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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
MATANZAS SHORES**

This Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Matanzas Shores (“Declaration”) is made this 25 day of September, 2020 by the undersigned Officers of Matanzas Shores Owner’s Association, Inc., (“Association”), who certify that this Declaration was approved by at least seventy-five percent (75%) of the total Voting Interests of the Association represented by the Voting Members at a duly-noticed meeting of the membership at which a quorum was attained.

RECITALS

A. The original Declaration of Covenants, Conditions, and Restrictions for Matanzas Shores was recorded by ITT Community Development Corporation (“ITT”), the original developer and Declarant, on August 24, 1989, at Book 403, Page 928, et seq., of the Official Records of Flagler County, Florida (“Original Declaration”).

B. The Original Declaration established a framework for development initially contemplated by ITT; however, the Matanzas Shores was not ultimately developed as originally planned by ITT. Certain parcels in Matanzas Shores were not developed as and when initially planned and a certain parcel originally planned for commercial development has been converted to a residential development.

C. Considering the foregoing, the Association desires to amend and restate the Declaration to better reflect how Matanzas Shores has been developed and to more clearly and fairly allocate the rights and obligations among the Association, Parcel Associations, the Commercial Parcel Owner, and the Members.

NOW, THEREFORE, the Association hereby adopts this Declaration which shall constitute covenants and restrictions running with the land and bind all Property within Matanzas Shores.

**ARTICLE I
DEFINITIONS**

1.1 “**Architectural Review Committee**” or “**ARC**” means the committee appointed by the Board to perform the functions established by the Governing Documents related to review and approval of proposed Improvements and alterations of existing Improvements.

1.2 “**ARC Guidelines**” means the rules, regulations, standards, materials, locations, and other criteria promulgated by the Board pertaining to the construction and alteration of any Improvements in the Property.

1.3 “**Assessment**” means a sum or sums of money payable to the Association which if not paid by the owner of a Parcel or Unit can result in a lien against the Parcel or Unit.

1.4 “**Association**” means “Matanzas Shores Owner’s Association, Inc.,” a Florida Not For Profit Corporation organized for the purposes stated herein.

1.5 “**Board of Directors**” or “**Board**” means the group of persons vested with the management of the affairs of the Association who are elected in the manner provided in the Bylaws.

1.6 “**Commercial Parcel**” means any Parcel or tract of land within Matanzas Shores which is permitted to be used for non-residential purposes by applicable zoning ordinances or development orders issued by the local government with jurisdiction or otherwise being used for non-residential purposes. A Commercial Parcel may contain one or more Commercial Units.

1.7 “**Commercial Unit**” means any lot, condominium unit, or part of a Commercial Parcel within Matanzas Shores which is permitted to be used for non-residential purposes by applicable zoning ordinances or development orders issued by the local government with jurisdiction or otherwise being used for non-residential purposes.

1.8 “**Common Area**” means all real property which is owned or leased by the Association or dedicated for use or maintenance by the Association or its Members, regardless of whether title has been conveyed to the Association.

1.9 “**Common Expenses**” means all expenses incurred by the Association related to the operation of the Association and the maintenance, repair, and replacement of any Common Area or other property for which the Association is responsible, including reserves as deemed appropriate by the Board.

1.10 “**Declaration**” means this Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Matanzas Shores, as it may be amended periodically.

1.11 “**Declarant**” means ITT Community Development Corporation and, as the context requires, its wholly owned subsidiary, Palm Coast Construction Company, or their successors in title or assigns who take title to any portion of the Property described in Exhibit A for the purpose of development and sale and who are designated as such by the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

1.12 “**Development Order**” means Resolution 85-2 of the Flagler County Commission adopted on February 21, 1985 and all other development orders approved by Flagler County related to Matanzas Shores and Parcels within it.

1.13 “General Assessment” means an Assessment levied against all owners of property within Matanzas Shores to fund expenses for the operation of the Association or benefitting Matanzas Shores as a whole, including the costs of general liability and Directors and Officers liability insurance policies maintained by the Association and the costs of professional management.

1.14 “Governing Documents” means the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, ARC Guidelines, and resolutions, and all amendments, supplements, and exhibits to any of the foregoing documents.

1.15 “Improvement” means any structure erected on the Property and any alteration to an existing structure. Improvement shall also include trees, shrubs, and other landscaping features or any alteration to existing trees, shrubs, and other landscaping features.

1.16 “Invitee” means any person or entity located within Matanzas Shores at the invitation of a Member, or Owner, lessee, or resident of property within Matanzas Shores, including tenants, guests, agents, customers, clients, and contractors.

1.17 “Member” means a member of the Association, who is a record owner of a fee interest in a Residential Unit, Commercial Unit, or Commercial Parcel.

1.18 “North Tract” means the part of Matanzas Shores located within the area depicted on **Exhibit “B,”** as the North Tract, which generally includes all Residential Units except those located in the Sea Colony subdivision.

1.19 “North Tract Assessment” means Assessments levied by the Association against Owners of property within the North Tract to fund expenses for services, maintenance, and amenities benefitting the North Tract.

1.20 “Owner” means the record owner of any property within Matanzas Shores, including owners of Residential Units, Commercial Parcels, and Commercial Units, excluding the Association.

1.21 “Parcel” means a platted or unplatted lot, tract, unit, or other subdivision of real property within Matanzas Shores and also means the boundaries of a subdivision within Matanzas Shores that is governed by a Parcel Association.

1.22 “Parcel Assessments” means Assessments levied against all Units within a Parcel to pay for expenses or the provision of facilities or services for the primary benefit of a Parcel or Owners of Units within it, and for such other purposes as may be authorized by the Governing Documents.

1.23 “Parcel Association” means the legal entity responsible for the operation of a Parcel or subdivision (including condominiums) within Matanzas Shores, which as of the date of this Declaration includes: Sea Colony Homeowner’s Association, Inc., Las Brisas Condominium Association, Inc., Lakeside by the Sea Homeowners Association, Inc., Surf Club Condominium

Association, Inc., Surf Club II Condominium Association, Inc., Surf Club III Condominium Association, Inc., Surfview at Matanzas Shores Property Owners Association, Inc., Las Casitas at Matanzas Shores Homeowners Association, Inc., and Los Lagos Homeowners Association, Inc. Parcel Association does not include Surf Club II & III Pool & Spa Association, Inc. If the Surf Club North Commercial A Parcel is developed as a residential subdivision, then the legal entity responsible for the operation of that subdivision shall also be a Parcel Association.

1.24 “Parcel Developer” means the owner of a fee interest to a Parcel or any part of the Property which may be developed into Residential or Commercial Units, but shall not include consumer purchasers of Units or the Association.

1.25 “Personal Property” means tangible and intangible property other than Real Property.

1.26 “Property” means all real property subject to this Declaration as identified on **Exhibit A** and any Property encumbered by the Original Declaration and any amendments or supplements thereto. The Property is also referred to herein as “Matanzas Shores.”

1.27 “Real Property” means land.

1.28 “Residential Unit” means any lot within Matanzas Shores on which a residential dwelling may be or has been constructed and any residential condominium unit.

1.29 “Unit” means a Residential Unit or Commercial Unit, or both collectively.

1.30 “Utilities” means water, electricity, gas, sewer, waste disposal, mail and parcel delivery, telephone, television, cable, internet, and transportation, along with the equipment and facilities necessary to furnish or provide any of the foregoing items or services to the Association or its Members.

1.31 “Voting Interest” means the one (1) membership voting interest appurtenant to each Residential Unit and Commercial Parcel. The Voting Interests appurtenant to each Residential Unit and Commercial Parcel are exercised by the Voting Member in a representative capacity.

1.32 “Voting Member” means the person designated with authority to cast the votes attributable to the Members within a Parcel or of a Parcel Association for all matters on which the Members of the Association are entitled to vote. By default, the most senior elected officer of a Parcel Association (i.e., the President of the Parcel Association) shall be the Voting Member for each respective Parcel Association but a Parcel Association may designate an alternative Voting Member in a written instrument provided to the Association executed by the authorized officer(s) of the Parcel Association. For a Commercial Parcel, the Voting Member shall be the person identified in a written instrument provided to the Association executed by the authorized representative of the Owner of the Commercial Parcel.

1.33 “**WWTP**” means the Matanzas Shores Wastewater Treatment Plant and all associated infrastructure and facilities owned or operated by the Association for the collection, conveyance, treatment, and disposal of effluent.

1.34 “**WWTP Assessment**” means the Assessments levied to fund the expenses associated with the operation and maintenance of the WWTP.

1.35 “**WWTP Service Member**” means a class of member admitted to Association membership per Section 3.3 of this Declaration incident to an agreement by the Association to extend WWTP services to parties other than Class A Members of the Association.

ARTICLE II PROPERTY RIGHTS

2.1 General. Every Owner shall have a right and easement of enjoyment in and to those portions of the Common Area for which that Owner pays Assessments according to the classes created in Article IX below, subject to any restrictions, limitations, or provisions contained in the Governing Documents or any deed conveying to the Association such property. Such right and easement may be exercised by Member’s Invitees, subject to the Governing Documents. The aforementioned right and easement of enjoyment shall be appurtenant to and shall pass with the title to every Residential Unit, subject to the following reservations, rights, and provisions:

(a) provisions of the Governing Documents related to the use of the Common Areas;

(b) the right of the Association to suspend the Member’s right to use Common Areas for nonpayment of Assessments or for violating the Governing Documents;

(c) the right of the Association to dedicate, transfer, or grant permits, licenses, and easements in and to the Common Area and the Property for Utilities, roads, and other purposes reasonably necessary or useful for the proper development, maintenance, or operation of the community, all as benefit the Property or any portions thereof; provided, however, that such permits, licenses, and easements shall not unreasonably interfere with or impair an existing Unit;

(d) the right of the Association to borrow money for the purpose of (1) improving the Property or any portion thereof, (2) acquiring additional Common Area, or (3) repairing or improving any facility located or to be located on the Property and to give as security for the payment of any such loan, a mortgage or deed of trust conveying all or any portion of the Common Area; provided, however the lien and encumbrance of any such mortgage or deed of trust given by the Association shall be subject and subordinate to any and all rights, interest, options, easements, and privileges herein reserved or established for the benefit of any Owner and other person, or the holder of any mortgage or deed of trust, irrespective of when executed, encumbering the Residential Unit, Parcel, or other part of the Property within Matanzas Shores;

(e) the easement and right of the Association and its successors and assigns to travel upon, over, and across the Common Area or any portion of the Property to perform any duty or fulfill any obligation of the Association, including any maintenance, repair, or replacement obligation;

(f) the right of the Association to charge reasonable admission fees and other fees including tenant registration fees for use of any recreational facilities as may be located on the Common Area.

2.2 Owner's Right to Ingress, Egress, and Support. Every Owner shall have the right of ingress and egress over, upon, and across the Common Area necessary for access to the Owner's Residential or Commercial Unit and shall have the right to lateral support. Such rights shall be appurtenant to and pass with the title to each Residential and Commercial Unit.

2.3 Easement of Encroachment. If any portion of the Improvements constructed on the Common Area encroaches upon a Residential or Commercial Unit or any Improvement constructed on a Residential or Commercial Unit encroaches upon the Common Area as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of the Improvements, a valid easement for the encroachment and for the maintenance of such Improvements shall exist so long as the encroachment exists; provided, however, if any Improvement on any Residential or Commercial Unit is negligently or knowingly constructed, reconstructed, or repaired so as to encroach on the Common Area, no such easement shall exist.

2.4 Use of Common Area. Other than the right of ingress and egress, the Owners, including Owners of Commercial Units, are hereby prohibited and restricted from using any of the Common Area except as may be allowed by the Association's Board of Directors or as may be expressly permitted in this Declaration. By way of explanation and not limitation, no Owner shall park a vehicle on a Common Area (except in locations designated by the Board), no planting or gardening shall be done upon the Common Area, and no Improvements shall be erected or maintained upon the Common Area, except as permitted by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this Section is for the mutual benefit of all Owners and is necessary for the protection of said Owners.

