

LARRY WHALEY
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

55P

CL 2003142460 OR 2308/2933
KMC Date 08/06/2003 Time 12:49:02

AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS
FOR
TERRA VERDE

Prepared By and Return to:
Gary M. Kaleita
Lowndes, Drosdick, Doster,
Kantor & Reed, P.A.
P.O. Box 2809
Orlando, Florida 32802-2809

AMENDED AND RESTATED

MASTER DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS

FOR

TERRA VERDE

THIS AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR TERRA VERDE is made as of the 21st day of April, 2003 by PARK SQUARE ENTERPRISES, INC., a Florida corporation, whose address is 5200 Vineland Road, Suite 200, Orlando, Florida 32811.

WITNESSETH:

WHEREAS, the Declarant, on the date hereof, owns all of the real property located in Osceola County, Florida, described in Exhibit "A" attached hereto and made a part hereof by this reference thereto, subject to those dedications set forth on the "Plat" as described herein; and

WHEREAS, the Declarant intends to develop the Master Property (as hereinafter defined) as a mixed-use resort community which may include single and multi-family accommodations (both whole-ownership and timeshare), recreational facilities and other amenities, subject to certain protective covenants, conditions, easements, restrictions, reservations, liens and charges as hereinafter set forth;

NOW THEREFORE, Declarant hereby declares that all of the Master Property shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the covenants, conditions, easements, restrictions, reservations, liens and charges hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property. The covenants, conditions, easements, restrictions, reservations, liens and charges set forth herein shall run with the Master Property, shall be binding upon all parties having and/or acquiring any right, title or interest in the Master Property or in any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in said Master Property.

ARTICLE 1 - DEFINITIONS

Section 1.01 The following words and terms when used in this Master Declaration or any supplemental Master Declaration hereto (unless the context shall clearly indicate otherwise) shall have the following meanings:

A. "Additional Property" shall mean and refer to any real property, other than the real property described in Exhibit "A" attached hereto, which is made subject to the provisions of this Master Declaration and added to the Master Property, as provided in Article 2, Section 2.02 below.

B. "Articles" shall mean and refer to the Articles of Incorporation of the Master Association as they may exist from time to time.

C. "Board" shall mean the Board of Directors of the Master Association.

D. "Bylaws" shall mean and refer to the Bylaws of the Master Association as they may exist from time to time.

E. "Common Expenses" shall mean and refer to expenditures for (i) the installation, construction, maintenance, repair, replacement and operation of the Common Property, Open Space, Surface Water Management Systems, Public Areas, easement areas and any and all other similar property for which the Master Association is either obligated or permitted to improve, maintain, repair, replace and/or operate, including, but not limited to, any and all improvements from time to time located thereon, (ii) the performance of any and all other services or other obligations required or authorized to be performed by the Master Association with respect to Common Property, Open Spaces, Surface Water Management Systems, Public Areas (if any) or otherwise and (iii) the performance of any and all other rights and/or obligations which the Master Association may be required or permitted to perform pursuant to the terms of this Master Declaration or by law, whether set forth herein explicitly or implicitly.

F. "Common Property" and "Common Area" shall mean and refer to those tracts of land, together with any and all improvements from time to time located thereon, which are actually and specifically dedicated or deeded to the Master Association and designated in said dedication or deed as "Common Property," or "Common Area," or tracts of land which are a part of the Master Property and which are identified as "Common Property" or "Common Area" for the benefit of the Master Property on a final plat recorded in the Public Records of Osceola County, Florida, by the Declarant. The term "Common Property" shall also include any personal property acquired by the Master Association if said property is designated as "Common Property" by the Board, and shall also include easement rights which may be specifically granted to the Master Association over or upon other lands, but only to the actual extent of such easement rights. The Common Property shall initially include Tracts A, B, C, D, F, G, H, I, J, K, L, M, N, O, P, R and S as depicted on the Plat, which may be dedicated to or required to be maintained by the Master Association by the Plat or subsequent agreement with Osceola County. Any such Tract may be dedicated and conveyed by Declarant to the Master Association subject to such reserved rights of Declarant (including lease, occupancy, maintenance and other rights as may be reserved by Declarant in its sole discretion), to the extent permitted by applicable governmental authorities.

G. "Conservation Area(s)" or "Conservation Easement Area(s)" shall mean and refer to all of such areas so designated by the Declarant or its successors and assigns in the Plat, or in any easements, dedications or restrictions made or imposed pursuant to conservation ordinances, laws,

rules or regulations of governmental authorities, including, without limitation, the applicable Water Management District; provided, however, that any description on any Plat which refers to any area of land as a Conservation Area shall only be construed as the then intention of the Declarant at the time of the recording of the Plat as to the proposed future use of such area of land, which intention shall not be binding upon Declarant but may be modified or changed in its entirety by Declarant in the exercise of Declarant's sole and absolute discretion.

H. "Declarant" shall mean Park Square Enterprises, Inc., a Florida corporation. Wherever the term Declarant is used in this Master Declaration, the Articles or Bylaws, it shall always be deemed to include Declarant's successors and assigns, but only to the extent specifically so identified by an instrument in writing executed and recorded by the then Declarant.

