

**CERTIFICATE OF AMENDMENT
TO THE
DECLARATION
OF RESTRICTIONS AND PROTECTIVE
COVENANTS FOR MAGNOLIA LAKES**

The Declaration of Restrictions and Protective Covenants for Magnolia Lakes has been recorded in the public records of St. Lucie County, Florida at Official Records Book 1722, Page 774 et. seq. The same Declaration of Restrictions and Protective Covenants for Magnolia Lakes is hereby amended as approved by the Membership by vote sufficient for approval by written consent in lieu of a Members' Meeting.

1. Article IV entitled "Maintenance Obligations" is amended to add a new Section 7, which will provide as follows:

7. **Lots.** The Association shall be responsible for the routine maintenance of all landscaping on the Lots. Such routine maintenance shall include lawn cutting, edging, tree and shrub trimming and application of fertilizer and pesticides as reasonably needed. Notwithstanding the foregoing, the Association shall not be responsible for the removal or replacement of a dead or diseased sod, shrubs or trees located on a Lot unless such need for replacement is attributable solely to the gross negligence of the Association.

(The balance of Article IV remains unchanged)

2. The foregoing amendment to the Declaration of Restrictions and Protective Covenants for Magnolia Lakes was adopted by the membership by two-thirds of the voting members, which vote was sufficient for approval by written consent in lieu of a Members' Meeting.

3. All provisions of the Declaration of Restrictions and Protective Covenants for Magnolia Lakes are herein confirmed and shall remain in full force and effect, except as specifically amended herein.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed in its name by its President, its Secretary and its corporate seal affixed this 16 day of June 2011.

WITNESSES AS TO PRESIDENT:

MAGNOLIA LAKES RESIDENTS' ASSOCIATION, INC.

Gail Logan
Printed Name: Gail Logan

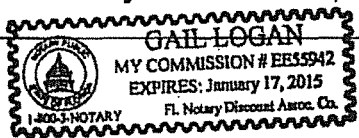
By: James Tortora, President

Tom Krol
Printed Name: Tom Krol

STATE OF FLORIDA
COUNTY OF St. Lucie

The foregoing instrument was acknowledge before me on June 16, 2011, by James Tortora, as President of Magnolia Lakes Residents' Association, Inc. who is personally known to me, or [] who has produced identification [Type of Identification: _____]

Notarial Seal



Gail Logan
Notary Public

WITNESSES AS TO SECRETARY:

MAGNOLIA LAKES RESIDENTS' ASSOCIATION, INC.

Gail Logan
Printed Name: Gail Logan

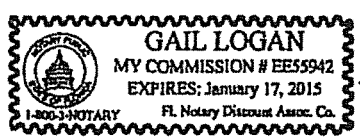
By: Janet Younce, Secretary

Tom Krol
Printed Name: Tom Krol

STATE OF FLORIDA
COUNTY OF St. Lucie

The foregoing instrument was acknowledge before me on 6/14, 2011, by Janet Younce, as Secretary of Magnolia Lakes Residents' Association, Inc. who is personally known to me, or [] who has produced identification [Type of Identification: _____].

Notarial Seal



CORPORATE SEAL
Gail Logan
Notary Public

JOANNE HOLMAN, CLERK OF THE CIRCUIT COURT - SAINT LUCIE COUNTY
File Number: 2211023 OR BOOK 1722 PAGE 774
Recorded: 05/29/03 13:01

**DECLARATION OF RESTRICTIONS
AND PROTECTIVE COVENANTS
FOR MAGNOLIA LAKES**

Prepared By and Return To:
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7777 Glades Road, Suite 300
Boca Raton, Florida 33434-4111

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**DECLARATION OF RESTRICTIONS
AND PROTECTIVE COVENANTS
FOR MAGNOLIA LAKES**

THIS DECLARATION is made this ___ day of _____, 2003, by Magnolia Lakes by Levitt and Sons, LLC, a Florida limited liability company, which declares that the real property described in Article II, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") set forth below.

ARTICLE I.

DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Assessments" - those payments due pursuant to Article V, whether General or Special (as hereinafter defined), or a combination thereof.
- (b) "Association" - MAGNOLIA LAKES RESIDENTS' ASSOCIATION, INC., a Florida corporation not-for-profit.
- (c) "Board of Directors" - the Board of Directors of the Association.
- (d) "Common Areas" - the real property described on Exhibit "B" attached hereto, and any other interest in real property acquired by the Association and deemed Common Area either in this Declaration or in the instrument of conveyance, together with any improvements on such property including without limitation any structures, offstreet parking areas, street lights, and entrance features, but excluding any public utility installations thereon.
- (e) "Developer" - Magnolia Lakes by Levitt and Sons, LLC, a Florida limited liability company, its successors and assigns, if such successor or assignee acquires the undeveloped portion of the Property and is designated as such by Developer. The Developer may make partial or multiple assignments of its rights under this Declaration. All such assignees shall be deemed to be the Developer as to those rights, which may have been assigned to them.
- (f) "General Assessments" - Assessments levied to fund expenses applicable to all Members of the Association and set forth in Article V, Section 2 of this Declaration.
- (g) "Institutional Lender" - any person or entity (i) holding a mortgage encumbering a Lot, (ii) which in the ordinary course of business makes,

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purchases, guarantees or insures mortgage loans, and (iii) which is not owned or controlled by the Owner of the Lot encumbered. An Institutional Lender may include, but is not limited to, a federal or state chartered bank or savings and loan association, an insurance company, a real estate or mortgage investment trust, a pension or profit sharing plan, a mortgage company; the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, including the Veterans Administration and the Federal Housing Administration of the U.S. Department of Housing and Urban Development, or any other similar type of lender generally recognized as an institutional type lender. For definitional purposes only, an Institutional Lender shall also mean the holder of any mortgage executed by or in favor of Developer, whether or not such holder would otherwise be considered an Institutional Lender.

- (h) "Lot" - any lot as shown on the plat of Magnolia Lakes, recorded or to be recorded in the Public Records of St. Lucie County, Florida, any lot shown on any resubdivision of said plat or any portion thereof.
- (i) "Surface Water or Stormwater Management System" - a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.
- (j) "Owner" or "Member" - the record owner, whether one or more persons or entities, of the fee simple title to any Lot.
- (k) "Property" - all property and additions thereto (which additional property may or may not be contiguous to the real property described in Article II herein), as is subject to this Declaration or any Supplemental Declaration under the provisions of Article II hereof.
- (l) "SFWMD" - South Florida Water Management District, an agency created pursuant to Chapter 373, Florida Statutes.
- (m) "Special Assessment" - Assessments levied in accordance with Article V, Section 5 of this Declaration.
- (n) "Telecommunications Provider" - any party who contracts with the Association to provide Owners with one or more Telecommunication Services. Developer may be a Telecommunications Provider. With respect to any particular Telecommunications Services, there may be one or more Telecommunications Providers, on an exclusive or non-exclusive basis. By way of example, with respect to multichannel video

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programming service, one Telecommunications Provider may provide Association such service while another may own, maintain and service the Telecommunications Systems which allow delivery of such multichannel video programming service.

- (o) "Telecommunications Services" - local exchange services provided by a certificated local exchange carrier or alternative local exchange company, intraLATA, and interLATA voice telephony and data transmission service, multichannel video programming service, and monitoring system. Without limiting the foregoing, such Telecommunications Services may include the provision of the following services: Toll Calls, Data Transmission Services, LAN, A la Carte Programming and security monitoring services.
- (p) "Telecommunications Systems" - shall mean all facilities, items and methods required and/or used in order to provide Telecommunications Services to Owners without limiting the foregoing, Telecommunications Systems may include wires (fiber optic or of other material), conduits, passive and active electronic equipment, pipes, wireless cell sites, computers, modems, satellite antennae site(s), transmission facilities, amplifiers, junction boxes, trunk distribution, drop cables, related apparatus, converters, connections, head-end antennae, earth station(s), appurtenant devices, network facilities necessary and appropriate to support provision of local exchange services and/or any other item appropriate or necessary to support provision of Telecommunications Services. Ownership and/or control of all of a portion of any part of the Telecommunications Services may be bifurcated among network distribution architecture, system head-end equipment, and appurtenant devices (e.g., individual adjustable digital units).

ARTICLE II.

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

Section 1. Legal Description. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in St. Lucie County, Florida and is more particularly described as: See Exhibit "A" attached hereto.

Section 2. Developer's Right to Add Additional Property to or Withdraw Property. Developer shall have the right, in its sole discretion, to add additional property (which may or may not be contiguous to the real property described in Section 1) to the scheme of this Declaration. Developer shall also have the right to withdraw property not previously conveyed to an Owner from the scheme of this Declaration subject to the approval of St. Lucie County. The addition or withdrawal by Developer shall not require the consent or joinder of the Association, or any Owner or mortgagee of any of the Property, but shall be at the sole option of the Developer. Upon addition of any property to the scheme of this Declaration, the owners of such additional property shall be and become subject to this Declaration, including assessment

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by the Association for their prorata share of the Association expenses. The addition of lands as aforesaid shall be made and evidenced by filing in the Public Records of St. Lucie County, Florida, a supplemental declaration with respect to the lands to be added.

ARTICLE III.

MAGNOLIA LAKES RESIDENTS' ASSOCIATION

Section 1. Membership. Every Owner of a Lot which is subject to Assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to Assessment.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Developer. The Class B Member shall be entitled to the same number of votes held by all other Members of the Association plus one; provided, however, that notwithstanding any provision to the contrary, the Developer shall have the right to appoint the entire Board of Directors of the Association until three (3) months after 90% of the Lots have been conveyed to Owners other than the Developer, or at an earlier date at the sole discretion of the Developer. At such time, the Class B Membership shall cease and be converted to Class A Membership and the Developer shall call a meeting, as provided in the Bylaws for Special Meetings, to provide for the turnover of control of the Board of Directors to the Owners. The Developer shall have the right, in its sole discretion, to appoint one member to the Board of Directors for so long as the Developer owns at least five (5%) percent of the Lots.

Section 3. Common Area Ownership. Developer may retain legal title to the Common Areas so long as it has not turned over control of the Board of Directors to the Owners as specified in Section 2. Within thirty days after such turnover of control, the Developer shall convey and transfer by quit claim deed the record fee simple title to the Common Areas to the Association and the Association shall accept such conveyance, subject to taxes for the year of conveyance and to restrictions, limitations, conditions, reservations and easements of record.

Section 4. Powers. In addition to the powers provided in its Articles of Incorporation, the Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more person, firms or corporations for management services

Section 5. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Property, which

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rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines, which shall be levied as Special Assessments as provided in this Declaration, and suspension of the right to vote and the right to use the recreation facilities. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Bylaws of the Association. In addition, the Association, through the Board, may, by contract or other agreement, enforce court ordinances or permit St. Lucie County to enforce ordinances on the Property for the benefit of the Association and its Members.

Section 6. Merger or Consolidation. Upon a merger or consolidation of any association referred to herein with any other association, the Property, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the Property rights and obligations of another association may, by operation of law, be added to the Property, rights and obligations of any association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other property as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration.

Section 7. Termination of the Association. In the event of dissolution of the Association, for whatever reason other than merger or consolidation as provided for herein, any Owner may petition the Circuit Court of the Nineteenth Judicial Circuit of the State of Florida for the appointment of a Receiver to manage the affairs of the Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association, the Property and Common Areas.

ARTICLE IV.