2.5 Acknowledgment of Rights of Use. Each Owner, including Owners of Commercial Units, and Members of the Association, by acceptance for deed or contract for deed to any Parcel or Unit in the Property, is deemed to accept the reservations, rights of use, licenses, easements, and permits existing in, through, and over the Common Area.

2.6 Rules and Regulations; Remedies for Violations. The Board of Directors may establish and amend periodically reasonable rules and regulations concerning the use of the Property, Common Area, and Improvements located thereon. Such rules and regulations shall be binding upon the Owners and Invitees. The Association may levy fines and impose suspensions of the right to use Common Areas for a reasonable period of time for violations of the rules and regulations and other Governing Documents. The Association may establish the amount of any fine in the rules and regulations and may impose a maximum fine not greater than \$100.00 per day and up to but not exceeding \$3,000.00 in the aggregate per violation. A fine reaching or exceeding

\$1,000.00 shall constitute a lien against the Unit whose Member or Member's Invitee committed or permitted the violation. Members are jointly and severally liable for, and responsible for payment of, any violation of the Governing Documents and fine imposed therefor. In addition, the Association may suspend a Member's Voting Interest if the Member is more than ninety (90) days delinquent in the payment of any Assessment, fee, fine, or other monetary obligation due to the Association. A Voting Interest which has been suspended shall be reduced from the total Voting Interests able to be cast by the Voting Member, and the suspension shall be effective until the Assessment, fee, fine, or other monetary obligation is paid in full.

2.7 No Partition. Except as may be permitted in this Declaration, there shall be no partition of the Common Area or any part thereof, nor shall any person acquiring any interest in any of the Property or any part thereof seek any such partition, judicial or otherwise, unless the affected area has been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE III ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1 Membership & Voting Interest. Every Owner of a Residential or Commercial Unit is a mandatory Member of the Association, which membership is appurtenant to, and inseparable from, ownership of a Unit. Such Members are Class "A" Members of the Association. Holders of a security interest in a Unit are not Members by virtue of holding such a security interest. There is one (1) Voting Interest appurtenant to each Residential Unit and Commercial Parcel which is exercised in a representative capacity through the Voting Member.

3.2 Multiple Owners. All record owners of a fee interest in any Residential Unit, Commercial Parcel, or Commercial Unit are mandatory Members of the Association; provided, however, that there is only one (1) Voting Interest appurtenant to each Residential Unit and Commercial Parcel. The rights of multiple Owners of a Residential Unit, Commercial Parcel, or Commercial Unit to use Common Area shall be regulated by the Board. If a Residential Unit, Commercial Parcel, or Commercial Unit is owned by more than one person, they shall agree among themselves as to how to exercise the Voting Interest appurtenant to the Residential Unit, Commercial Parcel, or Commercial Unit and the Parcel Association (as applicable) and Voting Member may disregard conflicting votes from multiple owners; provided, however, that the Voting Interest appurtenant to a Unit owned by spouses may be exercised by either spouse so long as the Voting Member is not provided with conflicting voting instructions. The person with the authority to exercise the Voting Interest appurtenant to a Residential Unit or Commercial Parcel owned by multiple Owners or a non-natural person (e.g., corporation, limited liability, partnership, or in trust) shall be identified in a written instrument executed by all Owners or the authorized representative of the non-natural person (the "Voting Certificate") and provided to the Parcel Association or owner of the Commercial Parcel, as applicable; provided, however, that spouses shall not be required to provide a Voting Certificate. The Association is not obligated to verify the method by which any Voting Interest cast by the Voting Member has been exercised and may exclusively rely

on the vote cast by the Voting Member for all matters which the Voting Members are entitled to vote.

3.3 WWTP Service Members. In addition to the Class A Members, there shall be an additional class of Membership in the Association known as a "WWTP Service Member." A WWTP Service Member is a natural or non-natural person admitted to Association membership incident to an agreement by the Association to extend WWTP services to persons other than Class A Members of the Association. A WWTP Service Member is not an Owner and therefore does not have the rights of Class A Members who are Owners. A WWTP Service Member does not have any voting rights for any matter requiring or permitting a vote of the Members by the Governing Documents or law. A WWTP Service Member does not have the right to notice of, or to attend, any meetings of the Association, to inspect Association Official Records, or to exercise any other right otherwise afforded to Class A Members who are Owners. Any consideration paid by a WWTP Service Member incident to use of the WWTP shall not be considered an assessment or amenity fee. The rights of a WWTP Service Member shall exclusively be limited to: (a) the right to inspect financial records relating to the operation of the WWTP; and (b) the right to designate one representative of the WWTP Service Member to communicate with the Board or its designee on matters related to the WWTP. The admission of a WWTP Service Member will be evidenced by a written agreement between the Association and the WWTP Service Member, and such membership shall terminate upon the termination or expiration of the agreement between the Association and the WWTP Service Member. A person who has been permitted to use the WWTP shall not be considered a WWTP Service Member unless expressly designated as such in a written agreement executed by the Association.

3.4 Voting. All decisions or actions by the Association which require a vote of the Voting Interests shall require the approval of two-thirds (2/3) of the total, eligible Voting Interests unless a different percentage of the Voting Interests is specified herein. Matters only require a vote of the Voting Interests where expressly required by the Governing Documents or law. All Voting Interests shall be cast in a representative capacity by the Voting Member for each Parcel Association or Commercial Parcel. The Voting Member shall be entitled to cast a number of votes equal to the total, eligible Voting Interests within the Parcel Association or Commercial Parcel the Voting Member represents. A chart identifying the total Voting Interests within each Parcel at the time of the recording of this Declaration is attached as **Exhibit "C."** Any Voting Interests which have been suspended by the Association shall be reduced from the total Voting Interests permitted to be exercised by the Voting Member for a Parcel. The Voting Interests cast by the Voting Member are indivisible: the Voting Member shall cast all eligible Voting Interests either for or against the proposed action as directed in accordance with the procedures established by the Parcel Association or Commercial Parcel Owner. The Association is not obligated to verify the procedures by which a Voting Member was directed to cast the Voting Interests of a Parcel and may exclusively rely on the Voting Member's vote on any action, which shall be binding on all Members represented by the Voting Member.

(a) Meeting Required. All Voting Interests cast by a Voting Member shall be cast at a duly-noticed meeting of the Voting Members of the Association; action by written consent in lieu of a meeting is not permitted. All Members may attend meetings of the Voting Members, though only Voting Members may exercise the right to vote any Voting

Interests. Notice of all meetings of the Voting Members shall be provided as established by the Bylaws.

(b) **Voting for Directors.** Notwithstanding anything to the contrary herein, Directors of the Association shall be elected or appointed in the manner provided in the Bylaws.

(c) **Voting for Matters that Exclusively Affect WWTP or North Tract.** For any matters which require a vote of the Voting Members which exclusively affect the WWTP or North Tract, only the Voting Interests of Members who are obligated to pay the WWTP Assessment or North Tract Assessment, as the case may be, shall be included in the calculation of the total Voting Interests required to approve any such matter. For example, if the Association solicits a vote of the Voting Members for a matter which exclusively affects the North Tract, then only the Voting Interests of Members who are obligated to pay the North Tract Assessment shall be included in the calculation of the total Voting Interests for any matter which requires a vote of the Voting Members, which would exclude the Voting Interests of Owners within the Sea Colony subdivision. Nothing herein shall be construed to create any voting rights in favor of a WWTP Service Member.

3.5 Parcel Associations. Every Residential Unit and Commercial Unit is located in a Parcel as defined herein. The Units within a Parcel may be subject to additional covenants and restrictions, which may require mandatory membership in one or more Parcel Associations. All Owners of Residential Units shall be subject to mandatory membership in a Parcel Association. Each Parcel Association shall designate a Voting Member to exercise the Voting Interests of all members of the Parcel Association, which unless otherwise designated shall be the most senior elected Officer of the Parcel Association (the President of the Parcel Association). Each Parcel Association shall establish procedures to direct the Voting Member to cast the Voting Interests of the members of the Parcel Association for any matters which require a vote of the Voting Members.

3.6 Commercial Parcels. If a corporation is organized for the purpose of operating and maintaining a Commercial Parcel, the Voting Member for the Commercial Parcel shall be established in the same manner as established by Parcel Associations. Otherwise, the person designated in writing by the Owner or authorized representative of the Owner of the Commercial Parcel shall be the Voting Member. There shall be one (1) total Voting Interest appurtenant to each Commercial Parcel.

3.7 County-Owned Property. Notwithstanding anything to the contrary in this Declaration, for so long as the part of the Property identified in the Amendments to the Original Declaration recorded on November 20, 1998 at Book 633, Pages 1838, et seq., on February 2, 1999 at Book 642, Pages 633, et seq., and on October 15, 1999 at Book 671, Pages 828, et seq., of the Official Records of Flagler County, continue to be owned by Flagler County and not used for commercial or residential purposes, Flagler County shall not be deemed a Member of the Association and shall not be obligated to pay Assessments to the Association; provided, however, that Flagler County shall pay any such charges as it may agree upon in a separate agreement between Flagler County and the Association, such as for use of the WWTP.

ARTICLE IV
ASSOCIATION POWERS AND RESPONSIBILITIES

4.1 Express Powers. The Association shall have all powers and rights expressly granted to it by the Governing Documents and law, including the Florida Not For Profit Corporation Act, except where expressly limited by the Governing Documents.

4.2 Common Areas. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all Improvements thereon and shall keep it in good, clean, attractive, and sanitary condition, order and repair, pursuant to the terms and conditions hereof and the terms and conditions of the Development Order. The Association shall maintain, operate, and preserve the Common Area for the good and benefit of the community.

4.3 Services. The Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof and any other personnel as the Association's Board of Directors shall determine to be necessary or desirable for the proper operation of the Property. Such personnel may be furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of the Governing Documents. The Association may, but shall not be required to, arrange, as an Association expense with others to furnish trash collection, controlled access, cable television, and other common services to each Parcel, Residential Unit or Commercial Unit within.

4.4 Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property, subject to any conditions or limitations provided by the Governing Documents.

4.5 Power to Contract. The Association may, through its Board of Directors, contract with any residential or commercial association, Parcel Association, Commercial Parcel Owner, or Commercial Unit Owner within or outside of Matanzas Shores to provide or perform services on behalf of such entity. The Association shall also have the power to contract with third parties as necessary or beneficial to performing any service or obligation permitted or required by the Governing Documents or law. Further, the Association may contract with third parties concerning the operation and use of the WWTP, and may charge such use and connection fees as it may deem appropriate.

4.6 Enforcement of Restrictions. The Association shall have the right and power, but not the obligation in any particular instance, to enforce the Governing Documents and shall have all corresponding rights and powers necessary or desirable to enforce them.

4.7 Power to Assess. The Association shall have the right and power, as more particularly set forth in this Declaration, to fix, levy, collect, and enforce payment by any lawful

means, all charges and Assessments pursuant to the terms of this Declaration, and to pay all expenses in connection therewith, as necessary or desirable for the operation of the Association.

4.8 Implied Rights. The Association shall have all rights and powers necessary or proper to fulfill any obligation or exercise any right provided by the Governing Documents or law, except as expressly limited by the Governing Documents, irrespective of whether such rights and powers are expressly set forth in the Governing Documents.

ARTICLE V MAINTENANCE

5.1 Association Responsibility. The Association shall maintain and keep in good repair the Common Area, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of:

(a) Private roads owned by the Association and landscaping, paving, striping, street lights, and traffic control devices on Common Area;

(b) All potable water lines and associated property owned by or dedicated to the Association, whether located on Common Area or not. Notwithstanding, each Unit Owner is responsible for the maintenance, repair, and replacement of lateral water lines serving the Unit to the point of connection from the Unit to the main water line.

