONAL RIGHTS OF INSTITUTIONAL MORTGAGEES. Institutional Mortgagees shall have the following rights:

(a) Upon written request of an Institutional Mortgagee to the Association any Institutional Mortgagee is entitled to a copy of the financial statements of the Association for the immediately preceding fiscal year as soon as such financial statements are available.

(b) The Association shall make available for inspection upon the Institutional Mortgagee's request, during normal business hours of the Association, current copies of the Declaration, Bylaws, other rules concerning the Condominium Property, and the books, records and financial statement of the Association.

34. COMBINED UNITS. A Unit Owner may purchase two adjacent Condominium Units and customize and combine said Units to form one living residence; provided, said construction is performed in accordance with all applicable governmental regulations and building codes and said construction does not affect the structural integrity and soundness of any other Unit nor the Building. Moreover, for purposes of ascertaining the undivided share of the Common Expenses, the percentage share of ownership interest in the Common Surplus and Common Elements, voting rights and payment of assessments, the combined Unit shall still be deemed as separate Units, as reflected on the Graphic Description and Plot Plan.

35. THE AMENITIES FOR THE RESIDENCES. The Condominium Property is subject to the terms and conditions of the Declaration of Covenants, Conditions and Restrictions of The Amenities for The Residences, recorded in O.R. Book 1364, beginning on Page 2017, of the Public Records of St. Johns County, Florida, as it may be amended from time to time (the "Amenities Declaration"). The Amenities Declaration provides, among other things, that every member of The Amenities Association for The Residences, Inc. (the "Amenities Association") shall have a right of enjoyment and use in and easement to the common areas as described in the Amenities Declaration ("Amenities Association Common Areas"), which right and easement shall be appurtenant to, and shall pass with the title to, every Unit, subject to the right of the Amenities Association to charge reasonable admission, assessments and other fees for the use and maintenance of the Amenities Association Common Areas, and for other property as more particularly described in the Amenities Declaration. Membership in the Amenities Association is mandatory and automatic with the ownership of real property in The Residences II Development (which would include the ownership of a Condominium Unit in the Condominium). The Amenities Declaration provides that every member of the Amenities Association (which includes the Unit Owners) agrees to pay assessments to the Amenities Association. The assessments are currently determined on a per unit basis, and the amount of such assessments is subject to change. The assessment, together with interest and cost of collection, will be a continuing lien against each Condominium Unit against which assessment is made.

36. DECLARATION OF COVENANTS AND RESTRICTIONS FOR ST. JOHNS - NORTHWEST MASTER AND DECLARATION OF COVENANTS AND RESTRICTIONS FOR ST. JOHNS - NORTHWEST RESIDENTIAL. The Condominium Unit is located within a master planned community, which includes other residences and common areas, and is subject to, among other things, the Declaration of Covenants and Restrictions for St. Johns - Northwest Master, recorded in O.R. Book 1185, beginning on Page 595, of the Public Records of St. Johns County, Florida, as amended (the "Master Declaration"). The Master Declaration provides, among other things, that every member of the Saint Johns Northwest Master Association, Inc. (the "Master Association"), shall have a right of enjoyment and use in and easement to the Common Areas as described in the Master Declaration ("Common Areas"), which right and easement shall be appurtenant to, and shall pass with title to every unit, subject to the right of the Master Association to charge reasonable admission, assessments and other fees for the use and maintenance of the Common Areas and for other property more particularly described in the Master Declaration. Membership in the Master Association is mandatory and automatic with ownership of real property in The Residences II Development (which would include the ownership of a condominium unit in the Condominium). The Master Declaration provides that every member of the Master Association (which includes the Unit Owners) agrees to pay assessments to the Master Association. The Assessments are currently determined on a per unit

basis, and the amount of such assessment is subject to change. The assessment together with interest and cost of collection, will be a continuing lien against each unit against which assessment is made. The Condominium Unit is also subject to, among other things, the Declaration of Covenants and Restrictions for St. Johns - Northwest Residential, recorded in O.R. Book 1185, beginning on Page 740, of the Public Records of St. Johns County, Florida, as amended (the "Residential Declaration"). The Residential Declaration provides, among other things, that every member of the Saint Johns Northwest Residential Association, Inc. (the "Residential Association"), shall have a right of enjoyment and use in and easement to the Common Areas as described in the Residential Declaration ("Common Areas"), which right and easement shall be appurtenant to, and shall pass with title to every unit, subject to the right of the Residential Association to charge reasonable admission, assessments and other fees for the use and maintenance of the Common Areas and for other property more particularly described in the Residential Declaration. Membership in the Residential Association is mandatory and automatic with ownership of real property in The Residences II Development (which would include the ownership of a condominium unit in the Condominium). The Residential Declaration provides that every member of the Residential Association (which includes the Unit Owners) agrees to pay assessments to the Residential Association. The Assessments are currently determined on a per unit basis, and the amount of such assessment is subject to change. The assessment together with interest and cost of collection, will be continuing lien against each unit against which assessment is made.

37. **CONSTRUCTION.** In the case of any inconsistencies between the terms of this Declaration and the Master Declaration, the Residential Declaration or the Amenities Declaration, the terms of the more restrictive provisions shall control, unless such terms of this Declaration are prohibited by the Master Declaration, the Residential Declaration or the Amenities Declaration and, in that event, the terms of the controlling declaration shall control. The Association shall be subject to all superior rights and powers which have been conferred upon the Master Association, the Residential Association and the Amenities Association, pursuant to their respective declaration, except to the extent prohibited by law, and the Association shall take no action in derogation of the rights of, or contrary to the interest of, the Master Association, the Residential Association or the Amenities Association.

38. **SECURITY.** NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE CONDOMINIUM PROPERTY INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

- (i) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF

WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE CONDOMINIUM PROPERTY HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE CONDOMINIUM PROPERTY AND THE VALUE THEREOF;

(ii) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, ST. JOHNS COUNTY, AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND

(iii) ANY PROVISIONS OF THE CONDOMINIUM DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH UNIT OWNER (BY VIRTUE OF HIS OR HER ACCEPTANCE OF TITLE TO HIS OR HER UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE CONDOMINIUM PROPERTY (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS PROVISION.

AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, MANAGERS, CONTRACTORS, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS AND SHALL ALSO INCLUDE THE DEVELOPER, WHICH SHALL BE FULLY PROTECTED HEREBY.

IN WITNESS WHEREOF, the Developer has caused these presents to be signed in its name by the proper officers of its managing general partner thereunto duly authorized and its corporate seal affixed, the day and year first above written.

Signed, sealed and delivered in the presence of:

DMHB HOLDINGS, LLC,
a Florida limited liability company

Print Name

By:

Print Name: Ronald S. Bailis

Its: Managing Member

Print Name:

Address: 90 Champions Way
St. Augustine, Florida 32092

STATE OF FLORIDA
COUNTY OF Flagler

The foregoing instrument was acknowledged before me this 24th day of March, 2003, by Ronald S. Bailis, as Managing Member, of DMHB HOLDINGS, LLC, a Florida limited liability company on behalf of the limited liability company. _____ is personally known to me

NOTARY PUBLIC

Print Name: Laura A. Leonardo

Serial Number: _____

My Commission Expires: _____



Laura A. Leonardo
MY COMMISSION # CC852975 EXPIRES
July 8, 2003
BONDED THRU TROY FAY INSURANCE, INC.



Laura A. Leonardo
MY COMMISSION # CC852975 EXPIRES
July 8, 2003
BONDED THRU TROY FAY INSURANCE, INC.