MAINTENANCE OBLIGATIONS

Section 1. Common Area Maintenance. Commencing with the date this Declaration is recorded, except as stated hereinafter, the Association shall be responsible for the maintenance of any signage identifying or promoting the Property whether within the Property or outside the Property, the Common Areas and any improvements or personal property in a continuous and satisfactory manner and for the payment of taxes assessed against the Common Areas, if any, and any improvements and any personal property thereon accruing from and after the date these covenants are recorded. For purposes of illustration, Common Areas include but are not limited to entrance features and entry gate, any wall and buffer area around the perimeter of the Property, as well as storm water tracts, roads and recreation areas within the Property. The Association shall at all times maintain in good repair, and shall replace as scheduled any and all improvements belonging to the Association, including the gate house. The Association shall at all times maintain all internal roads in good repair and shall resurface or repave said roads as necessary. All such work shall be completed in a manner which, in the sole and exclusive judgment of the Board of Directors of the Association, is deemed satisfactory.

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Section 2. Street Lighting. The Association shall have the obligation for maintenance of any street lighting facilities owned by the Association, if any, from the date of recording this Declaration or from the date of installation of the street lighting, whichever occurs first. Maintenance of the street lighting fixtures shall include the fixtures within the Common Areas and shall further extend to payment for electricity consumed in the illumination of such lights. In the event the Developer, in its sole discretion, elects to install such street lighting, Developer shall be entitled to all rebates or refunds of the installation charges and the Association hereby assigns such rebates or refunds to Developer and the Association shall forthwith pay same to the Developer.

Section 3. Irrigation System. Developer presently plans to install an irrigation system throughout the Common Areas of the Property. The irrigation system will include a timer on each Lot and the Owner will be responsible for payment of the cost associated with the irrigation system. All irrigation lines and all sprinkler heads located on the Lots shall be the maintenance responsibility of the Lot owner. The maintenance and/or repair of any damage to irrigation lines or sprinkler heads located on an Owner's Lot caused by the Owner's negligence or intentional act(s) shall be the responsibility of such Owner.

Section 4. Offsite Signage & Landscaping. The Association shall have the obligation to maintain any offsite signs which advertise and promote the name of the Property and to maintain the landscaping surrounding said signs.

Section 5. Stormwater Drainage Facility. The maintenance, repair, or replacement of any stormwater drainage facility located on the Property shall be the complete responsibility of the Association, in accordance with the requirements of the South Florida Water Management District ("SFWMD"). Any drainage facility shall be subject to any permit which may be issued by the SFWMD for the Property and as same may be amended from time to time. Copies of the SFWMD permit shall be maintained by the Association's Registered Agent for the Association's benefit. The SFWMD has the right to enforcement action, including a civil action for an injunction and penalties against the Association to compel it to correct any outstanding problems with the drainage facilities or in mitigation or conservation areas under the responsibility or control of the Association.

Section 6. Lakes. The SFWMD is the local permitting authority for surface water permits. The onsite lakes are designed as water management areas, and are not designed as aesthetic features, they are for drainage purposes only. The water level within the lakes is dependent upon rainfall and the level of the water in the ground. The water level within the lakes can be affected by and may decline significantly at certain times as a result of the level of drainage canals, the demand for potable water and irrigation water, rainfall conditions and wellfield pumpage. Because none of these factors are within the control of the Association, the Association shall not be responsible for direct or consequential damage resulting from the lowering of the water level in the lakes. The Association shall not be responsible for the maintenance of water in the lakes to any specified level.

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ARTICLE V.

ASSOCIATION ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for the Assessments. The Developer, for each Lot owned by it within the Property, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association General Assessments for expenses outlined in Section 2 hereof, and Special Assessments as provided in Section 4 hereof. Such Assessments are to be fixed, established and collected from time to time as hereinafter provided. Except as otherwise provided herein, the Assessments shall be against all Lots equally. The cost of any maintenance, repair or replacement caused by the negligent conduct of a Member or by the failure of a Member to comply with the lawfully adopted rules and regulations of the Association shall be levied as a Special Assessment against such Member. The full assessment as to each Lot shall commence upon the conveyance of the Lot by the Developer or upon the first occupancy of the improvement, whichever occurs first. No Owner may waive or otherwise escape liability for the Assessments for maintenance by non-use of the Common Areas or abandonment of his right to use the Common Areas. The General and Special Assessments, together with interest thereon and costs collection thereof as hereinafter provided, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which the Assessment is made, and shall also be the personal obligation of the Owner of such Lot. The lien rights provided herein shall not apply to any portion of the Property owned by the Developer.

Section 2. General Assessments. The General Assessments levied by the Association shall be used exclusively for the expenses of the Association. General expenses are any and all charges for the administration of the Association, cable television expenses and Telecommunication Services, if any, maintenance, repair, replacement and operation of the Common Areas including, but not limited to: management, accounting and legal fees, postage, utility service to Common Areas, Association insurance, reserves deemed necessary by the Board of Directors for repair, replacement or addition to the Common Area, and payment of all debts and obligations of the Association which are properly incurred for the purposes stated in this Declaration

Section 3. Date of Commencement of General Assessments; Due Dates. The General Assessments shall commence on the first day of the month next following the recordation of this Declaration. Thereafter, the Board of Directors shall fix the date of commencement and amount of the Assessment against each Lot at least thirty (30) days in advance of the commencement period. The General Assessments shall be payable in advance in quarterly installments, or as otherwise determined by the Board of Directors of the Association.

Section 4. Initial Budget The Developer shall establish the initial budget, which shall be based on a fully developed community. By a majority vote of the Board of Directors, the Board shall adopt an annual budget for the subsequent fiscal year which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration will be met. In the event the community is not fully developed at the time the budget is adopted by the Board, the Board may nevertheless base the budget on a fully developed community. In

instances where the Developer or the Board bases the budget on a fully developed community when in fact the community is not so developed, then the budget (and therefore the Assessments) shall be reduced by the amount allocated for incomplete amenities or facilities. The Assessment shall be for the calendar year, but the amount of the General Assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months remaining in such calendar year. The amount of the General Assessment may be changed at any time by the Board from that originally adopted or that which is adopted in the future.

Section 5. Special Assessments. A Special Assessment may be levied against one or more Lots for the following purposes:

- A. charges for expenses of the Association which are not general expenses but which are attributable to a specific Lot or Lots and which are designated as a special charge.
- B. reimbursement for damages caused by an Owner, Owners, their family members, guests, invitees or tenants.
- C. capital improvements relating to the Common Area.
- D. late charges, user fees, fines and penalties.
- E. any other charge which is not a general expense.
- F. any general expense, which exceeds the amount budgeted, or any emergency expense which exceeds the amount of any reserves or other Association funds.

A Special Assessment required to maintain the Association Property in good condition or to protect the liability of the Association Members may be levied against all Lots by a majority vote of the Board of Directors. Additionally, Special Assessments against individual Lot Owners for expenses incurred in direct relation to the maintenance or liability associated with that Lot may be levied by a majority vote of the Board of Directors. Other Special Assessments shall require approval by a majority vote of those members present and voting at a meeting of the membership called in accordance with the Bylaws of the Association. The Board of Directors shall fix the amount and due date of any Special Assessment by resolution, which resolution shall also set forth the Lot or Lots subject to such Assessment.

Section 6. Trust Funds. The portion of all General Assessments collected by the Association as reserves for future expenses, and the entire amount of all Special Assessments collected for capital improvements shall be the property of the Association as a whole and shall be used exclusively for the purposes designated at the time of Assessments. Each owner acknowledges and consents that such funds are the exclusive property of the Association as a whole and no Owner shall have any interest, claim or right to any such funds.

Section 7. Guaranteed Assessments during Guarantee Period. Developer covenants and agrees with the Association and the Owners that, for the period commencing with the date of recordation of this Declaration and ending upon the sooner to occur of the following: (i) the date

of turnover of the Association as described in Article III hereof ("Turnover Date"); or (ii) one (1) year from the recordation of this Declaration, as such may be extended in Developer's sole discretion, as described herein ("Guarantee Period"), Developer shall be excused from payment of its share of the operating expenses and Assessments related to its Lots (other than Special Assessments) and, in turn, that the individual Lot Assessment charged to Owners other than Developer will not exceed the dollar amount set forth in the initial Budget of the Association ("Guaranteed Assessment") and that Developer will pay the difference ("Deficit"), if any, between (a) the operating expenses (other than those operating expenses which are properly the subject of a Special Assessment) incurred by the Association during the Guarantee Period, and (b) the amounts assessed as Guaranteed Assessments against Owners during the Guarantee Period, the "Working Capital Fund" set forth in Article V, Section 8 hereof and any other income of the Association during the Guarantee Period. Thus, during the Guarantee Period Owners shall not be obligated to pay Assessments other than the Guaranteed Assessment and Special Assessments and the Owners' respective Working Capital Fund Contribution. The Deficit, if any, to be paid by Developer pursuant to this Section 7 shall be determined by looking at the Guarantee Period as a whole, without regard to quarterly, annual or any other accounting or fiscal periods and without regard to intra period allocations. In that regard, in the event it is determined at the end of the Guarantee Period that there is a Deficit and Developer has previously advanced funds to the Association in excess of the Deficit during the Guarantee Period, Developer shall be entitled to the immediate repayment from the Association of the amount of funds advanced by Developer in excess of the Deficit. Developer hereby reserves the right to extend the Guarantee Period from time to time to a date ending no later than the Turnover Date at Developer's sole election by providing written notice to the Association of such election at least thirty (30) days prior to the expiration of the Guarantee Period (as same may have been previously extended). Developer also reserves the right to increase the amount of the Guaranteed Assessment during any such extended Guarantee Period. Special Assessments are not included in this guarantee.

Section 8. Working Capital Fund. Developer shall establish a Working Capital Fund, which shall be collected from each Lot purchaser at the time of conveyance of each Lot to such purchaser in an amount equal to two (2) months of the annual assessment for each Lot without consideration for reductions due to incomplete facilities. Each Lot's share of the Working Capital Fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot. Amounts paid into the fund are not to be considered as advance payment of regular Assessments. Notwithstanding the foregoing, the Developer, for so long as it controls the Board of Directors, shall have the right to use the Working Capital Fund to pay for ordinary expenses of the Association.

Section 9. Assessment Roster and Certificate. A roster of the Owners, Lot numbers and Assessments applicable thereto shall be kept in the office of the Association and shall be open to inspection by any Owner. If the Owner does not reside on the Lot, Owner is required to provide their current mailing address to the Association, together with the names of those residing on the Lot.

The Association shall, within five (5) days of receipt of a written request, furnish to any Owner liable for an Assessment a certificate in writing signed by an officer or agent of the

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Association, setting forth whether such Assessment has been paid as to the Lot owned by the Owner making request therefor. Such certificate shall be conclusive evidence of payment of any Assessment to the Association therein stated to have been paid.

Section 10. Collection of Assessment; Effect of Non Payment of Assessments; The Personal Obligation of the Owner; The Lien; Remedies of the Association. If any Assessment is not paid within ten (10) days after the due date, the Association shall have the right to charge the defaulting Owner a late fee of ten percent (10%) of the amount of the Assessment, or Ten and No/100 Dollars (\$10.00), whichever is greater or as otherwise adopted by the Board of Directors from time to time, plus interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular Assessment, then the Assessment shall be due ten (10) days after written demand by the Association. If any Owner is in default in the payment of any Assessment owed to the Association for more than thirty (30) days after written demand by the Association, the Association upon written notice to the defaulting Owner shall have the right to accelerate and require such defaulting Owner to pay Assessments to the Association for the next twelve (12) month period, based upon the then existing amount and frequency of Assessments. In the event of such acceleration, the defaulting Owner shall continue to be liable for any increases in the General Assessments, for all Special Assessments, and/or for all other Assessments payable to the Association. If the Assessments and any late fees and interest are not paid on the date when due, then such Assessments and any late fees and interest shall become delinquent and shall, together with such interest thereon and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the Owner, his heirs, devisees, personal representatives, successors and assigns. Any individual who acquires title to a Lot upon the death of an Owner or by operation of law shall be personally liable for unpaid Assessments and late fees with respect to such Lot. In any voluntary conveyance, the Grantee shall be jointly and severally liable with the Grantor for all unpaid Assessments made prior to the time of such voluntary conveyance, without prejudice to the rights of the Grantee to recover from the Grantor the amounts paid by the Grantee therefor.