(c) The WWTP, including percolation ponds, collector lines, lift stations, and associated property for the collection and treatment of wastewater, whether located on Common Area or not. Notwithstanding, each Unit Owner is responsible for the maintenance, repair, and replacement of lateral sewer lines serving the Unit to the point of connection from the Unit to the main sewer line.

(d) All recreational facilities of whatever nature, including without limitation, beach clubs, recreational areas, Association beach walkovers, tennis courts, Association pools, boat clubs, boat docks, bicycle paths, and foot paths, all as may be from time to time acquired by the Association, constructed on the Common Area, or for which the maintenance responsibility is expressly accepted by the Association. Nothing herein shall be deemed to obligate the Association to operate or maintain any recreational facilities which are not located on Common Area or are not otherwise expressly accepted by the Association, such as any recreational facilities constructed within a Parcel for the exclusive use of Owners within that Parcel.

(e) All stormwater and surface water management facilities, including lakes (including the littoral zones and slopes), weirs, swales, culverts, and associated structures, excluding any bulkhead on the lakeshore of Parcel 3B of the community wide drainage system located on the North Tract, whether located on Common Area or not.

(f) All conservation areas, open spaces, and wetlands including the Hammock conservation area and scrub jay habitat on the Common Area, such maintenance to comply with Development Order requirements for such areas and any management plans approved by the Association.

(g) All community wide limited access features, all community wide signage, entrance features, landscaping, and paving on Common Area.

(h) All conduits and facilities for the purposes of furnishing Utilities which are owned by the Association; provided, however, the Association shall not be obligated to construct or maintain any conduits or facilities to provide Utilities to Parcels which have not been, or are in the process of being, developed until the construction and installation of such conduits and facilities has been completed and ownership has been accepted by the Association, in which case the Association may accept ownership and future maintenance responsibility. The Association shall not be obligated to maintain, repair, or replace any conduits or facilities for the purposes of furnishing Utilities to one Residential Unit or Commercial Unit.

(i) In addition to the maintenance set forth above, the Association may maintain other property it does not own, including without limitation, property dedicated to the public, if the Board determines that such maintenance is necessary or desirable for the Association and benefits the Association as a whole or specific Units or Parcels assessed for such maintenance.

5.2 Owner's Responsibility. The maintenance responsibility of an Owner of a Residential or Commercial Unit shall include all maintenance of the Unit owned, unless specifically identified hereunder as being the responsibility of the Association or another party, which shall include maintenance of all structures, parking areas, and other Improvements constructed upon the Unit or comprising the Unit, as well as all water and sewer laterals serving the Unit from the point of connection from the main water and sewer line to the point of connection to the Unit, regardless of the ownership of such lines. This Section shall not preclude a Parcel Association from allocating maintenance responsibility with respect to any property or facilities within a Parcel governed by the Parcel Association between the Owner of a Unit in the Parcel and the Parcel Association as may be established in the governing documents of a Parcel Association or as they may otherwise agree between or among them.

5.3 Association Right to Require Maintenance. In the event the Board of Directors determines that:

(a) any Owner of a Residential Unit, Commercial Unit, Commercial Parcel, or Parcel Association, has failed or refused to satisfy such Owner's of Parcel Association's obligations regarding the maintenance, repair, or replacement of the Unit, Commercial Parcel, or any items for which the Owner or Parcel Association is responsible under the Governing Documents; or

(b) the need for maintenance, repair, or replacement for an item for which the Association is responsible was caused by the negligent or willful act or omission of an Owner, Owner's Invitee, or Parcel Association,

then, except in the event of an emergency, in which case no notice shall be required, the Association may provide written notice to the Owner or Parcel Association identifying with reasonable particularity the maintenance, repair, or replacement deemed necessary or appropriate by the Board of Directors. The noticed party shall have thirty (30) calendar days to commence such maintenance, repair, or replacement and shall diligently pursue such work to completion, which must be completed within a reasonable time. If the noticed party fails to commence and complete such work as required herein, the Association may undertake such maintenance, repair, or replacement at the noticed party's sole cost and expense. All costs and expenses incurred by the Association exercising the rights granted by this Section shall be deemed an Assessment against the Owner and Unit, or a Parcel Assessment against a Parcel Association, as the case may be, which shall be secured by the Association's lien for Assessments and collected in the manner provided for collection of Assessments herein or by law.

ARTICLE VI INSURANCE & CASUALTIES

6.1 Required Insurance. The Association shall obtain property insurance providing coverage for all insurable Improvements on the Common Area and Association property, including coverage for losses sustained by fire, smoke, wind, hail, lightning, vandalism, malicious mischief, theft, and other hazards deemed appropriate by the Board. This insurance shall provide coverage in an amount sufficient to cover the full replacement cost of the insurable Improvements, subject to deductibles determined by the Board. The Association shall also obtain a general liability insurance policy providing coverage for bodily injury and property damage occurring on the Common Area and other Association property, if any, or otherwise resulting from the operation of the Association. Such insurance shall provide coverage for the Association, its Directors, Officers, and where appropriate, its members and agents. To the extent feasible, the general liability policy shall either have a combined single limit of at least five million dollars (\$5,000,000.00) or of two million dollars (\$2,000,000.00) per occurrence with an aggregate limit of five million dollars (\$5,000,000.00). In addition, the Association shall obtain a Directors and Officers liability insurance policy, and if the Association hires any employees, an Employment Practices Liability insurance policy, with at least a maximum limit of liability of one million dollars (\$1,000,000.00), providing coverage for claims, losses, and wrongful acts, the scopes and deductibles of which may be determined by the Board. Further, the Association shall maintain insurance or a fidelity bond for all persons who control or disburse funds of the Association, which must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The Voting Members may, on an annual basis, vote to waive the requirement to obtain insurance or a fidelity bond for persons who control or disburse funds of the Association.

6.2 Policy Requirements & Conditions. All insurance policies obtained by the Association shall identify the Association, and where appropriate, its Directors, Officers, Members, managing and other agents, as insured parties; provided, however, that the Association shall be identified as trustee for all named insureds and shall receive all funds payable by such

policies. All funds received by the Association under any insurance policy shall be used or distributed in accordance with the Governing Documents, where required, or otherwise as the Board deems appropriate. To the extent reasonably feasible, the insurance policies shall conform with the following:

(a) All policies shall be written with a company licensed to do business in Florida and holding a rating of "A" or better in the Financial Category as established by A. M. Best Company, Inc., if available or, if not available, the most nearly equivalent rating.

(b) Exclusive authority to adjust losses under policies in force on any portion of the Property, including the Common Area, obtained by the Association shall be vested in the Association's Board of Directors.

(c) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

(d) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if reasonably available, with an annual review by one or more qualified persons designated by the Board.

(e) All policies shall include waivers of subrogation by the insurer as to any claims against the Association's Board of Directors, Officers, manager or managing agent, and Members.

(f) All policies shall not include a right of the insurer to repair or reconstruct instead of paying cash, or shall include a waiver of such right by endorsement.

(g) No policy may be canceled, invalidated, or suspended on account of any one or more individual Owners.

(h) No policy may be canceled, invalidated, or suspended without prior notice to the Association and an opportunity to cure.

(i) Any "other insurance" clause in any policy shall exclude any insurance policies maintained by Owners.

(j) No policy shall be materially changed or canceled without thirty days' written notice by the insurer to the Association.

6.3 Flood Insurance. The Association shall procure a flood insurance policy providing coverage for insurable Improvements on the Common Area and Association property. The scope of coverage, coverage amounts or limits, premiums, deductibles, and insurance carriers shall be determined by the Board in its discretion.

6.4 Other Insurance. The Association may obtain such other insurance to protect against any other risk deemed appropriate by the Board.

6.5 Property Insurance Proceeds. If the damage or destruction for which the proceeds under the Association's property insurance policy are paid is to be repaired or reconstructed, the proceeds or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction, as herein provided. Any proceeds remaining after defraying such costs of repairs or reconstruction, or the event no repair or reconstruction is made after making such settlement as is necessary and appropriate with the affected owner or owners and their mortgages as their interests may appear, shall be retained by and for the benefit of the Association. This is a covenant for the benefit of any mortgagee of any part of the Properties and may be enforced by such mortgagee. However, if it is determined as provided in Section 6.6 of this Article that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, the proceeds shall be retained by the Association unless otherwise approved by the Board.

6.6 Determination to Repair after Casualty. Adjustment of losses following a casualty and the determination to repair or reconstruct after a casualty shall be determined as follows:

(a) **Adjustment of Loss.** As soon as practical after the damage or destruction by fire or other casualty to or of all or any part of the Property covered by insurance obtained by the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) **Decision to Repair or Reconstruct.** Any damage to or destruction of the Common Area and any Improvements thereon shall be repaired or reconstructed unless at least seventy-five (75%) percent of the Board of Directors decide not to repair or reconstruct. No mortgagee shall have the right to participate in the determination of whether any part of the Common Area or Improvements thereon shall be repaired or reconstructed. If the Board determines not to repair or reconstruct the Common Area or Improvements thereon, then the Association shall restore the Common Area or portion thereof to a reasonably natural state by removing all damaged, unusable Improvements and debris so that the damaged Common Area or portion thereof is restored to a reasonably neat and attractive condition. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy one or more Special Assessments against all Owners who were obligated to pay an Assessment for the operation and maintenance of the Common Area or portion thereof which was damaged or destroyed. If the proceeds available from insurance exceed the cost of repair or reconstruction, such excess shall be retained by the Association and used for any proper purpose.

6.7 Owners' Insurance. Unit Owners are encouraged to obtain property insurance providing coverage for the dwelling on a replacement cost basis and liability for bodily injury and property damage. In the event a Unit is damaged or destroyed and the Owner is unwilling or unable to repair or replace it, the Association may provide written notice to the Owner identifying with reasonable particularity the repair or replacement deemed necessary or appropriate by the Board of Directors, or alternatively, may provide the option of clearing all Improvements and debris from the Unit and restoring the Unit to its natural condition, including grading. The noticed party shall have thirty (30) calendar days from the date of the Association's notice to commence such repair, replacement, or clearing and grading, and shall diligently pursue such work to completion, which must be completed within a reasonable time. If the noticed party fails to commence and complete such work as required herein, the Association may undertake such work, which may be repair or reconstruction, or clearing and grading, in the Board's discretion, at the noticed party's sole cost and expense. All costs and expenses incurred by the Association exercising the rights granted by this Section shall be deemed an Assessment against the Owner and Unit, which shall be secured by the Association's lien for Assessments and collected in the manner provided for collection of Assessments herein or by law.

ARTICLE VII CONDEMNATION

Whenever all or any part of the Common Area or other Association property shall be taken (or conveyed in lieu of and under threat of condemnation) by any authority having the power of condemnation or eminent domain, the award made for such taking shall be payable to the Association to be disbursed as follows:

If the taking involves a portion of the Common Area or other Association property on which Improvements have been constructed, then, unless within sixty (60) days after such taking or conveyance-in-lieu, at least seventy-five (75%) percent of the total Voting Interests of the Association shall otherwise determine at a duly-noticed meeting of the Voting Members, the Association shall restore or replace the Improvements or parts thereof taken on the remaining land of the parcel subject to the taking, in accordance with plans approved by the Board of Directors of the Association. The Board may decide to restore or replace the Improvements as they existed prior to the taking or conveyance-in-lieu, or alternatively, the Board may decide to perform whatever work is necessary to cause the remaining Improvements or parts thereof to be usable and the remaining parts of the property surrounding the area subject to the taking to be in an orderly and attractive condition. If the Improvements or parts thereof are to be restored or replaced, the proceeds of the taking or conveyance-in-lieu shall be used for the restoration or replacement. However, if the proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy one or more Special Assessments against all Owners who were obligated to pay an Assessment for the operation and maintenance of the Common Area, Association property, or portion thereof which was damaged or destroyed. If the taking does not involve the Common Area or other Association property, if the Voting Members decide to not restore or replace, or if there are net proceeds remaining after any such restoration or replacement is completed, then such proceeds shall be retained by the Association and used for such purposes as the Board of Directors shall determine.