The Association may bring an action at law against the Owner personally obligated to pay the same or may record a claim of lien against the property on which the Assessment and late fees are unpaid, or may foreclose the lien against the property on which the Assessment and late fee are unpaid, in like manner as a foreclosure of a mortgage on real property, or pursue one or more of such remedies at the same time or successively, and there shall be added to the amount of such Assessment and late fee, attorney's fees and costs of preparing and filing the claim of lien and the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the Assessment and late fee as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action, and the Association shall be entitled to attorney's fees in connection with any appeal of any such action

It shall be the legal duty and responsibility of the Association to enforce payment of the Assessments and late fees hereunder.

The provisions set forth in this section shall not apply to the Developer for so long as the Developer owns any portion of the Property.

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Section 11. Subordination of the Lien to First Mortgages. The lien of Assessments, including interest, late charges (subject to the limitations of Florida laws), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first mortgage of an Institutional Lender upon any Lot. In addition, the lien of assessments, including interest, late charges (subject to the limitation of Florida laws), and costs (including attorneys' fees) provided for herein, shall be subordinate to a mortgage held by Developer upon the Property, or any portion thereof, or any interest therein. The sale or transfer of any Lot or parcel of land shall not affect the Assessment lien. However, the sale or transfer of any Lot or parcel pursuant to judicial or non judicial foreclosure of a first mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or parcel from lien rights for any Assessments thereafter becoming due. Where the Institutional Lender of a first mortgage of record or other purchaser of such a Lot obtains title, its successors and assigns shall not be liable for the Assessments chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid Assessments shall be deemed to be an Assessment divided equally among, payable by and assessed against all Lots, including the Lot as to which the foreclosure (or conveyance in lieu of foreclosure) took place. Likewise, where a mortgage is held by the Developer upon the Property, or a portion thereof, and the Developer or other purchaser obtains title, its successors and assigns shall not be liable for the Assessments by the Association chargeable to the Property, or a portion thereof, which become due prior to the acquisition of title to the Property, or portion thereof, by such acquirer. Such unpaid Assessments shall be deemed to be an Assessment divided equally among, payable by and assessed against all Lots, including the Lot as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

ARTICLE VI.

ARCHITECTURAL CONTROL

Section 1. Developer Architectural Control. For so long as the Developer owns any portion of the Property, the Developer shall have all powers of the Architectural Control Board as hereinafter set forth.

Section 2. Architectural Control Board. At such time as the Developer no longer owns any portion of the Property, the Architectural Control Board ("ACB") shall become a standing committee of the Association. The ACB shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this Section and other provisions of this Declaration. The ACB shall consist of three members and such members shall be designated by the Directors of the Association. In the event of death, disability or resignation of any member of the ACB the remaining members shall have full authority to designate a successor. The members of the ACB need not be members of the Association and shall not be entitled to any compensation for services performed pursuant to this Section. A majority of the ACB may take any action the ACB is empowered to take, may designate a representative to act for the ACB and may employ personnel and consultants to act for it.

Section 3. ACB's Consent. Any request by an Owner for approval by the ACB to any addition, alteration, improvement, or change shall be in writing and shall be accompanied by

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plans and specifications or other details as the ACB may deem reasonably necessary in connection with its determination as to whether or not it will approve same. Approval of any request shall not be unreasonably withheld, and shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable development of any Lot but may be withheld due to aesthetic considerations. The ACB shall notify the Owner of its approval or disapproval by written notice within thirty (30) days after request for such consent is made in writing to the ACB, and in the event the ACB fails to disapprove any request within such thirty (30) day period, the consent shall be deemed approved and upon request the ACB shall give written notice of such approval. In consenting to any plans or specifications, the ACB may condition such consent upon changes being made. If the ACB consents to any plan and specifications, the Owner may proceed to make the alteration, addition, improvement, or change in strict conformance with the plans and specifications approved by the ACB, and subject to any conditions of the ACB's approval.

Section 4. No Liability. The ACB or the Developer shall not be liable to any Owner in connection with the approval or disapproval of any alteration, addition, improvement, or change. Furthermore, any approval of any plans or specifications by the ACB or the Developer shall not be deemed to be a determination that such plans or specifications are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the ACB or the Developer, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the ACB or the Developer shall not be liable for any deficiency, or any injury resulting from any deficiency, in such plans and specifications.

Section 5. Remedy for Violations. In the event this section is violated in that any alteration, addition, improvement, or change is made without first obtaining the approval of the ACB or the Developer, as the case may be, or is not made in strict conformance with any approval granted by the ACB or the Developer, the Association or the Developer shall specifically have the right to demand that an Owner stop, remove and/or alter any alteration, addition, improvement or change in a manner which complies with the requirements of the ACB or the Developer, and the Association or the Developer may pursue injunctive relief or any other legal or equitable remedy available to the Association or the Developer in order to accomplish such purposes.

ARTICLE VII.

EASEMENTS

Section 1. Members' Easements. Each Member of the Association and each tenant, agent and invitee of such Member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the walkways, driveways and roads from time to time laid out on the Common Areas, for use in common with all such Members, their tenants, agents and invitees. The portion of the Common Areas not used, from time to time, for walkways and/or driveways or lakes shall be for the common use and enjoyment of the Members of the Association and each Member shall have a permanent and perpetual easement for pedestrian traffic across all such portions of such tracts and for the use of same in such

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manner as may be regulated by the Association. The foregoing easements are subject to the following:

A. The right and duty of the Association to levy assessments against each Lot for the purpose of maintaining the Common Areas in compliance with the provisions of this Declaration and with any restrictions on the plat of the Property.

B. The right of the Association to suspend the voting rights for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its lawfully adopted and published rules and regulations.

C. The right of the Association to adopt and enforce rules and regulations governing the use of the Common Areas.

The right of an Owner to the use and enjoyment of the Common Areas shall extend to the residents and their guests, subject to regulations from time to time adopted by the Association in its lawfully adopted and published rules and regulations.

Section 2. Easements Appurtenant. The easements provided in Section 1 shall be appurtenant to and shall pass with the title to each Lot.

Section 3. Utility Easements. Public utilities may be installed underground in the Common Areas when necessary for the service of the Property or additional lands for which Developer holds an option to purchase, but all use of utility easements shall be in accordance with the applicable provisions of this Declaration.

Section 4. Public Easements. Firefighters, police, health, sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas.

Section 5. Easements for Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each residence and such portion of the Common Area adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed by the Developer (in accordance with the terms of these restrictions).

Section 6. Right to Grant or Relocate Easement. The Developer (during any period in which the Developer has any ownership interest in the Property) and the Association shall each have the right to grant such additional electric, telephone, gas, sprinkler, irrigation, cable television or other easements, and to relocate any existing easement in any portion of the Property and to grant access easements and to relocate any existing access easements in any portion of the Property as the Developer or the Association shall deem necessary or desirable, for the proper operation and maintenance of the Property, or any portion thereof, or for the general health or welfare of the Owners or for the purpose of carrying out any provisions of this Declaration; provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the use of the Lots for dwelling purposes.

Section 7. Association Easement. For the purpose solely of performing its obligations under the provisions of this Declaration, the Association, through its duly authorized agents, employees or independent contractors, shall have the rights, after reasonable notice to the Owner, to enter upon any Lot at reasonable hours of any day. In the event of an emergency, such right of entry shall exist without notice on any day. Each Owner hereby grants to the Association, its duly authorized agents, employees or independent contractors such easements for ingress and egress, across the Lots as may be reasonably necessary to effect and perform the exterior maintenance aforementioned.

Section 8. Telecommunications Service Easement. Developer (i) reserves unto itself and its nominees, successors, assigns, affiliates, and licensees, and (ii) grants to each Telecommunications Provider providing Telecommunications Services to all or a part of the Property pursuant to an agreement between Association and such Telecommunications Provider, a perpetual right, privilege, easement and right-of-way across over, under and upon for the installation, construction and maintenance of Telecommunications Systems together with a perpetual right, privilege and easement of ingress and egress, access, over and upon the Property for installing, constructing, inspecting, maintaining, altering, moving, improving and replacing facilities and equipment constituting such systems. In addition, Developer (i) reserves unto itself and its nominees, successors, assigns, affiliates, and licensees, and (ii) grants to each Telecommunications Provider providing Telecommunications Services to all or a part of the Property pursuant to an agreement between Association and such Telecommunications Provider, an easement five feet in width and centered upon the location of the actual installed cables and other portions of the Telecommunications system installed upon the Common Areas and Lots for the purposes of maintenance, repair and/or replacement of portions of the Telecommunications Systems.

Section 9. Conservation Easement Areas. Pursuant to the provisions of Section 704.06, Florida Statutes, Developer has granted to SFWMD a conservation easement in perpetuity ("Conservation Easement") over the property described in the Conservation Easement recorded on _____ in Official Records Book _____, Page _____, Public Records of St. Lucie County, Florida. The Conservation Easement is attached hereto as Exhibit "F". Developer granted the Conservation Easement as a condition or permit number _____ issued by SFWMD solely to offset adverse impacts to natural resources, fish and wildlife, and wetland functions.

A. Purpose The purpose of the Conservation Easement is to assure that the Conservation Easement areas will be retained forever in their existing natural condition and to prevent any use of the Conservation Easement areas that will impair or interfere with the environmental value of these areas. The Conservation Easement areas are hereby dedicated as Common Areas, they shall be the perpetual responsibility of the Association and may in no way be altered from their natural or permitted state. Activities prohibited within the Conservation Easement areas include, but are not limited to, construction or placing of buildings on or above the ground; dumping or placing soil or other substances such as trash; removal or destruction of trees, shrubs, or other vegetation - with the exception of exotic/nuisance vegetation removal; excavation, dredging of soil material; diking or fencing; any other activities detrimental to

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drainage; flood control, water conservation, erosion control, or fish and wildlife habitat conservation or preservation.

B. Prohibited Uses. Any activity in or use of the Conservation Easement areas inconsistent with the purpose of the Conservation Easement is prohibited. The Conservation Easement expressly provides that wetlands and upland buffers may not be altered from their natural/permitted condition with the exception of: exotic or nuisance vegetation removal, or restoration in accordance with the restoration plan included in the Conservation Easement. Exotic vegetation may include, but is not limited to, melaleuca, Brazilian pepper, Australian pine, and Japanese climbing fern or any other species currently listed by the Florida Exotic Pest Plant Council. Nuisance vegetation may include cattails, primrose willow and grape vine.

C. Responsibilities. The Developer, its successors and assigns, are responsible for the periodic removal of trash and other debris which may accumulate in the Conservation Easement areas. The Lot owners shall be responsible for the perpetual maintenance of any signage required by the permit. The Association shall be responsible for perpetual maintenance of the Conservation Easement (preserved/restored/created wetlands areas and upland buffer zones) and agrees to take action against Lot owners as necessary to enforce the conditions of the Conservation Easement and of the permit. The Lot owners will be timely notified of any mitigation/monitoring and/or financial assurances for which the Association is responsible.

D. Notice. Certain Lots on the Property may contain or be adjacent to wetland preservation or mitigation areas and upland buffers which are protected under the Conservation Easement.

ARTICLE VIII.

GENERAL RESTRICTIVE COVENANTS

Section 1. Applicability. The provisions of this Article shall be applicable to all Lots situated within the Property.

Section 2. Land Use. No Lot shall be used except for residential purposes. Temporary uses for model homes, parking lots, construction trailer, construction storage areas and/or sales offices shall be permitted for the Developer.

Section 3. Building Location. Buildings shall be located in conformance with the requirements of St. Lucie County, Florida and any specific zoning approvals thereunder, or as originally constructed on a Lot by Developer or its successor or assignee. Whenever a variance or special exception as to building location or other item has been granted by the authority designated to do so by the municipality, said variance or special exception is hereby adopted as an amendment to this Section and any future variance or special exception as to building location or other item shall constitute an amendment of this Section.

Section 4. Landscaping of Easements. In addition to the easements reserved herein, easements for drainage, installation and maintenance of utilities and for ingress and egress are shown on the recorded plat(s) of the Property. Within these easements no structure, planting or other material may be placed or permitted to remain that will interfere with vehicular traffic or prevent maintenance of utilities. Public utility companies servicing the Property and the Association, and their successors and assigns, shall have a perpetual easement for the installation and maintenance of water lines, sprinkler lines, sanitary sewers, storm drains, gas lines, electric and telephone lines, cables and conduits, including television cables and conduits and such other installations as may be required or necessary to provide maintenance and utility services to the Lots and/or the Common Areas under and through the utility easements as shown on the plat(s). Any damage caused to pavement, driveways, drainage structures, sidewalks, other structures, or landscaping in the installation and maintenance of such utilities shall be promptly restored and repaired by the utility whose installation or maintenance caused the damage. All utilities within the subdivisions, whether in streets, rights-of-way or utility easements, shall be installed and maintained underground, provided, however, that water and sewer treatment facilities and control panels for utilities may be installed and maintained above ground.

Section 5. Nuisances. No noxious or illegal activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or any other Lot Owner. In the event of any question as to what may be or become a nuisance, such question shall be submitted in writing to the Board for a decision in writing, which decision shall be final. In addition, no weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon any Lot. No refuse pile or unsightly objects shall be allowed to be placed or suffered to remain on any Lot; and in the event that an Owner shall fail or refuse to keep his Lot free of weeds, underbrush or refuse piles or other unsightly growths or objects, then the Association may enter upon said premises and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass. All garbage or trash containers must be placed in areas so that they shall not be visible from adjoining Lots or from the street. Provided, however, any portion of the Property not yet developed by Developer, shall be maintained in a clean condition but shall not be expected to be maintained in a manicured condition.

Section 6. Temporary Structures. No structure of a temporary character, or trailer, tent, mobile home or recreational vehicle shall be permitted on any Lot either temporarily or permanently, except that the Developer may park a trailer on the Property during periods of construction.

Section 7. Signs. One sign of not more than one square foot may be used to indicate the name of the resident and/or house number. No sign of any kind shall be displayed to the public view on the Property, without the prior consent of the ACB; provided that the Developer, so long as it has not sold all of its Lots in the Property, shall retain the right to disapprove any signs displayed to the public view. Notwithstanding the foregoing, this Section shall not apply to the Developer for as long as it holds title to any portion of the Property.

Section 8. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Property nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in

the Property. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions.

Section 9. Animals and Pets. No reptiles, animals, livestock, or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of dogs, cats, or other usual and common household pets not to exceed a total of two (2) in number regardless of the type. The keeping of a dog or other domestic pet is not a right of an Owner, but is a conditional license. This conditional license is subject to termination at any time by the Board of Directors upon a finding that a dog or other pet is vicious, is annoying to other residents, or has in any way become a nuisance. The owner of a pet assumes liability for all damage to persons or property caused by the pet or resulting from its presence at the Property.

This license is subject to the following conditions:

- A. Pets shall be kept on a leash at all times when outside a building and not enclosed within a fenced-in area.
- B. Pets are permitted to have excrements upon the Common Areas provided that the Owner shall immediately remove such excrement from the Common Areas with a "Pooper-Scooper" or other appropriate tool and deposit said waste in an approved trash receptacle.
- C. The owner of a pet shall be responsible, and by virtue of ownership, assumes responsibility for any damage to persons or property caused by his pet(s).
- D. Any pet whose owner violates the provisions and intent of these rules shall be deemed a nuisance and subject to removal in accordance with the provisions of this Declaration.

Section 10. Visibility at Intersections. No obstruction to visibility at street intersections shall be permitted.

Section 11. Commercial Trucks, Trailers, Campers and Boats. No commercial vehicles, campers, mobile homes, motorhomes, boats, house trailers, boat trailers, or trailers of every other description shall be permitted to be parked or to be stored at any place on any Lot, except only during the periods of approved construction on said Lot, and except that they may be stored within garages. Pick-up trucks or vans of the type commonly used as private passenger vehicles may be parked or stored in approved parking areas, so long as no commercial equipment or lettering or graphics is exposed to view. The term "commercial vehicle" shall include all automobiles, trucks and vehicular equipment, including station wagons, which bear signs or shall have printed on same some reference to any commercial undertaking or enterprise. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery, and other commercial services.

No vehicle which is unlicensed or inoperable may be kept or stored on the Property, unless kept fully enclosed inside a garage. No repair work to any type of motor vehicle, boat or

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trailer shall be conducted on any Lot other than minor repairs, cleaning or waxing which is completed in less than 24 hours.

Section 12. Fences. No fence, wall or other structure shall be erected in the front yard, back yard, or side yard except as approved by the ACB or as installed by the Developer.

Section 13. Hedges. No hedge shall be erected in the front yard except as approved by the ACB or as installed by the Developer.

Section 14. Garbage and Trash Disposal. Garbage, refuse, trash or rubbish shall be stored in a fashion to protect it from view from the street or another Lot, provided however, that the requirements from time to time of St. Lucie County for disposal or collection shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. All garbage placed out for collection must be in sealed garbage bags, covered plastic garbage cans, or such other containers supplied or approved by the garbage collecting authority. Trash, recyclables, and/or vegetation shall not be placed curbside earlier than 6:00 P. M. the evening before collection. Emptied receptacles or uncollected refuse shall be promptly removed from curbside by Owner.

Section 15. Drying Areas. Drying areas will be permitted when protected from view from the street or other Lots.

Section 16. Gas Containers. No gas tank, gas container, or gas cylinder (except those placed by the Developer or approved by the ACB in connection with the installation of swimming pools and/or permanent barbecues, and except those used for portable barbecues) shall be permitted to be placed on or about the outside of any house or any ancillary building, and all such items (except those placed by the Developer in connection with the installation of swimming pools and/or permanent barbecues, and except those used for portable barbecues) shall be installed underground in every instance where gas is used. In the alternative, gas containers may be placed above ground if enclosed on all sides by a decorative safety wall approved by the ACB.

Section 17. Communication Equipment. Except as may be installed by the Developer or as may be permitted by the ACB, no antennas, satellite dishes, acrials, or lines, wires or other devices for communication or transmission of current shall be placed on any portion of the Property. In no event, however, shall lines or wires for communication or the transmission of current be constructed placed, or permitted to be placed within the Common Areas unless the same shall be installed by the Association for the common use of all Members, and shall be protected cables, and any of said lines or wires which are not located in buildings shall be constructed or placed and maintained underground. Any line or wire installations permitted by the Architectural Control Board pursuant to this Section shall be protected cable and shall only be installed underground.

Section 18. County Requirement. Any plat or replat of the Property subject to this Declaration must conform with the master plan as approved by St. Lucie Countyt.

Section 19. Drainage. No change in any drainage pattern of any Lot, after issuance of a certificate of occupancy for the dwelling thereon, or of any portion of the Property, after all contemplated improvements have been completed, shall be made which will cause undue hardship to an adjoining Lot or adjoining property with respect to natural runoff of rain water. Streets, swales, and any other areas designated as retention areas pursuant to the engineer's drainage plans will retain water during certain storm periods that may extend for a period of time beyond the engineer's design estimate. The Association has the right to drain the Common Area through each individual Lot and all Lots.

Section 20. Leasing. No lease may be made for less than a three (3) month period, and all leases must be in writing. No more than two (2) leases may be executed per year for the rental of a Lot. Owners are required to provide to the Association the Owner's current mailing address, together with the names of those residing on the Lot. Each Owner shall be responsible for the acts and omissions, whether negligent or willful, of any person residing on his Lot, and for all guests, and invitees of the Owner or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the Common Areas, or any liability to the Association, the Owner shall be assessed for same as in the case of any other Assessment, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the Association. Furthermore, any violation of any of the provisions of this Declaration, of the Articles, or the Bylaws, by any resident of any Lot, or any guest or invitee of an Owner or any resident of a Lot, shall also be deemed a violation by the Owner, and shall subject the Owner to the same liability as if such violation was that of the Owner.

With respect to any tenant or any person present on any Lot or any portion of the Property, other than an Owner and the members of his immediate family permanently residing with him in the Lot, if such person shall materially violate any provision of this Declaration, the Articles, or be a source of annoyance to the residents of the Property, or shall willfully damage or destroy any Common Areas or personal property of the Association, then upon written notice by the Association, such person shall be required to immediately leave the Property and if such person does not do so, the Association is authorized to commence an action to evict such tenant or compel the person to leave the Property and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable Owner, and the Association may collect such Assessment and have a lien for same as elsewhere provided. The foregoing shall be in addition to any other remedy of the Association.

Section 21. Waterways. Motorized boat, jet ski or other motorized vessels are not permitted in any waterway within the Property.

Section 22. Screen Enclosures. No screen enclosures may be constructed on any Lot except as approved by the ACB and after all necessary approvals and permits have been obtained from all governmental agencies. No screen enclosure may be constructed in any designated building setback area on any Lot.

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ARTICLE IX.

INSURANCE AND HAZARD LOSSES

The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Areas. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. Insurance, other than title insurance, that shall be carried on the Common Property and the Association Property shall be governed by the following provisions:

Section 1. Authority to Purchase; Named Insured. All insurance policies upon the Common Property and the Association Property shall be purchased by the Association and shall be placed in a single agency or company, if possible. The named insured shall be the Association. The Association has the authority to use their discretion in obtaining the coverage listed hereinafter, as some of the requirements may be or become unobtainable, or may be cost prohibitive.

Section 2. Coverage.

A. Fidelity Bonds. Blanket fidelity bonds must be maintained for anyone who either handles or is responsible for funds that the Association holds or administers. Cancellation or substantial modification of the bonds must be noticed to the Association members and FNMA servicers prior to change.

B. Hazard Insurance. All buildings and insurable improvements on the Common Property and the Association Property shall be insured for fire and extended coverage perils, excluding foundation and excavation costs at their maximum insurable replacement value and all personal property owned by the Association shall be insured for its full insurable value, all determined annually by the Board of Directors of the Association.

(a) Company Rating. The company or companies with whom the Association shall place its insurance coverage must meet the following requirements: a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide, or an A or better rating from Demotech, Inc.

(b) Deductible. The Association shall determine from time to time the maximum deductible amount permitted with respect to hazard insurance coverage.