ARTICLE VIII SITE PLAN AMENDMENTS

8.1 Parcel Boundaries. Except as may be necessary to correct minor survey or platting errors or as may be required to comply with the laws and regulations of any local government or state agency having jurisdiction over the Property, neither the Declarant nor the Association shall change any Parcel boundaries unless approved by two-thirds (2/3) of the total Voting Interests. In no event shall any Common Area which is a part of the Property as of the date of this Declaration be converted by the Declarant or the Association into either Residential or Commercial Units unless approved by two-thirds (2/3) of the total Voting Interests. A Parcel Developer may convert a Commercial Parcel to a residential Parcel upon compliance with any amendments necessary for such a change required by the Development Order and upon notice to the Declarant and Association, so long as such conversion does not require any increase in the total capacity of the WWTP or potable water utility system operated by the Association and paid for by the Members of the Association through Assessments. Parcel Developers may also, upon written notice to the Declarant and Association, annex contiguous land not a portion of the Property into a Parcel owned by such Parcel Developer and shall have the authority to make such land so incorporated a portion of the Parcel into which it is annexed for use as Residential Units or for common area for use by the members residing in the Parcel to which the property is annexed, if such property is also made subject to this Declaration and is approved by two-thirds (2/3) of the total Voting Interests. Such annexation shall be in conformance with the requirements of the Development Order and any other governmental law or regulation having jurisdiction over such property, and if the increase in the number of Residential Units, if any, requires an increase in the total capacity of any potable water or WWTP operated by the Association, the Association may condition its approval on the annexing party's payment of any costs associated with improving the potable water or WWTP to accommodate the annexation.

8.2 Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the Property or on land adjacent to the Property which, upon conveyance or dedication to, and acceptance in writing by, the Association shall be maintained by the Association. Otherwise, the Association may acquire additional Common Area upon the approval of two-thirds (2/3) of the total Voting Interests.

ARTICLE IX ASSESSMENTS

9.1 Creation of Classes of Assessments. The following classes of Assessments are hereby created to fund the Common Expenses of the Association:

(a) **General Assessments.** General Assessments shall be levied against all Residential and Commercial Units subject to this Declaration and shall be used to pay expenses determined by the Board for the benefit of the Association, its Members, and the Property as a whole, including costs and expenses associated with: professional management, legal expenses, other professional expenses, Directors and Officers liability insurance, general liability insurance, fidelity insurance or bond, property insurance

(excluding property insurance which exclusively insures a Common Area or recreational facility in the North Tract which only Owners of property within the North Tract have the right to use), and any other expense of the Association which should fairly be assessed against all Owners in the Board's judgment. General Assessments shall be determined and assessed by assigning an Equivalent Residential Unit value ("ERU") to all Commercial Units (rounded to the nearest whole number), adding the total ERUs to the total number of Residential Units in the Property, then dividing the total expenses of the General Assessment category by the sum of the total Residential Units and total ERUs. Each Residential Unit shall pay the amount equal to the quotient produced by the calculation in this subsection and each Commercial Unit shall pay an amount equal to the quotient produced by the calculation in this subsection multiplied by the number of ERUs attributable to the Commercial Unit.

(b) North Tract Assessments. North Tract Assessments are Assessments levied by the Association against Owners of property within the North Tract to fund expenses for services, maintenance, and amenities benefitting the North Tract, as determined by the Board. North Tract Assessments shall be proportionately levied against all Residential Units located in the North Tract, which presently includes all Residential Units in the Property except those located in the Sea Colony subdivision. The North Tract Assessments shall include the costs and expenses incurred by the Association in connection with the Association's operation, maintenance, and insurance of the facilities within or benefitting the North Tract, except the expenses included within the General Assessments. Only the Members who are obligated to pay the North Tract Assessment shall be entitled to use any facilities or amenities located in the North Tract, subject to reasonable rules, regulations, and user fees (if any) established by the Board for the use of such facilities or amenities. The North Tract Assessment payable by each Owner of a Residential Unit shall be determined by dividing the total expenses included in the North Tract budget category by the total number of Residential Units within the North Tract. The North Tract Assessments shall be levied in addition to the General Assessment, WWTP Assessment, and other Assessments, and no Member may avoid payment of the North Tract Assessment by refraining from the use of any facilities or amenities in the North Tract, by abandonment of the Residential Unit, or otherwise.

(c) WWTP Assessments. WWTP Assessments are the Assessments levied to fund the expenses associated with the operation and maintenance of the WWTP, including reasonable reserves as determined by the Board. All Owners of Property are obligated to pay the WWTP Assessment levied against the Residential and Commercial Units. WWTP Assessments shall be determined and assessed by assigning an Equivalent Residential Unit value ("ERU") to all Commercial Units (rounded to the nearest whole number), adding the total ERUs to the total number of Residential Units in the Property, then dividing the total expenses of the WWTP Assessment category by the sum of the total Residential Units and total ERUs. Each Residential Unit shall pay the amount equal to the quotient produced by the calculation in this subsection and each Commercial Unit shall pay an amount equal to the quotient produced by the calculation in this subsection multiplied by the number of ERUs attributable to the Commercial Unit. The Association may permit other parties,

including non-Members, to use the WWTP on such terms and conditions, and in exchange for such payment, as the Board may deem proper.

(d) Parcel Assessments. Parcel Assessments are Assessments levied against all Units within a Parcel to pay for the provision of facilities or services for the primary benefit of a Parcel or Owners of Units within it, expenses of enforcing the Governing Documents related to a Parcel, and for such other purposes as may be authorized by the Governing Documents or determined by the Board to be for the primary benefit of a Parcel. For Parcel Assessments levied against Residential Units within a Parcel, the Parcel Assessment for each Residential Unit shall be determined by dividing the total Parcel Assessment by the total number of Residential Units within the Parcel. For Parcel Assessments levied against Commercial Units, the Parcel Assessment shall be divided by the total ERUs within the Parcel and each Commercial Unit Owner shall pay a part of the total Parcel Assessment equal to the quotient multiplied by the total ERUs assigned to the Commercial Unit. Parcel Assessments established for one Parcel are not required to be equal to the Parcel Assessments established for any other Parcel.

(e) Special Assessments. Special Assessments may be levied by the Board: (a) against all Members obligated to pay the General Assessment, North Tract Assessment, or all parties having the right to use the WWTP, as the case may be, to offset the expenses incurred by the Association which exceed the income from the anticipated, budgeted expenses of the Association; (b) against one or more Owners of Residential Units or Commercial Units where permitted by the Governing Documents; and (c) in the event of an emergency where permitted by law or the Governing Documents. Except in the event of an emergency, in which case no Voting Member approval shall be required, the approval of the Voting Members representing two-thirds (2/3) of the total Voting Interests that would be subject to the Special Assessment shall be required to levy a Special Assessment for an amount which would exceed two percent (2%) of the Association's total budget for all expenses, including reserves. Notwithstanding, however, Voting Member approval shall not be required to levy a Special Assessment against a Unit Owner for causing damage to property or for violations of the Governing Documents.

9.2 Commencement of Assessments. Subject to Section 9.3 of this Article, each Residential and Commercial Unit, and Owner thereof, shall begin paying Assessments on the first day of the calendar month following the day a certificate of occupancy is issued by the local government (or, in the event the local government ceases to issue certificates of occupancy, when the Unit is substantially complete and permitted by law to be occupied for its intended purpose). Notwithstanding, an Owner of a Commercial Parcel or Commercial Unit shall commence paying WWTP Assessments based on the ERU that was originally assigned to the Commercial Parcel or Unit in the schedules attached to the Original Declaration upon taking title to a fee interest in any Commercial Parcel or Commercial Unit, irrespective of the status of any Improvements thereon. The ERUs originally assigned to the remaining Commercial Parcel, originally described as the "Commercial Center" and "North Commercial Parcel A" are identified on **Exhibit C**. After a Commercial Parcel is developed, the ERUs assigned to any Commercial Parcel may be amended periodically, without any requirement of a vote of the Voting Members, to adjust the ERUs based the actual average gallons-per-day usage of the WWTP by the Commercial Parcel.

9.3 Incorporation of Memorandum of Agreement. Notwithstanding Section 9.2 regarding the commencement of Assessments or anything to the contrary herein, the provisions of the Memorandum of Agreement recorded on September 1, 2016 at Book 2154, Pages 804, et seq., of the Official Records of Flagler County, Florida regarding the commencement of Assessments for the Undeveloped Parcels, as defined therein, shall control with respect to the commencement of Assessments for the Undeveloped Parcels.

9.4 Creation of the Lien and Personal Obligation for Assessments. A Unit Owner, regardless of how his or her title to property has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all Assessments that come due while he or she is the Owner. An Owner's liability for Assessments may not be avoided by waiver or suspension of the use or enjoyment of any Common Area or by abandonment of the Unit upon which the assessments are made. In addition, a Unit Owner is jointly and severally liable with the previous Unit Owner for all unpaid Assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the present Unit Owner may have to recover any amounts paid by the present Owner from the previous Owner. For the purposes of this Section, the term "previous owner" shall not include the Association if it acquires title to a delinquent property through foreclosure or by deed in lieu of foreclosure. Assessments and installments on Assessments that are not paid when due bear interest from the due date until paid at the greater of eighteen percent (18%) or such other amount as may be permitted by law. The Association may also charge an administrative late fee not to exceed the greater of twenty-five dollars (\$25.00) or five percent (5%) of the amount of each Assessment installment that is unpaid or paid past the due date. In addition, the Association is entitled to recover reasonable attorney's fees and costs incurred to collect Assessments, whether incurred pre-suit or after a lawsuit has been filed, and all such fees shall be added to the account statement of the Owner as they are incurred. Any payment received and accepted by the Association shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to oldest Assessment then due. This application of payment applies notwithstanding any restrictive endorsement, designation, instruction, or purported accord and satisfaction placed on or accompanying a payment. Attorney's fees and costs incident to collection include any and all attorney's fees and costs associated with the Association's participation in a mortgage or other foreclosure action, bankruptcy proceeding, or any other proceeding of any nature to protect the Association's lien or right to payment.

The Association has a lien on each Unit to secure the payment of Assessments and other charges authorized by the Governing Documents, which is a continuing lien arising the moment any Assessment becomes due and payable. Except as otherwise set forth in this Declaration with respect to first mortgages of record, the lien shall be effective from and relate back to the date on which the Original Declaration was recorded. However, as to first mortgages of record, the lien is effective from and after the recording of a claim of lien in the Official Records of Flagler County, Florida. The Association may attempt to collect any Assessment due through an action for damages or foreclosure, or both, and the Association may pursue either remedy without waiving the right to pursue the other remedy.