(c) Endorsements. If available and/or applicable, an Inflation Guard Endorsement, a Construction Code Endorsement, and a Machinery Coverage Endorsement are required.

C. Flood Insurance. If any part of the Association Property is in a Special Flood Hazard Area which is designated as A, AE, AH, AO, A1-30, A-99, V, VE OR V1-30 on a Flood Insurance Rate Map, the Association must maintain a master or blanket policy of

flood insurance. The amount of flood insurance should be at least equal to the lesser of 100% of the insurable value of the facilities or the maximum coverage available under the appropriate National Flood Insurance Administration program. Unless a higher deductible amount is required by state law, the maximum deductible amount for policies covering the Association Property and Common Property is the lesser of \$5,000 or 1% of the policy's face amount.

D. Liability Insurance. If the policy does not include "severability of interest" in its terms, a specific endorsement must be obtained to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or of other Owners.

E. Public Liability Insurance. The Association shall obtain public liability and property damage insurance covering all of the Common Property and the Association Property and insuring the Association and the Members as their interests appear in such amounts and providing such coverage as the Board of Directors of the Association may determine from time to time. The liability insurance shall include, but not be limited to, hired and non-owned automobile coverage.

F. Workmen's Compensation Insurance. The Association shall obtain workmen's compensation insurance in order to meet the requirements of law, as necessary.

G. Directors and Officers Liability Insurance. The Association shall obtain directors and officers liability insurance providing such coverage as the Board of Directors of the Association may determine from time to time.

H. Other Insurance. The Board of Directors or the Association shall obtain such other insurance as they shall determined from time to time to be desirable

I. Subrogation Waiver. If available, the Association shall obtain policies which provide that the insurer waives its right to subrogation as to any claim against Members, the Association and their respective servants, agents and guests.

Section 3. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association. The cost of insurance premiums and other incidental expenses incurred by the Association in administering and carrying out any of the provisions of this Section shall be assessed against and collected from Members as part of General Assessments.

Section 4. Association's Power to Compromise Claims. The Board of Directors of the Association is hereby irrevocably appointed agent for each Member and for each holder of a mortgage or other lien, for the purpose of compromising and settling all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon payment of claims.

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ARTICLE X.

COMMUNITY DEVELOPMENT DISTRICT

Section 1. St. Lucie West Community Development District. It is acknowledged that a community development district known as St. Lucie West Community Development District (a "CDD") has been formed in accordance with Chapter 190, Florida Statutes and will perform and have various of the rights, duties and obligations as set forth in this Article.

Section 2. Development. Developer has financed the construction of certain subdivision improvements, Common Areas, and infrastructure within or serving the Property, including but not limited to roads, paving, drainage systems and facilities, sewer and water facilities, entrance facilities and/or features, and recreational facilities, by means of bond or other financing through the CDD. As shown on the Plat, the CDD will maintain _____ and any other property owned by, or dedicated to, the CDD. Notwithstanding the foregoing, the CDD may enter into an agreement with the Association whereby the Association takes over responsibility for a portion or all of the foregoing maintenance responsibilities and the Association shall have the right to enter into such an agreement. Any or all of the costs of the CDD, including but not limited to the costs of establishing and operating the applicable district, the costs of obtaining the financing, any administrative expenses, legal fees, principal and interest charges required for the repayment of the bonds or financing, and the like, may be assessed to the Owners by means of an ad-valorem or non-ad-valorem assessment that will appear on the real estate tax bill issued by Lee County.

Section 3. Taxes and Assessments. THE CDD MAY IMPOSE AND LEVY TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON ALL OR PORTIONS OF THE PROPERTY. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES OF THE CDD. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER LOCAL GOVERNMENTAL TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.

Section 4. Exemption from Association Assessments. Notwithstanding anything to the contrary contained in this Declaration, the CDD and all of its interest in real property or facilities within the Property shall be exempt from all of the provisions of the Declaration, and all annual assessments, special assessments, extraordinary special assessments and fines that may be levied by the Association. The Association is prohibited from filing or attempting to execute upon any claim of lien as to the property or facility interests owned by the CDD, within the Property, and any such lien or recording of same in the public records shall be deemed null and void ab initio.

Section 5. Approval Rights to Amendments. No amendment of this Declaration which would affect the CDD's obligations, property interests, facilities or improvements located within the Property shall be effective unless agreed to in writing by the CDD.

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Section 6. Agreements. The Association may enter into an agreement with the CDD to maintain any property owned by the CDD on such terms and conditions as the Association and the CDD may determine.

ARTICLE XI.

DEVELOPER'S RIGHTS

Section 1. Sales Activity. Notwithstanding any provision herein to the contrary, until the Developer has completed, sold and conveyed all of the Lots within the Property, neither the Owners, nor the Association nor their use of the Common Areas shall interfere with the completion of the contemplated improvements and the sale of Lots and any other sales activity of the Developer, whether related to the Property or other developments of the Developer. The Developers (or its duly authorized agents or assigns) may make such use of the unsold Lots and the Common Areas as may facilitate such completion and sale including, but not limited to, the maintenance of sales offices, construction trailers, storage areas, model homes, and/or parking lots for the showing of the property, and the display of signs, billboards, flags, placards and visual promotional materials. The Developer shall have the right to use unimproved Lots for temporary parking for prospective purchasers and such other parties as Developer determines. Each Lot and the Common Area is hereby subjected to an easement for the purposes set forth herein.

Section 2. Replatting. It may be necessary for the Developer to replat a portion of the Property. The Developer shall have the right to replat unsold portions of the Property without requiring the joinder or consent of any Owner or mortgagee holding a mortgage on any Lot.

Section 3. Utility and Construction Payments and/or Deposits. In the event a utility company or governmental authority requires a deposit to be made by the Developer, and such deposit shall be refunded at some time in the future, then the Developer (and not the Association) shall be entitled to receipt of the refunded funds. In addition, should construction payments made by the Developer be refunded by a utility company or governmental authority at some time in the future, then the Developer (and not the Association) shall be entitled to receipt of the refunded funds or the Association shall reimburse the Developer for such payments prior to the time that Owners other than the Developer elect a majority of the members of the Board of Directors of the Association.

Section 4. Developer's Right to Common Areas. Developer shall have the right from time to time to enter upon the Common Areas during periods of construction upon adjacent Property and for the purpose of construction of any facilities on the Common Areas that Developer elects to build. Developer may grant easements to Lot Owners adjacent to Common Areas for overhangs, protrusions and encroachments of any portion of the improvements to a Lot which are constructed by Developer. The Developer shall have the right to dedicate the Common Areas or a portion thereof to any governmental authority or utility company, or to grant an easement over the Common Areas in favor of any governmental authority or utility company, without requiring the joinder or consent of any other Owner or mortgagee holding a mortgage on any Lot.

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Section 5. Assignment of Developer Rights. The Developer shall have the right to assign to any other person or entity any or all of the Developer's rights reserved in this Declaration, in whole or in part, with respect to all or any portion of the Property. In the event of an assignment, the assignee shall not be liable for any action of a prior developer. Acquisition, development or construction lenders acquiring title to the Property or any portion thereof by foreclosure or deed in lieu of foreclosure shall have the right, but not the obligation, to assume the Developer's rights. Such acquisition, development or construction lender shall have the right to assign the Developer's rights to a subsequent purchaser, regardless of whether or not the Developer's rights were assumed by the lender.

ARTICLE XII.

MORTGAGEES' RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages on Lots in the Property.

Section 1. Notices of Action. An Institutional holder, insurer, or guarantor of a first mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number), therefore becoming an "Eligible Holder"), will be entitled to timely written notice of:

A. any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first mortgage held, insured, or guaranteed by such eligible holder;

B. any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the mortgage of such eligible holder, insurer, or guarantor, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;

C. any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

D. any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. No Priority. No provision of this Declaration or the bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

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Section 3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owner's Lot.

Section 4. Applicability of Article XII. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Florida law for any of the acts set out in this Article.

Section 5. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

ARTICLE XIII.

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer, the Association or the Owner of any Lot subject to this Declaration, and their assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of two-thirds of the Lots and an instrument signed by the then Mortgagees of two-thirds of the mortgaged Lots have been recorded, agreeing to change or terminate said covenants and restrictions in whole or in part.

Section 2. Notice. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed (postpaid), transmitted by way of telecopy, or sent by overnight courier, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants and failure by the Developer, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. These covenants may also be enforced by the Architectural Control Board. The Association is hereby empowered to adopt reasonable rules and regulations for the imposition of fines to be levied against any Owner for failure to comply with the terms of this Declaration or rules and regulations of the Association. Any rule or regulation subjecting any Owner to fines shall include provisions for notice, hearing, appeal and fines. Fines shall constitute an assessment due to the Association and upon failure to pay such fine within the period prescribed by the Association shall become a charge and continuing lien upon the Owner's Lot.

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Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Amendment. For so long as the Developer has the right to appoint the entire Board of Directors of the Association, the Developer may unilaterally amend this Declaration with the exception of Section 10, which may not be amended for a period of thirty (30) years. At such time as the Developer no longer has right to appoint the entire Board of Directors of the Association this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing two-thirds of the total votes of the Association. Every amendment must have the written joinder and consent of the Developer for so long as the Developer owns any portion of the Property. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Public Records of St. Lucie County, Florida. No amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, Developer, unless Developer joins in the execution of the amendment. Any amendment that will affect any aspect of the Stormwater Drainage Facility or system including water management portions of the Common Areas, must receive prior approval from the SFWMD.

Section 6. Effective Date. This Declaration shall become effective upon its recordation in the St. Lucie County Public Records.

ARTICLE XIV.

TELECOMMUNICATIONS SERVICES

Section 1. Right to Contract for Telecommunications Services. Association shall have the right, but not the obligation, to enter into one or more contracts for the provision of one or more Telecommunications Services for all or any part of the Property. For so long as the Developer has the right to appoint the entire Board of Directors of the Association, all contracts between a Telecommunications Provider and Association shall be subject to the prior written approval of Developer. Developer and/or its nominees, successors, assigns, affiliates, and licensees may contract with Association and act as a Telecommunications Provider for one or more Telecommunications Services, subject only to the requirements of all applicable laws, statutes, and regulations.

Section 2. Payment of Costs of Telecommunications Services. If, and to the extent, Telecommunications Services provided by such Telecommunications Systems are to serve all of the Property, then the cost of the Telecommunications Services may be operating costs of Association and shall be assessed as a part of the General Assessments.

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EXECUTED the date first above written.

Signed, sealed and delivered
in the presence of:

Deborah A. Pearson
Name Deborah A. Pearson

Jean M. Stein
Name: Jean M. Stein

Magnolia Lakes by Levitt and Sons, LLC, a
Florida limited liability company

By: Levitt and Sons, LLC, a Florida limited
liability company, managing member

By: Levitt Companies, LLC, a
Florida limited liability
company, managing member

Alfred G. West
By: ALFRED G. WEST
Name: ALFRED G. WEST
Title: SR Vice President

[Corporate Seal]

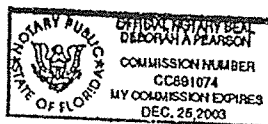
STATE OF FLORIDA)

SS:

COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me, this 23rd day of
May, 2003, by Alfred G. West, as Sr. Vice President of Levitt
Companies, LLC, a Florida limited liability company, managing member of Levitt and Sons,
LLC, a Florida limited liability company, managing member of Magnolia Lakes by Levitt and
Sons, LLC, a Florida limited liability company, on behalf of the limited liability company, who
is either personally known to me or has been ~~identified~~ identified.

Deborah A. Pearson
Notary Public – State of Florida
Deborah A. Pearson
Notary Print Name



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EXHIBIT A

DESCRIPTION: THE PLANTATION AT ST. LUCIE WEST

A PARCEL OF LAND, BEING A PORTION OF PARCEL 7, AS SHOWN ON ST. LUCIE WEST PLAT NO. 81, AS RECORDED IN PLAT BOOK 36, PAGES 25, 25A THRU 25F, AND A PORTION OF THE PLAT OF ST. LUCIE WEST PLAT NO. 112, RECORDED IN PLAT BOOK 37, PAGES 21 AND 21A, BOTH RECORDED IN THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA AND LYING IN SECTION 19, TOWNSHIP 36 SOUTH, RANGE 40 EAST, AND SECTION 24, TOWNSHIP 36 SOUTH, RANGE 39 EAST, ST. LUCIE COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF LOT 1, AS SHOWN ON ST. LUCIE WEST PLAT NO. 137, AS RECORDED IN PLAT BOOK 39, PAGES 26 AND 26A, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA; THENCE NORTH $00^{\circ}08'27''$ WEST, ALONG THE EAST LINE OF THE PLAT OF KINGS ISLE PHASE IV, ST. LUCIE WEST PLAT NO. 62, AS RECORDED IN PLAT BOOK 34, PAGES 20 AND 20A, AND ALSO THE EAST LINE OF THE PLAT OF KINGS ISLE, PHASE VI-A, ST. LUCIE WEST PLAT NO. 68, AS RECORDED IN PLAT BOOK 35, PAGES 3, 3A THRU 3D, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA, A DISTANCE OF 730.32 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH $00^{\circ}08'27''$ WEST, ALONG THE SAID EAST LINE OF KINGS ISLE PHASE VI-A, A DISTANCE OF 607.62 FEET TO A POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 3278.29 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THRU A CENTRAL ANGLE OF $6^{\circ}59'27''$ AN ARC DISTANCE OF 400.00 FEET TO A POINT OF TANGENCY WITH A LINE: THENCE DEPARTING SAID EAST LINE NORTH $07^{\circ}07'54''$ WEST ALONG SAID TANGENT LINE, A DISTANCE OF 5.00 FEET: THENCE SOUTH $82^{\circ}52'06''$ WEST, A DISTANCE OF 901.29 FEET; THENCE SOUTH $53^{\circ}51'11''$ WEST, A DISTANCE OF 599.44 FEET; THENCE SOUTH $36^{\circ}08'49''$ EAST, A DISTANCE OF 5.00 FEET TO THE NORTHEAST CORNER OF THE PLAT OF KINGS ISLE PHASE V, ST. LUCIE WEST PLAT NO. 66, AS RECORDED IN PLAT BOOK 35, PAGES 12, 12A THRU 12C: THENCE SOUTH $53^{\circ}51'11''$ WEST ALONG THE NORTH LINE OF KINGS ISLE PHASE V AND THE NORTH LINE OF THE PLAT OF KINGS ISLE PHASE VII-A, ST. LUCIE WEST PLAT NO. 89, AS RECORDED IN PLAT BOOK 36, PAGES 8, 8A THRU 8B, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA, A DISTANCE OF 156.57 FEET; THENCE SOUTH $89^{\circ}19'33''$ WEST ALONG THE NORTH LINE OF SAID PLAT OF KINGS ISLE PHASE VII-A AND THE NORTH LINE OF THE PLAT OF KINGS ISLE PHASE VII-B, ST. LUCIE WEST PLAT NO. 103, AS RECORDED IN PLAT BOOK 37, PAGES 16 AND 16A, PUBLIC RECORDS

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OF ST. LUCIE COUNTY, FLORIDA, A DISTANCE OF 1700.00 FEET TO A LINE PARALLEL WITH AND 80.00 FEET EAST OF AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF, THE CASCADES AT ST. LUCIE WEST - PHASE I, ST. LUCIE WEST PLAT NO. 110, AS SHOWN ON THE PLAT RECORDED IN PLAT BOOK 38, PAGES 28, 28A THRU 28O, PUBLIC RECORDS OF SAID ST. LUCIE COUNTY; THENCE NORTH 00°40'27" WEST ALONG SAID PARALLEL LINE A DISTANCE OF 875.36 FEET; THENCE SOUTH 64°35'28" EAST DEPARTING SAID PARALLEL LINE, A DISTANCE OF 0.12 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT CERTAIN EASEMENT AS DESCRIBED BY DEED RECORDED IN OFFICIAL RECORD BOOK 1407, PAGE 1943, PUBLIC RECORDS OF SAID ST. LUCIE COUNTY; THENCE TRAVERSE THE SOUTHERLY LINE OF SAID EASEMENT BY THE FOLLOWING FIVE (5) COURSES:

1. CONTINUE SOUTH 64°35'28" EAST A DISTANCE OF 107.31 FEET;
2. NORTH 82°58'42" EAST, A DISTANCE OF 94.79 FEET;
3. NORTH 72°40'44" EAST, A DISTANCE OF 103.99 FEET;
4. NORTH 49°18'10" EAST, A DISTANCE OF 102.48 FEET;
5. NORTH 23°20'56" EAST, A DISTANCE OF 103.44 FEET TO A POINT OF NON-RADIAL INTERSECTION WITH A CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 175.00 FEET (THE RADIUS POINT BEARS NORTH 61°43'27" EAST FROM THIS POINT);

THENCE DEPARTING SAID EASEMENT, SOUTHEASTERLY, EASTERLY AND NORTHEASTERLY ALONG THE ARC OF SAID CURVE THRU A CENTRAL ANGLE OF 140°05'03" AN ARC DISTANCE OF 427.86 FEET TO A POINT OF NON-RADIAL INTERSECTION WITH A LINE (THE RADIUS POINT BEARS NORTH 78°21'36" WEST FROM THIS POINT); THENCE NORTH 23°20'56" EAST ALONG SAID LINE, A DISTANCE OF 278.47 FEET TO A POINT OF CURVATURE WITH A CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 350.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THRU A CENTRAL ANGLE OF 20°55'26" AN ARC DISTANCE OF 290.34 FEET TO A POINT OF TANGENCY WITH A LINE; THENCE NORTH 70°52'40" EAST ALONG SAID LINE, A DISTANCE OF 286.41 FEET TO A POINT OF CURVATURE WITH A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 500.00 FEET; THENCE NORTHEASTERLY AND NORTHERLY ALONG THE ARC OF SAID CURVE THRU A CENTRAL ANGLE OF 71°30'49" AN ARC DISTANCE OF 624.07 FEET TO A POINT OF TANGENCY WITH A LINE; THENCE NORTH 00°38'09" WEST ALONG SAID LINE A DISTANCE OF 464.81 FEET TO A POINT OF CURVATURE WITH A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 750.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THRU A CENTRAL ANGLE OF 09°58'37" AN ARC DISTANCE OF 130.60 FEET TO A POINT OF NON-RADIAL INTERSECTION WITH A LINE (THE RADIUS POINT BEARS SOUTH 79°23'14" WEST FROM THIS POINT); THENCE NORTH 67°51'01" EAST ALONG SAID LINE A DISTANCE OF 57.78 FEET TO A POINT OF NON-RADIAL INTERSECTION WITH THE ARC OF A CURVE

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CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 175.00 FEET (THE RADIUS POINT BEARS NORTH 08°51'10" EAST FROM THIS POINT); THENCE EASTERLY, NORTHEASTERLY AND NORTHERLY, ALONG THE ARC OF SAID CURVE THRU A CENTRAL ANGLE OF 98°51'10" AN ARC DISTANCE OF 301.93 FEET TO A POINT OF TANGENCY WITH A LINE; THENCE NORTH 00°00'00" EAST ALONG SAID LINE A DISTANCE OF 375.73 FEET; THENCE NORTH 90°00'00" EAST, A DISTANCE OF 589.23 FEET; THENCE NORTH 00°38'09" WEST, A DISTANCE OF 97.90 FEET; THENCE NORTH 18°05'35" EAST, A DISTANCE OF 315.23 FEET TO A POINT OF RADIAL INTERSECTION ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF N.W. CASHMERE BOULEVARD AS SHOWN ON THE SAID PLAT OF THE PLAT OF ST. LUCIE WEST PLAT NO. 112, POINT ALSO BEING ON A CIRCULAR CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 1090.00 FEET; THENCE TRAVERSING THE FOLLOWING TWO (2) COURSES ALONG SAID RIGHT-OF-WAY LINE;

1. SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THRU A CENTRAL ANGLE OF 48°30'57" AN ARC DISTANCE OF 922.97 FEET TO A POINT OF TANGENCY;
2. THENCE SOUTH 23°23'28" EAST, A DISTANCE OF 1440.92 FEET TO A POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 1086.28 FEET;

THENCE TRAVERSING THE FOLLOWING FOUR (4) COURSES ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST CASHMERE BOULEVARD AS SHOWN ON SAID ST. LUCIE WEST PLAT NO. 81:

1. SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THRU A CENTRAL ANGLE OF 23°25'02" AN ARC DISTANCE OF 443.97 FEET TO A POINT OF TANGENCY;
2. THENCE SOUTH 00°01'34" WEST, A DISTANCE OF 987.71 FEET TO A POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1086.28 FEET;
3. THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THRU A CENTRAL ANGLE OF 16°36'36" AN ARC DISTANCE OF 314.91 FEET TO A POINT OF REVERSE CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 1206.28 FEET;
4. THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THRU A CENTRAL ANGLE OF 20°55'26" AN ARC DISTANCE OF 440.52 FEET TO A POINT OF NON-RADIAL INTERSECTION WITH A LINE (THE RADIUS POINT OF SAID CURVE BEARS NORTH 85°42'44" EAST FROM THIS POINT);

THENCE DEPARTING SAID RIGHT-OF-WAY LINE, SOUTH 89°51'33" WEST, A DISTANCE OF 572.68 FEET TO THE POINT OF BEGINNING.

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LESS WETLAND NO. 116 AND LESS BUFFER ZONE EASEMENT NO. 116, AS
SHOWN ON SAID ST. LUCIE WEST PLAT NO. 81.

CONTAINING 192.486 ACRES, MORE OR LESS.

**ARTICLES OF INCORPORATION
FOR
MAGNOLIA LAKES RESIDENTS' ASSOCIATION, INC.
(a corporation not-for-profit)**

The undersigned, acting as Incorporator(s) of a corporation pursuant to Chapter 720, Florida Statutes, adopt(s) the following Articles of Incorporation:

ARTICLE I.

NAME

The name of the corporation shall be Magnolia Lakes Residents' Association, Inc. (the "Association").

ARTICLE II.

PRINCIPAL PLACE OF BUSINESS AND MAILING ADDRESS

The initial principal place of business and mailing address of the corporation shall be 7777 Glades Road, Suite 410, Boca Raton, Florida 33434.

ARTICLE III.

PURPOSE(S)

The corporation is organized as a corporation not-for-profit under Chapter 720 of the laws of the State of Florida. The specific purposes for which the corporation is organized are:

1. To promote the health, safety and social welfare of the Owners of Property within that residential area referred to as Magnolia Lakes and described in the Declaration of Restrictions and Protective Covenants for Magnolia Lakes (the "Declaration") by Magnolia Lakes by Levitt and Sons, LLC, a Florida limited liability company, to be recorded in the Public Records of St. Lucie County, Florida.
2. To own and maintain, repair and replace the general and/or Common Area, landscaping and other improvements in and/or benefitting the property for which the obligation to maintain and repair has been delegated and accepted.
3. To control the specifications, architecture, design, appearance, elevation and location of, and landscaping around, all buildings and improvements of any type, including walls, fences, swimming pools, antennae, sewers, drains, disposal systems or other structures constructed, placed or permitted to remain in the Property, as well as the alteration, improvement, addition or change thereto.
4. To operate without profit for the benefit of its members.