9.5 Limitation of Liability for First Mortgagees. Notwithstanding any other provisions of this Declaration, the liability of a first mortgagee, or its successor or assignee as a subsequent holder of the first mortgage, who acquires title to a Unit by foreclosure or by deed in lieu of foreclosure for the unpaid Assessments that become due before the mortgagee's acquisition of title shall be the lesser of: (i) the Unit's unpaid common expenses and regular periodic or special assessments that accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or (ii) one percent of the original mortgage debt. The limitations on first mortgagee liability provided in this Section apply only if the first mortgagee filed suit against the Unit Owner and initially joined the Association as a defendant in the mortgagee foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location that was known or reasonably discoverable by the mortgagee. If a mortgagee fails to comply with the conditions to be entitled to a limitation of liability in accordance with this Section, a first mortgagee acquiring title shall be jointly and severally liable for all unpaid assessments accruing prior to acquisition of title like any other Owner or transferee. In addition, in the event the law is amended after the recording of this Declaration to permit the Association to collect a greater amount of unpaid Assessments from a mortgagee that acquires title to a Unit by foreclosure or deed in lieu of foreclosure, then such provision of law shall be deemed expressly incorporated into this Section to permit the Association to collect such greater amount. However, if the law is subsequently amended to permit the Association to collect a lesser amount of unpaid Assessments from a first mortgagee who acquires title to a Unit by foreclosure or deed in lieu of foreclosure than what would otherwise be collectable according to this Section, then such law shall not be deemed expressly incorporated herein and shall not operate to retroactively impair the provisions herein. In such instance, the amendment to the law shall only apply to first mortgages recorded after the date of enactment of the law. Notwithstanding anything to the contrary contained herein, the Association shall be entitled to enforce its rights against first mortgagees who acquire title to the fullest extent permitted by law; provided, however, that this shall not be interpreted to incorporate any amendment or enactment of law occurring after the date this instrument is recorded in the Official Records which would result in the Association being permitted to collect a lesser amount of unpaid Assessments than it would be obligated to pay under this Section (or stated differently, which would result in a retroactive impairment of this contract), as stated above.

9.6 Adoption of Annual Budget. The Board shall establish a budget of the Association at least annually. At least fourteen (14) days before the Board meeting at which the annual or other budget is proposed to be adopted, the Association shall prepare and mail to the Voting Members a proposed budget identifying all categories of anticipated expenses to be incurred by the Association for the next budget period. The budget shall separately list the categories of Assessments for the General Assessment, North Tract Assessment, WWTP Assessment, and Parcel Assessments, if any. The budget adopted by the Board shall become effective unless, within thirty (30) days of the Board meeting at which the budget is adopted, the Voting Members representing at least two-thirds (2/3) of the Voting Interests of Members who are subject to the Assessments vote to reject the budget or category of Assessments within it. Only the Voting Members representing Voting Interests of Members who would be subject to the category of Assessments levied may vote to reject that category of the budget (e.g., the Sea Colony Voting Member cannot vote to reject the North Tract Assessment category). If the Voting Members vote

to reject the budget or category of Assessments within the budget, they shall propose an alternative budget to the Board so the Board may identify any budget categories with which the Voting Members disagree. The Board shall then consider a new proposed budget and provide notice and a copy of the proposed budget to the Voting Members in the manner stated above, and this process shall continue until a budget is adopted which is not disapproved by the Voting Members within thirty (30) days of adoption. Until a subsequent budget is adopted, the most recently-adopted budget and Assessments levied according thereto shall remain in effect. Nothing herein shall prohibit the Association from levying a Special Assessment if necessary pending the adoption of a budget to defray any cost actually incurred by the Association for which the Association is obligated to pay.

ARTICLE X ARCHITECTURAL STANDARDS

10.1 Requirement to Obtain ARC Approval for All Improvements. No Improvement may be constructed (including alterations of existing Improvements) on or in any Unit which would be perceptible from outside of the Unit without the express written approval of the ARC. All Improvements shall be made in accordance with all ARC Guidelines promulgated by the Board. Prior to making any Improvement to any Unit, the Unit Owner shall provide a copy of plans and specifications of the proposed Improvement(s) to the ARC, which shall include, as applicable, the dimensions, materials, colors, proposed location, and any information reasonably requested by the ARC or required by the ARC Guidelines. If the ARC determines that the application is incomplete, the ARC shall contact the Unit Owner and request any additional information necessary or desirable to consider the application. The ARC shall have forty-five (45) days after receipt of a complete application to approve or deny the proposed Improvement in writing, and if the ARC fails to deny the proposed Improvement in writing within the time required, it shall be deemed approved unless the proposed Improvement or feature of it is expressly prohibited by a specific provision of the Governing Documents.

10.2 Organization of Architectural Review Committee. The Board shall appoint an Architectural Review Committee which shall consist of an odd number of persons from three to seven, who must be Members of the Association. The ARC shall be responsible for performing the functions outlined in this Article and otherwise provided in the Governing Documents, which shall include reviewing all applications for proposed Improvements for compliance with the Governing Documents and harmony with the existing surrounding Improvements within the Property. If the Board fails to appoint an ARC, the Board shall perform the functions of the ARC.

10.3 ARC Guidelines. The Board may promulgate ARC Guidelines regulating the characteristics of any Improvements permitted or prohibited within the Property. The ARC Guidelines may include standards regarding the dimensions, materials, colors, location, and any other characteristics of any proposed Improvements. As part of the ARC Guidelines, the Board may establish application forms and require that all Unit Owners complete the application forms incident to proposing an Improvement for consideration. The Board may also establish reasonable fees for review of applications for proposed Improvements, which must be included in the ARC Guidelines if adopted.

10.4 Variance. The ARC may, but shall not be obligated to in any instance, grant a variance to any specific criteria included in the ARC Guidelines, but not any requirements of the Declaration or other Governing Document, if the ARC finds that the application in its entirety satisfies the intent and purpose of the ARC Guidelines and the proposed Improvements subject to the variance are otherwise harmonious and aesthetically compatible with the surrounding Improvements.

10.5 Approval Does Not Constitute Waiver. The approval of an application or variance by the ARC in one instance does not prohibit the ARC from disapproving an application or denying a variance in another instance, whether or not the applications or variance requests are substantially similar.

ARTICLE XI MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first mortgages on Units in the Property. Only Eligible Holders, or first mortgagees, as applicable, shall have standing to enforce the provisions of this Article.

11.1 Notices of Action. An institutional holder, insurer, or guarantor of a first mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit address, 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 Unit 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 Unit subject to the mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first mortgage upon written request is entitled to written notice from the Association of any default in the performance by an Owner of a Unit 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 maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Holders.

11.2 Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first mortgagees or Voting Members representing at least two-thirds (2/3rds) of the total Voting Interests consent, the Association shall not:

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

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

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

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

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property, unless otherwise approved in the manner required herein.

11.3 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 Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

11.4 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 Unit.

11.5 Amendment of Article. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, this Declaration shall be deemed amended to delete all such provisions of this Article which are not expressly required by the foregoing entities.

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

11.7 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.

ARTICLE XII USE RESTRICTIONS

The Property shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association, or the Association and the limited commercial uses permitted by the Development Order on the Parcels designated to for commercial use) all as may more particularly be set forth in this Declaration, amendments hereto or subsequently recorded declarations creating Parcel Associations subject to this Declaration. The Declaration or other governing documents for any Parcel Association may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards. The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Property in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities. This authority shall include, without limitation, the power to regulate the speed and flow of traffic on private roads within the Property and the power to contract with any local government law enforcement agency to enforce traffic regulations on the private roads within the Property. Such regulations and use restrictions shall be binding upon all Owners and Invitees until and unless overruled, cancelled, or modified in a regular or special meeting of the Board by a vote of two-thirds (2/3) of the Board of Directors.

12.1 Signs and Billboards. No signs, billboards, posters, or advertising devices of any character shall be erected, permitted, or maintained on any portion of the Property without the express prior written consent of the Board of Directors.

12.2 Storage and Disposal of Garbage and Refuse. No Unit shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste materials shall not be kept, except in sanitary containers constructed of metal, plastic, or masonry materials with sanitary covers or lids. Equipment for the storage or disposal of such waste materials shall be kept in clean and sanitary condition. No Unit shall be used for the open storage of any materials, whatsoever, which storage is visible from any street, except that new building materials used in the construction of Improvements erected upon any Lot may be placed upon such Lot at the time of construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the Improvements, after which these materials shall either be removed from the Unit or stored in a suitable enclosure on the Unit.

12.3 Unlicensed Motor Vehicles. No unlicensed motor vehicles shall be allowed on the Property and the operators of all permitted vehicles shall maintain adequate insurance for injury and damage to property of third parties. No motorbikes, motorcycles, motor scooters, all-terrain vehicles, or other vehicles of that type shall be permitted on the Property if they are a nuisance by reason of noise or manner of use in the sole judgment of the Board.

12.4 Parking and Garages. Vehicles shall be parked only in the garages, parking tracts, or in the driveways, if any, serving the Units or in appropriate spaces or designated areas in which parking is permitted and then subject to such reasonable rules and regulations as the Board of Directors or Parcel Association having concurrent jurisdiction over parking areas within a Parcel, may adopt. The Board of Directors may, in its discretion, require registration of vehicles of occupants of Units. The Association may designate certain on-street parking areas for Invitees subject to reasonable rules. Commercial vehicles, tractors, mobile homes, trailers (either with or without wheels), campers, camper trailers, boat trailers, and recreational vehicles shall be parked only in areas designated by the Board or Parcel Association having jurisdiction over a particular parking area within a Parcel. The storage of boats, trailers, and recreational vehicles is prohibited upon the Property unless such vehicles are stored in a completely enclosed garage with the garage door closed; provided, nothing in this Section shall be construed to apply to any operation of a boat club on any Common Area designated for such operation.

12.5 Occupants & Invitees Bound. All provisions of the Governing Documents which govern the conduct of Owners and Invitees and which provide for sanctions against Owners shall also apply to all Invitees of any Unit Owner. Every Owner shall cause all of his or her Invitees to comply with the Governing Documents and shall be responsible for all violations and losses to the Common Areas caused by such Invitees, notwithstanding the fact that such Invitees of a Unit Owner are fully liable and may be fined for any violation of the Governing Documents.

12.6 Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other usual and common household pets not to exceed a total of two (2) may be permitted in a Unit. No pets are permitted to roam free. Those which, in the sole discretion of the Board endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the Owner of any portion of the Property shall be removed upon request of the Board. If the Owner fails to honor such request the pet may be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs and cats which are household pets shall at all times whenever they are outside a Unit be confined on a leash and remain under the control of the handler. Additional covenants affecting the property within any Parcel may impose more stringent restrictions on animals and pets.

12.7 Nuisance. No portion of the Property shall, be used, in whole or in part, for the storage any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye, nor shall any substance, thing, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the Owners or occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the Property, nor shall anything be thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall not be maintained any plants, animals, device, or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property.

12.8 Unsightly or Unkempt Conditions. Owners shall prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property. This shall not preclude minor or emergency vehicle repairs occurring exclusively within an enclosed, private garage of a Unit (excluding any parking within a parking garage, Common Area, or other shared parking area).

12.9 Antennas. No exterior antenna mast, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, or other signals of any kind shall be placed, or allowed, or maintained upon any portion of the Property, including any Unit. For antennas that may specifically be required to be permitted by law, such expressly permitted antennas shall be of no greater size than the maximum size permitted to be required by law, and such antennas shall constitute an Improvement subject to ARC approval, which may be conditioned upon the installation of appropriate screening materials or devices to obscure or shield the antenna from view from adjacent parts of the Property. The Board may promulgate ARC Guidelines regulating the materials, locations, and other characteristics of antennas.

12.10 Recreation & Basketball Equipment, Garbage Cans, Tanks, Etc. All basketball hoops and backboards, garbage cans, above-ground tanks, and other similar items shall be located or screened so as to be concealed from view of neighboring Units, streets, and property located adjacent to the Unit. All rubbish, trash, and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. All recreation and play equipment shall be stored within a Unit when not being used.

12.11 Subdivision of Unit and Time Sharing. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. No Unit shall be made subject to any type of timeshare or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years.

12.12 Firearms & Fireworks. The discharge of firearms and fireworks within the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns, paintball guns, and other devices capable of discharging a projectile (except for tools used in construction), and other firearms of all types, regardless of size.

12.13 Hunting, Disturbing Wildlife. No hunting of any sort shall be carried out on Property. No activities, except as permitted by the Development Order and management plans prepared pursuant to the Order shall be permitted in the Hammock Conservation Area or Scrub Habitat that tend to annoy, harass, or endanger wildlife in these areas. **OWNERS AND THEIR INVITEES UNDERSTAND THAT PART OF THE PROPERTY AND LAND ADJACENT TO IT COMPRISES A NATURAL HABITAT FOR WILD ANIMALS, SOME OF WHICH MAY BE DANGEROUS OR POISONOUS. OWNERS AND INVITEES ARE RESPONSIBLE FOR ENSURING THEIR OWN SAFETY, AND BY TAKING TITLE TO A UNIT OR OTHERWISE TRAVELLING UPON ANY PART OF THE PROPERTY,**

AGREE TO HOLD HARMLESS AND COVENANT NOT TO SUE THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, AND ASSIGNS FROM AND AGAINST ANY AND ALL DAMAGES, INJURIES, CLAIMS, OR LOSSES OF ANY NATURE ARISING OUT OF OR RELATED TO THE PRESENCE OF WILD ANIMALS ON OR NEAR THE PROPERTY.

12.14 Pools. No above-ground pools shall be erected, constructed, or installed on any Unit. No other pools, spas, hot tubs, or similar structure shall be erected, constructed or installed on any Unit without approval of the ARC.

12.15 Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within or adjacent to the Property shall be installed, constructed, or operated within the Property without the Association's express written approval. Private wells for irrigation or any other purpose are prohibited on the Property; provided, however, this Section shall not apply to the installation of community irrigation systems for the Common Area or common areas or Units within a Parcel. Tap-ins to the water system are prohibited without the written permission of the Association, any private utility having jurisdiction of such system, or any local government with jurisdiction over such system.

12.16 Tents, Trailers and Temporary Structures. Except during initial construction, moving, and emergencies, such as post-hurricanes, no tent, utility shed, shack, trailer, or other structure of a temporary nature shall be placed upon a Unit or any part of the Property.

12.17 Surface and Stormwater Management and Drainage Systems. The surface and stormwater management and drainage areas including swales are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person may modify the original installation of drainage lakes, swales, storm sewers, or storm drains without the Association's express written approval. Septic systems are prohibited on the Property. No changes to the surface or stormwater water management system or similar structures shall be permitted if such change violates any law, the Development Order, or applicable permit issued by the St. Johns River Water Management District. The Association shall have an easement over all the Property as necessary to maintain the surface and stormwater management system in compliance with all applicable permits, which shall include the right to travel upon any portion of the Property as necessary to maintain drainage swales.

12.18 Tree Removal. No trees shall be removed, except for diseased or dead trees, trees presenting a danger or hazard to person or property, and trees requiring removal to promote the growth of other trees, unless approved by the ARC. No trees, shrubs, plants, or other natural features in any Common Area designated for open space, conservation, or as the Hammock Preservation Area or Scrub Jay Habitat shall be removed or damaged by any Person unless the removal is approved by the Board and is in conformance with the Development Order and the management plans prepared and approved pursuant to that Order. No trees on the Property shall be removed unless such removal is in compliance with law.

12.19 Outdoor Drying and Laundry. No clothing, laundry, carpets, or other similar materials shall be aired or dried any portion of the Property in an area viewable to any Common Area, Unit, or street. No clothing, laundry, carpets, or other similar materials shall be hung from windows, balconies, or doorways of Units. Clotheslines may be installed on Units after obtaining approval of the ARC. The Board may establish ARC Guidelines regulating the characteristics of clotheslines, including permitted colors and the location in which they are permitted to be installed, and may require the installation of screening materials or devices to obscure or shield the clothesline from view from adjacent parts of the Property.

12.20 Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Property, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

12.21 Air Conditioning Units. No window air conditioning units may be installed in any Unit except in the event of an emergency, in which case window air conditioning units may be used for a reasonable period of time during the emergency as may be permitted by the Board.

12.22 Lighting. All exterior lights must be approved by the ARC. No exterior lighting shall be allowed to shine onto any beach area on the Property or adjacent to the Property in violation of the Loggerhead Turtle Conservation Plan prepared for the Property pursuant to the Development Order.

12.23 Artificial and Natural Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Property. No natural vegetation shall be removed, except for diseased or dead natural vegetation, unless approved by the ARC. Exterior sculpture, fountains, flags, decorative items, and similar items are subject to ARC approval.

12.24 Lakes, Water Bodies and Wetlands. No boat or other water craft or vessel of any type whatsoever which is propelled by an internal combustion engine shall be operated on any lakes, ponds, and streams within the Property, whether natural or created as part of the surface water management system, except for any boat used by a governmental entity or by the Association for maintenance of the water body. No piers or docks except for those docks as may be originally constructed as part of any boat club owned and operated by the Association shall be constructed on any portion of lakes, streams, or ponds, nor attached to the shoreline or banks thereof unless approved by the Board and by any governmental entity having jurisdiction of such construction. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Property. Nothing shall be done which disturbs or potentially disturbs wetlands within or adjacent to the Property in any manner. No dredging or filling shall be undertaken within or on any property adjacent to any water body or wetland except as may be undertaken by the Association for maintenance of the stormwater management system.

12.25 Recreational Facilities. Any recreational facilities or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the

Association, its Directors, Officers, managers, agents, and assigns shall not be held liable to any person for any claim, damage, or injury occurring thereon or related to the use thereof.

12.26 Fences. No dog runs, animal pens or enclosures, or fences of any kind shall be permitted on any Unit except as approved by the ARC.

12.27 Business Use. No trade or business may be conducted in or from any Residential Unit or other portion of the Property except in areas specifically zoned and designated for commercial use, and except as expressly permitted herein. This prohibition shall apply irrespective of whether the trade or business is for profit or otherwise in exchange for consideration. Owners and residents of a Unit may conduct home-based business, like those which are internet based, if:

(a) The business activity is not perceptible from outside of the dwelling located on the Unit;

(b) The business activity does not result in additional vehicular traffic to the community above what would be expected from ordinary, residential use of a Unit;

(c) The business does not require routine delivery of equipment, supplies, products, or other materials to the Unit;

(d) The business does not involve visitation by customers or clients above what would be expected from ordinary, residential use;

(e) The business does not involve storage of hazardous materials within the Property or storage of equipment, supplies, products, or other materials in the garage such that the garage is made unavailable for vehicle parking;

(f) The business does not generate excessive noise, odors, or other noxious or offensive externalities, as determined in the Board's sole discretion;

(g) The business does not negatively affect any insurance policies maintained by the Association or increase the premiums associated with any insurance the Association maintains or desires to maintain.

The Board of Directors shall have the exclusive authority and discretion to determine whether any use of a Unit is compliant with this Section, which decision shall be final and binding.

12.28 Compliance with the Development Order & Law. No use may be made of the Properties or activities shall be conducted thereon which would violate the Development Order or any applicable law.

Compliance with Incidental Take Permit. The Association shall comply with the Incidental Take Permit, Permit Number TE038885-0, the Endangered Species Act of 1973, and corresponding regulations of the United States Fish and Wildlife Service to the extent the

Association bears obligations under the foregoing Permit. No Member or Invitee shall violate the terms of the Permit or foregoing authorities, to the extent applicable.

ARTICLE XIII GENERAL PROVISIONS

13.1 Coverage and Term. The covenants and restrictions of this Declaration shall run with and bind the Property and all successors in interest to any part of it, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns. The covenants, conditions, and restrictions of this Declaration, as they may be amended from time to time, shall run with and bind the Property for a term of thirty (30) years from the date of recordation, unless amended, as herein provided. After such initial term, such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless within sixty (60) day before the commencement of such ten (10) years period, these covenants are extinguished by a written, recorded instrument executed by the Voting Members holding at least seventy-five (75%) percent of the total Voting Interests. Notwithstanding anything herein to contrary, the Association shall not be dissolved nor these covenants extinguished until such time as adequate steps have been taken by the Association to ensure the continued operation and maintenance of the Common Areas in full compliance with all applicable laws, and regulations, including, but not limited to those obligations contained in the Development Order which are assigned to the Association and the obligations with respect to the applicable surface or stormwater management permit.

13.2 Incorporation of Amendments of Record. The following amendments to the Declaration of Covenants, Conditions, and Restrictions for Matanzas Shores are incorporated herein: Amendment to Declaration of Covenants, Conditions and Restrictions for Matanzas Shores recorded November 28, 1998 at Book 633, Page 1838, et seq., of the Official Records of Flagler County, Florida (concerning property conveyed to Flagler County); Amendment to Declaration of Covenants, Conditions and Restrictions for Matanzas Shores recorded February 2, 1999 at Book 642, Page 633, et seq., of the Official Records of Flagler County, Florida (concerning property conveyed to Flagler County); Amendment to Declaration of Covenants, Conditions and Restrictions for Matanzas Shores recorded October 15, 1999 at Book 671, Page 0828, et seq., of the Official Records of Flagler County, Florida (concerning property conveyed to Flagler County)

13.3 Amendment. Except as otherwise provided with respect to the amendment of any specific provision hereof, this Declaration may be amended by the affirmative vote of the Voting Members representing two-thirds (2/3) of the total Voting Interests, which must occur at a meeting of the Voting Members at which a quorum is attained. Amendments to this Declaration shall be effective when recorded in the Official Records of Flagler County, Florida. No amendment may impair the validity or priority of the lien of any mortgage held by a mortgagee or impair the rights granted to mortgagees herein without the prior written consent of such mortgagee, subject to Section 11.7 of this Declaration.

13.4 Indemnification. The Association shall indemnify and defend every Officer and Director against any and all expenses, including legal fees and costs, imposed upon or reasonably

incurred by any Officer or Director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Board of Directors) to which he or she may be a party by reason of being or having been an Officer or Director of the Association. The Officers and Directors shall not be liable for any mistake of judgment, negligent or otherwise, except for actions committed willfully, in bad faith, and except for circumstances in which the Director or Officer derives an improper personal benefit. The Officers and Directors shall have no personal liability with respect to any contract or other commitment made by in good faith on behalf of the Association and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Officer or Director, or former Officer or Director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and Directors and Officers liability insurance to fund this obligation, if such insurance is reasonably available.

13.5 Severability; Anti-waiver. The provisions of this Declaration are intended to be severable. Should any portion, term, or provision of this Declaration be declared or determined by any court to be illegal, invalid, or unenforceable, the validity of the remaining portions, terms, and provisions, and the application of such portion, term, or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected. The failure of a party at any time to require performance of any obligation of the Governing Documents shall not affect, diminish, obviate, or void in any way that party's right to require full performance of the same or any other obligation of the Governing Documents, and the Association's decision to refrain from enforcement of any provision of the Governing Documents, whether temporary or permanent, in any one instance shall not operate as a waiver or constitute an estoppel of the Association's right to enforce any provision of the Governing Documents in that instance at a later time or in any other instance.

13.6 Incorporation by Reference. All dedications, limitations, restrictions, and restrictions, and reservations shown on any subdivision plat are incorporated herein and made a part hereof as if fully set forth herein and shall be construed as being adopted in every contract, deed, or conveyance to any part of the Property.

13.7 "Including" means Including without Limitation. Unless the word "including" is preceded by the word "exclusively," when used herein, "including" shall be construed as "including, without limitation" and shall be deemed to be followed by a nonexclusive list of examples for demonstrative or clarification purposes and shall not be interpreted as providing a list of exclusive items or examples.

13.8 Attorney's Fees. If any action to interpret or enforce any of the provisions of the Governing Documents in the event of a dispute, the party prevailing in any such action shall be entitled to recover, and the losing party shall be obligated to pay to the prevailing party, all reasonable attorneys' fees and costs incurred by the prevailing party in any stage of any proceeding, including without limitation attorneys' fees and costs incurred in any trial and appellate proceedings, proceedings in aid of execution or to collect on any judgment, irrespective

of the jurisdiction in which such efforts are undertaken, and proceedings to determine entitlement and reasonableness of attorney's fees to be awarded.