5. To perform those functions reserved by the Association in the Declaration.

ARTICLE IV.

GENERAL POWERS

The general powers that the Association shall have are as follows:

1. To hold funds solely and exclusively for the benefit of the members for the purposes set forth in these Articles of Incorporation.
2. To promulgate and enforce rules, regulations, bylaws, covenants, restrictions and agreements to effectuate the purposes for which the Association is organized.
3. To delegate power or powers where such is deemed in the interest of the Association.
4. To affix assessments to be levied against Lots within the Property and the costs of effectuating the objects and purposes of the Association and to create reasonable reserves for such expenditures, and to authorize its Board of Directors, in its discretion, to enter into agreements with mortgage companies and other organizations for the collection of such assessments.
5. To pay taxes and other charges, if any, on or against the Common Area.
6. To operate, maintain and manage the surface water or stormwater management system in a manner consistent with the South Florida Water Management District ("SFWMD") permit no. 56-00573-5-03 requirements and applicable SFWMD rules, and shall assist in the enforcement of the Declaration of Restrictions and Protective Covenants which relate to the surface water or stormwater management system.
7. To levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.
8. To sue and be sued and appear and defend in all actions and proceedings in its corporate name to the same extent as a natural person.
9. To have all powers conferred upon a corporation by the laws of the State of Florida, except as prohibited herein. The Common Area cannot be mortgaged or conveyed without the affirmative vote of at least two-thirds of the Class A Membership.

ARTICLE V.

MANNER OF ELECTION OF DIRECTORS

Directors shall be elected or appointed in accordance with the provisions of the Bylaws of the Association.

ARTICLE VI.

MEMBERS

1. Every Owner of a Lot which is subject to Assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to Assessment.

2. The Association shall have two classes of voting membership:

a. Class A. Class A Members shall be all Owners, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

b. Class B. The Class B Member(s) shall be the Developer. The Class B Member shall be entitled to the same number of votes held by all other Members of the Association plus one; provided, however, that notwithstanding any provision to the contrary, the Developer shall have the right to appoint the entire Board of Directors of the Association until three (3) months after 90% of the Lots have been conveyed to Owners other than the Developer, or at an earlier date at the sole discretion of the Developer. At such time, the Class B membership shall cease and be converted to Class A membership and the Developer shall call a meeting, as provided in the Bylaws for Special Meetings, to provide for the turnover of control of the Board of Directors to the Owners. The Developer shall have the right, in its sole discretion, to appoint one member to the Board of Directors for so long as the Developer owns at least 5% of the Lots.

ARTICLE VII.

DIRECTORS

The Board of Directors of the Corporation shall be comprised of at least three (3) directors. The initial members of the Board of Directors and their street addresses are:

Alfred G. West	7777 Glades Road, Suite 410 Boca Raton, Florida 33434
Harry Sleek	7777 Glades Road, Suite 410 Boca Raton, Florida 33434
Doug Flinn	7777 Glades Road, Suite 410 Boca Raton, Florida 33434

As long as Developer shall have the right to appoint the Board of Directors, Directors need not be Members of the Association and need not be residents of the State of Florida. All Directors appointed by the Developer shall serve at the pleasure of the Developer, and may be

removed from office, and a successor Director may be appointed at any time by the Developer. At the first annual election to the Board of Directors where Directors are elected by the Members, the term of office of the elected Director receiving the highest plurality of votes shall be established at two (2) years, with the other elected Directors to serve for a term of one (1) year. Elections shall be by plurality votes. Each year thereafter, as many Directors shall be elected and appointed, as the case may be, as there are regular terms of office of Directors expiring at such time, and the term of the Director so elected or appointed at each annual election shall be for two (2) years expiring at the second annual election following their election, and thereafter until their successors are duly elected and qualified, or until removed from office with or without cause by the affirmative vote of a majority of the Members which elected or appointed them. Any Director appointed by the Developer shall serve at the pleasure of the Developer and may not be removed except by action of the Developer, and may be removed from office, and a successor director may be appointed, at any time by the Developer.

ARTICLE VIII.

OFFICERS

The Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board may from time to time, by resolution, create. Any two or more offices may be held by the same person except the offices of President and Secretary. Officers shall be elected for one (1) year terms in accordance with the procedures set forth in the Bylaws. The names of the Officers who are to manage the affairs of the Association until the first annual meeting of the Board of Directors and until their successors are duly elected and qualified are:

President	Alfred G. West
Vice-President	Harry Sleek
Secretary/Treasurer	Doug Flinn

ARTICLE IX.

INITIAL REGISTERED AGENT AND STREET ADDRESS

The street address of the Corporation's initial registered office is: 7777 Glades Road, Suite 410, Boca Raton, Florida 33434 and the name of the initial Registered Agent at such address is: Alfred G. West.

ARTICLE X.

INCORPORATOR

The name and street address of the Incorporator for these Articles of Incorporation is: Alfred G. West, 7777 Glades Road, Suite 410, Boca Raton, Florida 33434.

ARTICLE XI.

CORPORATE EXISTENCE

The existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity.

ARTICLE XII.

BYLAWS

The Board of Directors shall adopt Bylaws consistent with these Articles.

ARTICLE XIII.

AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS

1. For so long as the Developer has the right to appoint the entire Board of Directors of the Association the Developer may unilaterally amend these Articles. As such time as the Developer no longer has the right to appoint the entire Board of Directors of the Association, amendment of these Articles requires the approval of at least two-thirds of the membership votes. For so long as Developer has the right to appoint the entire Board of Directors of the Association, no amendment of these Articles shall be effective without the consent of the Developer.

ARTICLE XIV.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

1. The Association hereby indemnifies any Director or officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:

a. Whether civil, criminal, administrative or investigative, other than one by or in the right of the Association to procure a judgment in its favor, brought to impose a liability or penalty on such person for any act alleged to have been committed by such person in his capacity of Director or officer of the Association, or in his capacity as a Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred

as a result of such action, suit or proceeding or any appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interests of the Association or that he had reasonable grounds for belief that such action was unlawful.

b. By or in the right of the Association to procure a judgment in its favor by reason of his being or having been a Director or officer of the Association, or by reason of his being or having been a Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association. Such person shall not be entitled to indemnification in relation to matters as to which such person has been adjudged to have been guilty of negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court, administrative agency, or investigative body before which such action, suit or proceeding is held shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

2. The Board of Directors shall determine whether amounts for which a Director or officer seeks indemnification were properly incurred and whether such Director or officer acted in good faith and in a manner he reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.

3. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law.

4. The Association shall obtain directors and officers liability insurance providing such coverage as the Board of Directors of the Association may determine from time to time.

ARTICLE XV.

TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

1. With the exception of Directors and Officers appointed by the Class B Members, any financial or familial interest of an Officer or Director in any contract or transaction between the Association and one (1) or more of its Directors or officers, or between the Association and any other corporation, partnership, association or other organization in which one (1) or more of its Directors or officers are directors or officers, or have a financial interest, shall be disclosed,

and further shall be voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

2. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction, but must abstain from voting on the issue.

ARTICLE XVI.

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the SFWMD prior to such termination, dissolution or liquidation.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation this ___ day of _____, 2002

Alfred G. West

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this ___ day of _____, 2002 by Alfred G. West, who is personally known to me or who has produced a Florida driver's license as identification.

Serial Number: _____
Commission Expires: _____

Notary Public
Name: _____

REGISTERED AGENT

The undersigned hereby accepts appointment as Registered Agent of Magnolia Lakes Residents' Association, Inc. this ___ day of _____, 2002.

Alfred G. West

**CERTIFICATE OF AMENDMENT
TO THE
BYLAWS OF MAGNOLIA LAKES RESIDENTS' ASSOCIATION, INC.**

A Corporation Not-For-Profit Under
the Laws of the State of Florida

The Bylaws for Magnolia Lakes Residents' Association, Inc. has been recorded in the public records of St. Lucie County, Florida at Official Records Book 3297, Page 1305, et. seq. Magnolia Lakes Residents' Association, Inc., by its duly authorized officers, hereby certifies that the Amendment to these Bylaws was approved by the Board of Directors at a duly convened Board Meeting held on April 20, 2011, and by the membership by vote sufficient for approval by written consent in lieu of a Members Meeting.

1. Article VII is amended to read as follows:

Section 1. The Annual Meeting of the members shall be held each year during the month of February at such time and place as shall be determined by the Board of Directors.

Section 2. All Directors shall be members of the Association. Members of the Board of Directors shall be nominated and elected at the Annual Meeting in accordance with the following process:

- 2.1 The members of the Board shall be elected by written ballot which may be mailed in or cast in person at the Annual Meeting. Proxies may not be used in electing members to the Board of Directors.
- 2.2 At least sixty (60) days before the Annual Meeting and Election, the Association shall mail, deliver or electronically transmit to each Lot Owner entitled to vote, a First Notice of the date, time and place of the Annual Meeting and Election.
- 2.3 A written Notice of Intent to be a Candidate for Election to the Board of Directors shall be included in the mailing of the First Notice of Annual Meeting.
- 2.4 Any Association member desiring to be a candidate for the Board must submit his or her written notice of intent to be a candidate to the Association not less than forty (40) days before the scheduled

election. Upon the request of a candidate, an information sheet no larger than 8 1/2" by 11", which must be furnished by the candidate at least thirty-five (35) days before the election, must be included with the mailing, delivery or transmission of the election ballot.

- 2.5 Not less than fourteen (14) days prior to the Annual Meeting and Election, the Association shall mail, deliver or electronically transmit a Second Notice of Annual Meeting and Election to all Lot Owners together with a ballot that lists all candidates, who timely submitted a notice of intent to run for the Board. The Ballot form shall also include blank spaces for write-in candidates who may be nominated from the floor at the Annual Meeting in number equal to the number of Director seats to be filled at the Election.
- 2.6 Notwithstanding anything to the contrary in the foregoing, any member may be nominated from the floor during the Annual Meeting to run as a candidate for election to the Board of Directors.
- 2.7 Election shall be decided by a plurality of the ballots that have been cast.
- 2.8 Any Lot Owner who needs assistance in casting the ballot for reasons stated in Florida Statute §101.051 may obtain such assistance.

(The balance of Article VII remains unchanged)

2. The foregoing amendment to the Bylaws of Magnolia Lakes Residents' Association, Inc. was adopted by the board by a vote sufficient for approval at a Board Meeting held on April 20, 2011 and by the membership by vote sufficient for approval by written consent in lieu of a Members Meeting.

3. The adoption of this amendment appears upon the minutes of said meeting and are unrevoked.

4. All provisions of the Bylaws of Magnolia Lakes Residents' Association, Inc. are herein confirmed and shall remain in full force and effect, except as specifically amended herein.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed in its name by its President, its Secretary and its corporate seal affixed this 16 day of June, 2011.