13.9 Governing Law, Jurisdiction & Venue. The Governing Documents shall be governed by and interpreted in accordance with the laws of the State of Florida without regard to any applicable conflict of law principles. In any action arising out of or relating to the Governing Documents or any action or proceeding involving the Association as a party, all parties bound by the Governing Documents irrevocably and unconditionally consents and submits to the mandatory and exclusive jurisdiction and venue of the state court located in Flagler County, Florida.

IN WITNESS WHEREOF, the undersigned Officers of the Association have executed this Amended and Restated Declaration on the dates below written.

Witnesses

[Signature]

Signature of Witness 1

DeBrit Masters

Printed

[Signature]

Signature of Witness 2

David C Withnell

Printed

Matanzas Shores Owner's Association, Inc.

[Signature]

President

Karen Y Hegarty

Printed

[Signature]

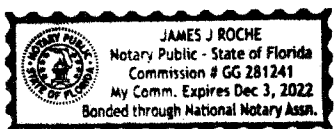
Secretary

Deborah Moss

Printed

STATE OF FLORIDA
COUNTY OF Flagler

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 17th day of October, 2024, by Karen Y Hegarty as President and by Deborah Moss, as Secretary of Matanzas Shores Owner's Association, Inc.



[Signature]

(Signature of Notary Public – State of Florida)

(Print, Type, or Stamp Commissioned Name of Notary Public)

Personally Known or Produced Identification
Type of Identification Produced: Drivers License

EXHIBIT A

LEGAL DESCRIPTION OF PARCEL WEST OF A1A

A parcel of land lying in Section 38, Township 10 South, Range 31 East, as described in O.R. Book 30, Pages 270, 286 and 418 and O.R. Book 31, Page 1 of the Public Records of Flagler County, Florida, being more particularly described as follows:

From a Point of Reference being a point where the Westerly projection of the South line of Section 38, Township 10 South, Range 31 East, intersects with the East line of the 500 foot right of way of the Intracoastal Waterway, Thence N. $17^{\circ}14'46''$ W. along said East right of way a distance of 551.91 feet to the Northwest corner of Willow Woods Subdivision as recorded in Map Book 5, Page 76; Public Records of Flagler County, Florida, Thence N. $69^{\circ}39'06''$ E. along the North line of Willow Woods Subdivision a distance of 65.45 feet to an Iron Rod being the Point of Beginning and the location of the Mean High Water Line; Thence N. $16^{\circ}58'04''$ W. a distance of 203.20 feet; Thence N. $16^{\circ}45'08''$ W. a distance of 201.06 feet; Thence N. $16^{\circ}19'37''$ W. a distance of 146.46 feet; Thence leaving said Mean High Water Line N. $67^{\circ}46'01''$ E. along the South line of a parcel of land described in O.R. Book 34, Page 682, Public Records of Flagler County, Florida, a distance of 329.31 feet; Thence N. $17^{\circ}14'46''$ W. a distance of 350.00 feet to the Northeast corner of Lands described in O.R. Book 50, Page 477, Public Records of Flagler County, Florida, Thence S. $67^{\circ}46'01''$ W. a distance of 319.29 feet along the North line of said Lands to the Mean High Water Line; Thence along said Mean High Water Line the following courses; Thence N. $18^{\circ}28'24''$ W. a distance of 206.94 feet; Thence N. $15^{\circ}41'48''$ W. a distance of 199.41 feet; Thence N. $08^{\circ}08'58''$ E. a distance of 210.03 feet; Thence N. $02^{\circ}18'57''$ W. a distance of 116.98 feet; Thence N. $26^{\circ}36'16''$ W. a distance of 114.12 feet; Thence N. $48^{\circ}41'46''$ W. a distance of 115.04 feet; Thence N. $48^{\circ}19'36''$ W. a distance of 97.38 feet; Thence N. $24^{\circ}50'56''$ W. a distance of 209.96 feet; Thence N. $16^{\circ}47'13''$ W. a distance of 183.63 feet; Thence N. $14^{\circ}05'37''$ W. a distance of 202.97 feet; Thence N. $13^{\circ}04'21''$ W. a distance of 200.14 feet; Thence N. $14^{\circ}26'38''$ W. a distance of 197.95 feet; Thence N. $13^{\circ}44'49''$ W. a distance of 199.63 feet; Thence N. $07^{\circ}36'30''$ W. a distance of 198.74 feet; Thence N. $04^{\circ}41'14''$ E. a distance of 149.03 feet; Thence N. $15^{\circ}21'39''$ W. a distance of 257.33 feet; Thence N. $05^{\circ}42'44''$ W. a distance of 74.83 feet; Thence leaving said Mean High Water Line N. $69^{\circ}39'14''$ E. along the South line of Lot 14 of Dupont Estates a subdivision as recorded in Map Book 3, Page 17, Public Records of Flagler County, Florida, a distance of 2826.34 feet to the West right of way line of State Road A-1-A as presently located; Thence 624.23 feet along said Westerly right of way line along a curve to the right (concave Northwest) having a Radius of 1183.24 feet, a Central Angle of $30^{\circ}14'02''$ a Chord Bearing of S. $05^{\circ}14'32''$ E. and a Chord distance of 617.15 feet to a Point of Tangency; Thence S. $09^{\circ}52'29''$ W. a distance of 675.00 feet to a Point of Curvature; Thence 1219.90 feet along a curve to the left (concave Easterly) having a Central Angle of $31^{\circ}16'16''$, a radius of 1363.24 feet a Chord Bearing of S. $15^{\circ}45'39''$ E. and a Chord distance of 1179.60 feet, to a Point of Tangency; Thence S. $41^{\circ}23'47''$ E. and a distance of 875.00 feet to a Point of Curvature; Thence 585.77 feet along a curve to the right (concave Westerly) having a Central Angle of $28^{\circ}21'53''$ a Radius of 1183.24 feet, a Chord Bearing of S. $27^{\circ}12'50''$ E. and a Chord distance of 579.81 feet; Thence leaving said West right of way line of State Road A-1-A, S. $69^{\circ}39'06''$ W. along the North line of lands described in O.R. Book 28, Page 535, and Willow Woods Subdivision, described in Map Book 5, Page 76; Public Records of, Flagler County, Florida, a distance of 2959.09 feet to the POINT OF BEGINNING of this description.

Containing 225.1063 Acres more or less.

LEGAL DESCRIPTION OF PARCEL EAST OF A1A

A parcel of land lying in Section 38, Township 10 South, Range 31 East, described in O.R. Book 30, Pages 270, 286 and 418 and O.R. Book 31, Page 1 of the Public Records of Flagler County, Florida, being more particularly described as follows:

From a Point Of Reference being a point where the Westerly projection of the South line of Section 38, Township 10 South, Range 31 East, intersects with the East line of the 500 foot right of way of the Intracoastal Waterway; Thence N.17°14'46" W. along said East right of way a distance of 551.91 feet to the Northwest corner of Willow Woods Subdivision, as recorded in Map Book 5, Page 76, Public Records of Flagler County, Florida; Thence N. 69°39'06" E. along the North line of Willow Woods Subdivision, a distance of 3257.21 feet to a nontangent curve of the East line of a 180.00 foot right of way of State Road A-1-A and the Point Of Beginning of this description; Thence 170.80 feet along said Easterly right of way line, along a curve to the left, (concave Westerly), having a Radius of 2914.79 feet, a Central Angle of 03°21'26", a Chord Bearing of N. 03°29'22" W. and a Chord distance of 170.77 feet; Thence leaving curve at a Point of Nontangency, N. 41°23'47" W. a distance of 1385.95 feet to a Point of Curvature; Thence a distance of 1058.82 feet along a curve to the right, (concave Easterly), having a Radius of 1183.24 feet, a Central Angle of 51°16'16", a Chord Bearing of N. 15°45'39" W. and a Chord distance of 1023.85 feet to a Point of Tangency; Thence N. 09°52'29" E. a distance of 662.64 feet; Thence N. 21°17'09" E. a distance of 125.87 feet; Thence N. 10°17'52" E. a distance of 211.82 feet; Thence N. 20°21'28" W. a distance of 420.80 feet; Thence departing the East right of way of State Road A-1-A, N. 69°39'14" E. along the South line of lands recorded in O.R. Book 196, Pages 527 and 528, said land also being the South line of Lot 25 of Dupont Estate, a subdivision as recorded in Map Book 3, Page 17, all recorded in the Public Records of Flagler County, Florida, a distance of 275.06 feet to a point on the Mean High Water Line of the Atlantic Ocean; Thence along said Mean High Water Line, the following courses; S. 20°14'50" E. a distance of 550.00 feet; Thence S. 20°11'03" E. a distance of 584.39 feet; Thence S. 18°42'33" E. a distance of 514.07 feet; Thence S. 21°11'54" E. a distance of 538.16 feet; Thence S. 19°55'07" E. a distance of 575.27 feet; Thence S. 19°48'20" E. a distance of 484.87 feet; Thence S. 18°12'43" E. a distance of 500.96 feet; Thence leaving the Mean High Water Line of the Atlantic Ocean S. 69°39'06" W. along the North line of Lot 23, Block 1 and Lot 23, Block 2 of Coquina Beach Subdivision as recorded in Map Book 3, Page 34, Public Records of Flagler County, Florida, a distance of 396.85 feet to the Point Of Beginning of this description.

Containing 54.1969 Acres more or less.

LEGAL DESCRIPTION: DEAUVILLE BEACH SUBDIVISION (SOUTH PARCEL)
 DATE: APRIL 26, 1984
 PREPARED BY: CLYDE ROESCH

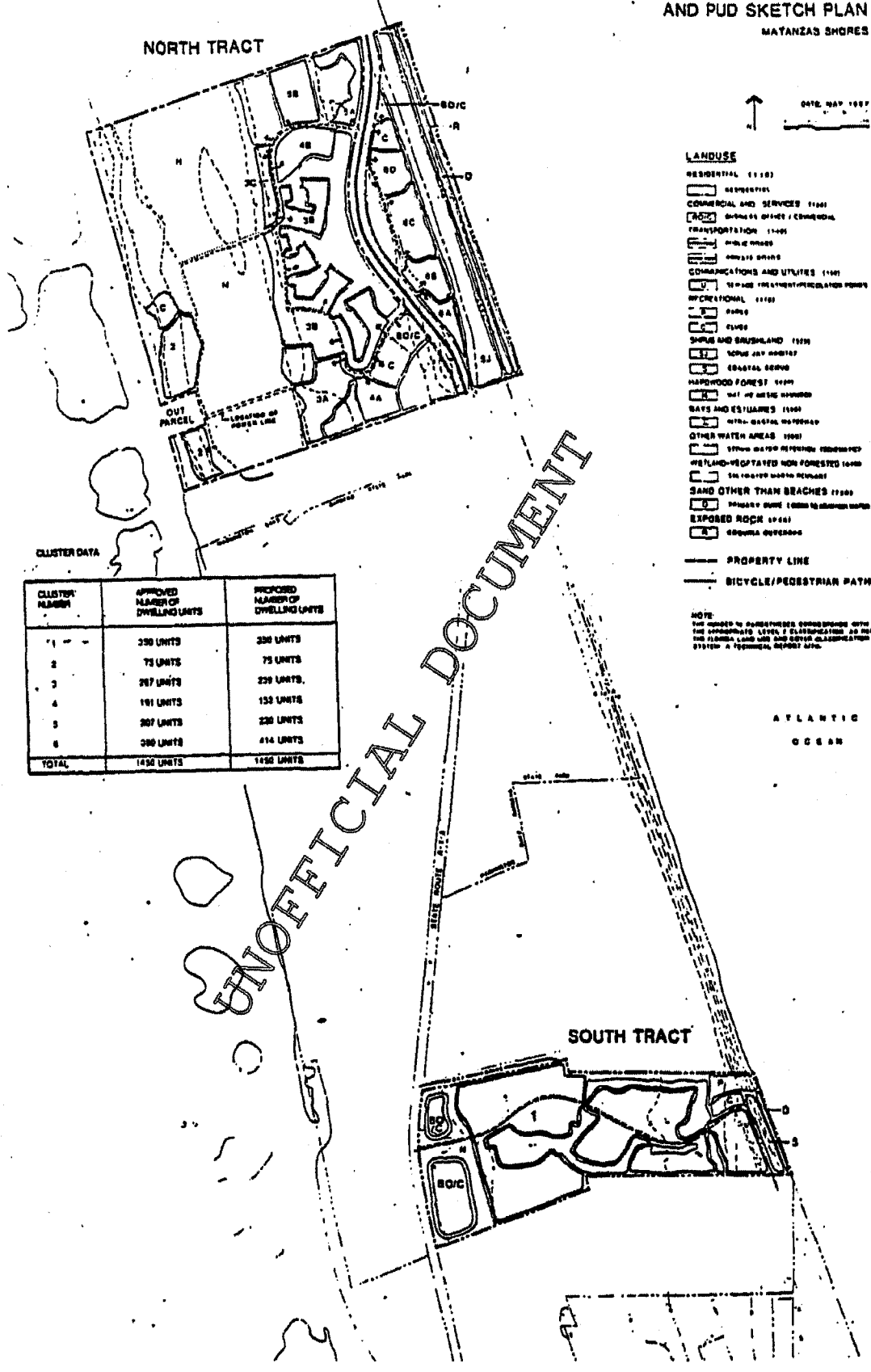
ALL OF DEAUVILLE BEACH SUBDIVISION AS RECORDED IN MAP BOOK 5, PAGE 73 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PARCEL OF LAND BEING A PORTION OF SECTIONS 20 AND 39, TOWNSHIP 10 SOUTH, RANGE 31 EAST, BEGINNING AT A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF SAID SECTION 39, SAID POINT BEING THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE RUN SOUTH 67° 35' 54" WEST ALONG THE SOUTH LINE OF SAID SECTION 39, 1690.06 FEET TO THE EAST LINE OF THE 100 FOOT RIGHT-OF-WAY OF STATE ROAD A-1-A; THENCE NORTH 14° 00' 26" WEST ALONG SAID EAST RIGHT-OF-WAY 502.26 FEET TO A POINT OF CURVATURE; THENCE 951.92 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2814.79 FEET, A CENTRAL ANGLE OF 19° 22' 36", A CHORD BEARING OF NORTH 04° 19' 08" WEST AND A CHORD DISTANCE OF 947.39 FEET TO A POINT OF TANGENCY; THENCE NORTH 05° 22' 10" EAST 146.81 FEET TO THE SOUTHERLY LINE OF THE 50 FOOT RIGHT-OF-WAY OF BAY DRIVE AS PLATTED IN THE SECOND ADDITION TO MARINELAND ACRES AND RECORDED IN MAP BOOK 5, PAGES 60 - 62; THENCE LEAVING SAID RIGHT-OF-WAY OF STATE ROAD A-1-A NORTH 76° 23' 10" EAST ALONG THE SOUTHERLY RIGHT-OF-WAY OF BAY DRIVE 1526.37 FEET TO THE EAST LINE OF SECTION 39, TOWNSHIP 10 SOUTH, RANGE 31 EAST; THENCE SOUTH 11° 17' 23" EAST ALONG THE EAST LINE OF SAID SECTION 39, 121.40 FEET; THENCE LEAVING SAID EAST LINE OF SECTION 39 NORTH 89° 15' 20" EAST ALONG THE SOUTH LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 187, PAGE 0297 OF THE PUBLIC RECORDS OF FLAGLER COUNTY FLORIDA, 1927.00 FEET TO THE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN; THENCE SOUTH 23° 01' 20" EAST ALONG SAID MEAN HIGH WATER LINE 534.04 FEET; THENCE SOUTH 21° 07' 32" EAST 547.50 FEET TO THE SOUTH LINE OF GOVERNMENT LOT 1, SECTION 20, TOWNSHIP 20 SOUTH, RANGE 31 EAST; THENCE LEAVING SAID MEAN HIGH WATER LINE SOUTH 88° 23' 22" WEST ALONG SAID SOUTH LINE OF GOVERNMENT LOT 1, SAID LINE ALSO BEING THE NORTH LINE OF ARMAND BEACH EAST, A SUBDIVISION RECORDED IN MAP BOOK 8, PAGE 22 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA 2126.82 FEET TO THE EAST LINE OF SECTION 39, TOWNSHIP 10 SOUTH, RANGE 31 EAST; THENCE SOUTH 11° 17' 23" EAST ALONG SAID EAST LINE 140.00 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL CONTAINING 102.6108 ACRES, MORE OR LESS.

EXHIBIT B

REVISED MASTER DEVELOPMENT PLAN
AND PUD SKETCH PLAN
MATANZAS SHORES



DATE: MAY 1987

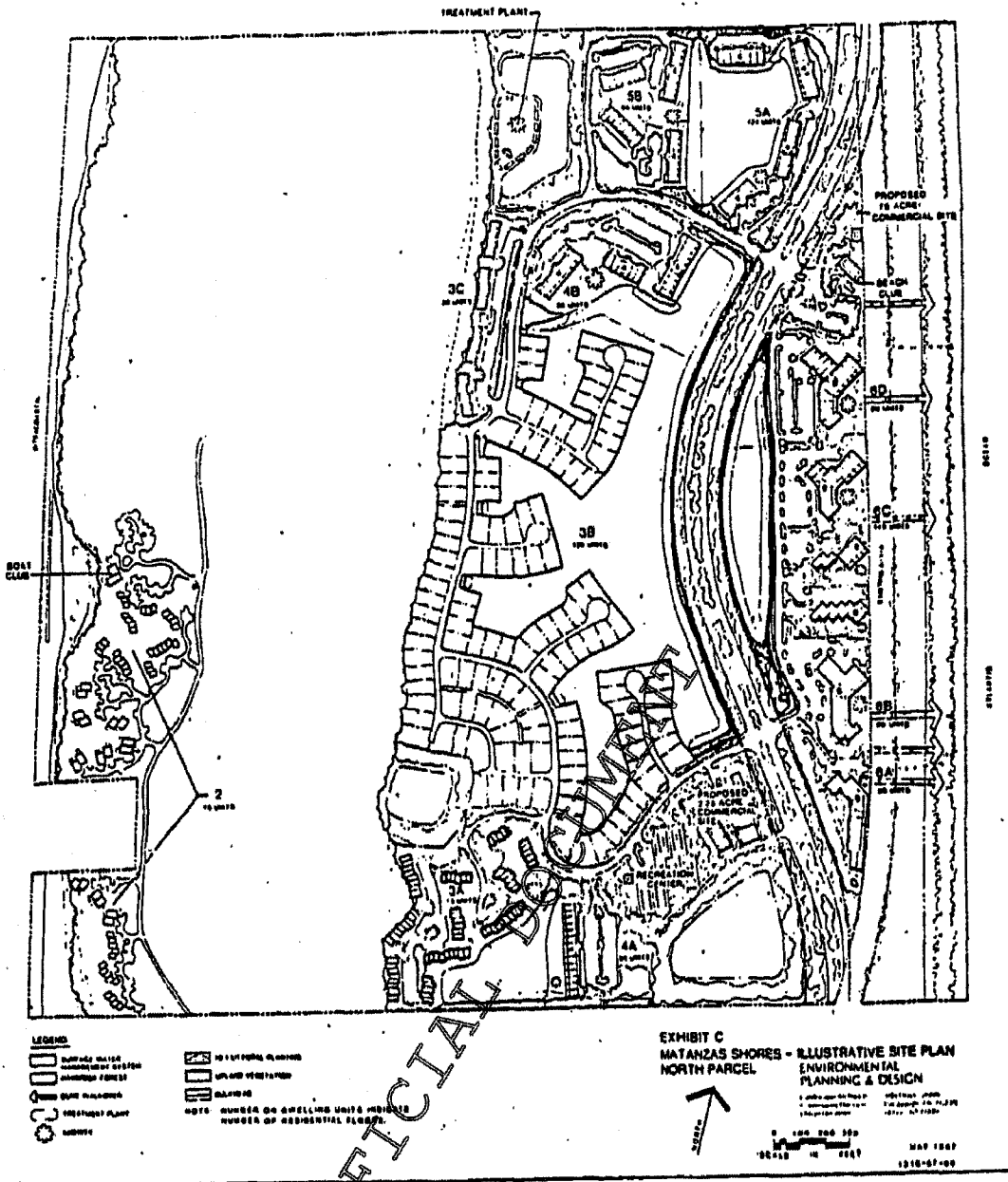
- LAND USE**
- RESIDENTIAL (1100)
 - RESIDENTIAL
 - COMMERCIAL AND SERVICES (1200)
 - COMMERCIAL AND SERVICES (1200)
 - TRANSPORTATION (1300)
 - TRANSPORTATION (1300)
 - PUBLIC OPEN SPACE
 - PUBLIC OPEN SPACE
 - COMMUNICATIONS AND UTILITIES (1400)
 - COMMUNICATIONS AND UTILITIES (1400)
 - RECREATION (1500)
 - RECREATION (1500)
 - SWAMP AND SAVANNAH (1600)
 - SWAMP AND SAVANNAH (1600)
 - WATER BODIES (1700)
 - WATER BODIES (1700)
 - HARDWOOD FOREST (1800)
 - HARDWOOD FOREST (1800)
 - SOFTWOOD FOREST (1900)
 - SOFTWOOD FOREST (1900)
 - BAYS AND ESTUARIES (2000)
 - BAYS AND ESTUARIES (2000)
 - OTHER WATER AREAS (2100)
 - OTHER WATER AREAS (2100)
 - WETLANDS (2200)
 - WETLANDS (2200)
 - SAND AND OTHER THAN BEACHES (2300)
 - SAND AND OTHER THAN BEACHES (2300)
 - EXPOSED ROCK (2400)
 - EXPOSED ROCK (2400)
 - WATER COURSE
 - WATER COURSE
- PROPERTY LINE
- BICYCLE/PEDESTRIAN PATH

CLUSTER DATA

CLUSTER NUMBER	APPROVED NUMBER OF DWELLING UNITS	PROPOSED NUMBER OF DWELLING UNITS
1	330 UNITS	330 UNITS
2	75 UNITS	75 UNITS
3	267 UNITS	230 UNITS
4	191 UNITS	150 UNITS
5	267 UNITS	230 UNITS
6	380 UNITS	414 UNITS
TOTAL	1430 UNITS	1430 UNITS

NOTE: THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY. THE APPLICABLE LEVEL 2 CLASSIFICATION AS PER THE FLORIDA LAND USE AND COVER CLASSIFICATION SYSTEM IS APPLICABLE TO THIS MAP.

ATLANTIC OCEAN



OFFICIAL

EXHIBIT C**TOTAL VOTING INTERESTS & ERU ASSIGNMENT****Voting Interest Chart**

Subdivision/Parcel	Parcel Identification	Total Voting Interests
Sea Colony	1	350
Las Brisas	3C	32
Lakeside by the Sea	3B	136
Las Casitas (KB Home Jacksonville, LLC)	(formerly 3A, 4A)	97
Los Lagos (Richmond American Homes of Florida, LP)	(formerly 4B, 5A, 5B)	88
Surf Club III	6A, 6B	190
Surf Club II	6C	190
Surf Club I	6D	96
Surfview at Matanzas Shores (formerly North Commercial B)	7	5
North Commercial A (2.25 ac.)	7	1
	TOTAL	1,185

ERU Assignment

North Commercial A (2.25 ac) – 17 ERU (\leq 3,400 GPD)

ERU = Equivalent Residential Unit (estimated at 200 gallons per day)