WITNESSES AS TO PRESIDENT:


By: James Tortora

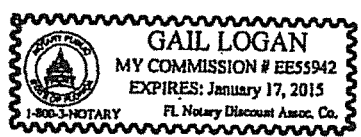
Printed Name: Gail Logan
Gail Logan

IT's, President

Tom Krol
Printed Name: Tom Krol

STATE OF FLORIDA
COUNTY OF St. Lucie

The foregoing instrument was acknowledge before me on 6/16/11, 2011, by James Tortora, as President of Magnolia Lakes Residents' Association, Inc. who is personally known to me, or [] who has produced identification [Type of Identification: _____].



Notarial Seal

Gail Logan
Notary Public Gail Logan

WITNESSES AS TO SECRETARY:

Gail Logan
Printed Name: Gail Logan

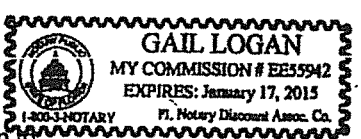
Janet Younce
By: Janet Younce
IT's, Secretary.

Tom Krol
Printed Name: Tom Krol

STATE OF FLORIDA
COUNTY OF St. Lucie

CORPORATE SEAL

The foregoing instrument was acknowledge before me on 6/14, 2011, by Janet Younce, as Secretary of Magnolia Lakes Residents' Association, Inc. who is personally known to me, or [] who has produced identification [Type of identification: _____].



Notarial Seal

Gail Logan
Notary Public Gail Logan

Record and Return to:
ROSS EARLE & BONAN, P.A.
Post Office Box 2401
Stuart, FL 34995

BYLAWS
OF
MAGNOLIA LAKES
RESIDENTS' ASSOCIATION, INC.

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BYLAWS
OF
MAGNOLIA LAKES
RESIDENTS' ASSOCIATION, INC.

ARTICLE I

DEFINITIONS

All defined terms used in these Bylaws shall have the meaning assigned to them in the Declaration of Restrictions and Protective Covenants for Magnolia Lakes.

ARTICLE II

LOCATION

Section 1. The principal office of the Association shall be 7777 Glades Road, Suite 410, Boca Raton, Florida 33434.

ARTICLE III

MEMBERSHIP

Section 1. Membership of the Association is as set forth in the Declaration.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessment is imposed against each Owner of, and becomes a lien upon, the Properties against which such assessments are made as provided in the Declaration to which the Properties are subject.

ARTICLE IV

FISCAL YEAR

Section 1. The fiscal year of the Association shall be the calendar year.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Subsequent to the appointment of directors by the Class B Member, as provided in the Articles of Incorporation, the directors of the Association shall be elected at the annual meeting of the members. The election procedure is set forth in Article VII of these Bylaws.

Section 2. Any director may be removed from office at any time with or without cause by the affirmative majority vote of the Association membership, except that the directors elected by the Class B Member including those named in the Articles of Incorporation may be removed only by the Class B Member.

Section 3. The first meeting of the duly elected Board of Directors, for the purpose of organization, shall be held immediately after the annual meeting of association members, provided the majority of the members of the elected Board are present. Any action taken at such meeting shall be by a majority of the Board. If the majority of the members of the Board elected shall not be present at that time, or if the directors shall fail to elect officers, the meeting of the Board to elect officers shall then be held within thirty days after the annual meeting of members upon three days' notice in writing to each member of the Board elected, stating the time, place and object of such meeting.

Section 4. Regular meetings of the Board of Directors may be held at any place or places within St. Lucie County, Florida, on such days and at such hours as the Board of Directors may, by resolution, appoint.

Section 5. Notice of regular meetings shall be posted in a conspicuous place on the Association Property at least 48 hours in advance, except in an emergency. Notice of any meeting in which assessments against Lots are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of such assessments.

Section 6. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board and may be held at any place or places within St. Lucie County, Florida, and at any time.

Section 7. Notice of each special meeting of the Board of Directors, stating the time, place and purpose or purposes thereof, except in the event of an emergency, shall be (i) posted in a conspicuous place on the Association Property at least 48 hours in advance or (ii) given by or on behalf of the President or by or on behalf of the Secretary or by or on behalf of a majority of the members of the Board to each member of the Board not less than seven days prior to the scheduled date of the special meeting by mail, telegraph, overnight courier, hand delivery or telecopy. Emergency meetings of the Board may also be held at any place and time without notice by unanimous waiver of notice by all the directors. Notices of all meetings of the board of directors will comply with Chapter 720, Florida Statutes.

Section 8. No Director shall receive any compensation from the Association. A Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

Section 9. Subject to the provisions of Section 10 of this Article, all meetings of the Board shall be open to all Members, but no Member other than Directors may participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director. In such case, the Board may limit the time that any Member may speak.

Section 10. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing,

setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

Section 11. The Board of Directors shall be responsible for maintaining the official records of the Association in accordance with Florida Statute § 720.303, as may be amended from time to time. The said official records of the Association shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during reasonable times and places which shall be at least ten (10) business days after receipt of a written request for examination. All financial and accounting records of the Association shall be kept according to good accounting practices.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by Chapter 720, Florida Statutes, together with these Bylaws, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- a. preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;
- b. making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment, which may be payable in annual, semi-annual, or quarterly installments, as determined by the Board of Directors;
- c. providing for the operation, care, upkeep, and maintenance of all of the Common Areas;
- d. designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- e. collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; the reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- f. making and amending rules and regulations;
- g. opening of bank accounts on behalf of the Association and designating the signatories required;

h. making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

i. enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association after receiving the proper authorization, if any, required by the Declaration;

j. obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

k. paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

l. keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices;

m. make available for review to any prospective purchaser of a Lot, any Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the Lot and all other books, records, and financial statements of the Association; and

n. permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

o. exercise for the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to members in the Declaration of Restrictions and Protective Covenants for the Property or in the Articles of Incorporation of the Association.

Section 12. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs a, b, f, g and i of Section 11 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager. No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on ninety (90) days, or less, written notice.

Section 13. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- a. accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- b. accounting and controls should conform with established AICPA guidelines and principles, which require, without limitation, (i) disbursements by check requiring two (2) signatures, and (ii) cash disbursements limited to amounts of Seventy-Five (\$75.00) Dollars and under;
- c. cash accounts of the Association shall not be commingled with any other accounts;
- d. no remuneration shall be accepted by a managing agent from vendors, independent contractors, or others Providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;
- e. any financial or other interest which a managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and
- f. an annual report consisting of at least the following shall be prepared within sixty (60) days after the close of the fiscal year: (1) financial statements presented in conformity with generally accepted accounting principles; or (2) a financial report of actual receipts and expenditures, cash basis, showing the amount of receipts and expenditures by classification and the beginning and ending cash balances of the association. The Association shall provide each Member with a copy of the annual report or with written notice that a copy of the financial report is available upon request at no charge to the Member.

Section 14. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas without the approval of the Members of the Association; provided, however, the Board shall obtain Member approval in the same manner provided in the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

Section 15. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the fine shall constitute a lien upon the Lot in which the occupant resides, and the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the

Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

a. Notice. Prior to imposition of any sanction here-under, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than fourteen (14) days within which the alleged violator may present a written request to the committee designated by the Board, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within fourteen (14) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

b. Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session before the body specified in the notice which shall afford the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or his designated representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The hearing shall be conducted in accordance with Florida Statute 720.305.

c. Appeal. If the hearing is held before a body other than the Board, then the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

d. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation for abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE VI

OFFICERS

Section 1. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as herein set forth in Article VII.

Section 2. Any officer may be removed at any time by the affirmative vote of a majority of the Board of Directors at any duly called regular or special meeting of the Board.

Section 3. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the members of the Association and of the Board of Directors. He shall have the general powers and duties of supervision and management of the Association which usually pertain to his office, and shall perform all such duties as are properly required of him by the Board of Directors. The Board of Directors shall elect one Vice President, who shall have such powers and perform such duties as usually pertain to such office or as are properly required of him by the Board of Directors. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President. The Secretary shall issue notices of all meetings of the membership of the Association and the Board of Directors where notice of such meetings is required by law or in these Bylaws. He shall keep the minutes of the meetings of the membership and of the Board of Directors.

Section 4. The Treasurer shall have the care and custody of all the monies and securities of the Association. He shall enter on the books of the Association, to be kept by him for that purpose, full and accurate accounts of all monies received by him and paid by him on account of the Association. He shall sign such instruments as require his signature and shall perform all such duties as usually pertain to his office or as are properly required of him by the Board of Directors.

Section 5. Vacancies in any office arising from any cause may be filled by the Board of Directors for the unexpired portion of the term.

Section 6. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VII

MEETINGS OF MEMBERS

Section 1. Subsequent to such time the Class A Members are entitled to elect a director, a meeting of members shall be held annually at such time and place as shall be determined by the Board of Directors.

Section 2. For election of members of the board of directors, members shall vote in person at a meeting of the members or by proxy.

Section 3. The Members have the right to vote in person or by proxy. To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the authorized person who executed the proxy. A proxy is effective for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires ninety (90) days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of

the person who executes it. If the proxy form expressly so provides, any proxy holder may appoint, in writing, a substitute to act in his or her place.

Section 4. Special meetings of the members may be called for any purpose at any time by the President or a majority of the members of the Board of Directors.

Section 5. Notice may be given to the member either personally, or by sending a copy of the notice through the mail, (postage thereon fully paid), by overnight courier or by telecopy transmittal, to his address appearing on the records of the Association. Each member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed, personally delivered, overnight couriered or telecopied at least five (5) days in advance of the meeting and shall set forth the general nature of the business to be transacted, provided, however, that if any business of any meeting shall involve any action governed by the Articles of Incorporation, notice of such meetings shall be given or sent as therein provided.

Section 6. The presence at the meeting of members entitled to cast thirty percent (30%) of the Class A membership votes shall constitute a quorum for any action governed by these Bylaws.

Section 7. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members representing at least twenty-five (25%) percent of the total votes of the Association remain present, and provided further that any action taken shall be approved by at least a majority of the Members required to constitute a quorum.

Section 8. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of meetings.

Section 9. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Members.

ARTICLE VIII

COMMITTEES

Section 1. The Architectural Control Board shall be a standing committee of the Association. The Board of Directors may appoint such other committees as it deems advisable.

Section 2. The Architectural Control Board shall be appointed, shall serve and shall have the duties and functions as described in the Declaration. A party aggrieved by a decision of the Architectural Control Board shall have the right to make a written request to the Board of Directors, within thirty (30) days of such decision, so that the Board of Directors may review such decision. The determination of the Board of Directors, upon reviewing such decision of the Architectural Control Board, shall in all events be dispositive.

ARTICLE IX

BOOKS AND PAPERS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any member of the Association.

ARTICLE X

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by the affirmative vote of Members representing two-thirds of the total votes in the Association; provided, however, the provisions which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matters stated herein to be or which are in fact governed by the Declaration of Restrictions and Protective Covenants referred to herein may not be amended except as provided in such covenants. Notwithstanding anything herein to the contrary, for so long as the Developer as described in the Articles of Incorporation of the Association has the right to appoint the entire Board of Directors of the Association, the Class B Member shall be permitted to unilaterally amend these Bylaws. For so long as the Developer has the right to appoint the entire Board of Directors of the Association, no amendment of these Bylaws shall be effective without the consent of the Developer. For so long as the Developer owns any portion of the Property, no amendment affecting the rights of Developer or its successor or assigns, as Developer granted hereunder shall be effective without the prior written consent of said Developer and/or its successors or assigns, as Developer, as applicable.

Section 2. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the said Declaration shall control.

I hereby certify that the foregoing Bylaws of Magnolia Lakes Residents' Association, Inc. were duly adopted by the Board of Directors of said association in a meeting held for such purpose on this ____ day of _____, 2002.

Doug Flinn, Secretary