I. "Declaration" shall mean this Declaration of Covenants, Conditions, Easements and Restrictions for Terra Verde.

J. "Architectural Review Board" and "ARB" shall mean the committee established and described in Article 8 hereof.

K. "Development Parcels" shall mean those portions of the Master Property described in the Plat as Unit 1 Future Development, Unit 2 Future Development and Unit 3 Future Development. Development Parcels shall also include those parcels of Additional Property designated by Declarant as Development Parcels in any amendment or supplement to this Master Declaration adding such Additional Property.

L. "Exclusive Common Area" shall mean certain portions of the Common Area, if any, which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Exclusive Common Areas shall be assessed against the Owners of Units in only those Neighborhoods which are benefited thereby as a Neighborhood Assessment, as defined herein. Initially, any Exclusive Common Areas shall be designated as such by the Declarant and the exclusive use thereof shall be assigned in the Plan, in this Master Declaration and/or the deed conveying the Exclusive Common Area to the Master Association. Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of a particular Neighborhood or Neighborhoods and Exclusive Common Area may be reassigned between Neighborhoods upon the vote of a majority of the Board and consent by the affected Parcel owners (or if applicable, the affected Neighborhood Associations).

M. "Terra Verde" shall mean the Master Property.

N. "Institutional Lender" shall mean and refer to the owner and holder of a mortgage encumbering a Residential Unit or Residential Property, which is a bank, savings bank, mortgage company, life insurance company, federal or state savings and loan Master Association, national banking Master Association, an agency of the United States government, private or public pension fund, Veteran's Administration, the Federal National Mortgage Master Association, the Federal

Home Loan Mortgage Corporation, a credit union, real estate or mortgage investment trust or a lender generally recognized in the community as an institutional lender.

O. "Lot" shall mean any parcel of land shown upon any recorded subdivision map or plat of all or any portion of the Master Property upon which a Residential Unit is constructed or upon which a Residential Unit may be constructed.

P. "Maintenance" shall mean, but not be limited to, the following: cleanup, landscaping, irrigation and grounds care; dredging, chemical treatment and other services related to retention areas, swales and drainage ditches; painting and structural upkeep of improved Master Property, recreational facilities, roads, walls, entry features and rights of way; and repair and all other such functions incidental to the services of the Master Association.

Q. "Master Association" shall mean and refer to the Terra Verde Master Association, Inc., a Florida non-profit corporation, its successors and assigns.

R. "Master Declaration" shall mean and refer to this Master Declaration of Covenants, Conditions, Easements and Restrictions for Terra Verde, as it may, from time to time, be amended.

S. "Master Property" shall mean and include the real property described in Exhibit "A" attached hereto, as well as any Additional Property subjected to this Master Declaration pursuant to the provisions of Article 2 hereof from time to time.

T. "Member" shall mean and refer to all those persons and entities who are Members of the Master Association as provided in Article 3 hereof.

U. "Neighborhood" shall mean any Development Parcel developed predominantly as Residential Units for which a Neighborhood Declaration has been recorded and a Neighborhood Association has been formed, and in which owners may have common interests other than those common to all Master Association Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Master Association Members.

V. "Neighborhood Association" shall mean a homeowners or condominium association formed in connection with the development of a Neighborhood, in which membership is a condition to ownership of a Residential Unit.

W. "Neighborhood Declaration" shall mean a Declaration of Covenants, Conditions and Restrictions, a Declaration of Condominium, or such other instrument which identifies and establishes a Neighborhood on a portion of the Master Property.

X. "Open Space" shall mean an exterior open area, if any, within the Master Property (not including open area on any Lot) from the ground upward devoid of residential buildings and

accessory structures; except however, those buildings and structures or areas used exclusively for recreational purposes may be included in the Open Space.

Y. "Owner" shall mean and refer to the owner as shown by the records of the Master Association (whether it be the Declarant, one or more persons, firms or legal entities) of fee simple title to any Development Parcel, Lot, Residential Unit or other real property other than Common Property located within the Master Property. Owner shall not mean or refer to the holder of a mortgage or security interest, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

Z. "Plat" shall mean and refer to the Terra Verde Plat, recorded at Plat Book 14, Pages 90 through 92, Public Records of Osceola County, Florida, and any and all other recorded plats or replats of all or any portion of the Master Property, as the same may be changed, amended, replatted and/or otherwise modified from time to time, in whole or in part. Notwithstanding anything herein to the contrary, Declarant reserves the right to make such modifications to any part of the Master Property owned by the Declarant as the Declarant deems necessary and/or desirable, including, but in no event limited to, changing the location, size, dimensions and number of Tracts within the initial Plat and/or any and all future Plats.

AA. "Public Areas" shall mean areas (if any) within the Master Property dedicated for use by the general public and not limited to use by residents of Terra Verde.

BB. "Residential Unit" shall mean and refer to any platted and developed single family dwelling home, condominium unit, timeshare unit, apartment unit, townhouse unit, or other improved property intended for use as a residential dwelling, for which a certificate of occupancy has been issued by the appropriate governmental authorities.

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

DD. "Tract" shall mean any portion of the Master Property established as a Tract in any Plat.

EE. "Water Management District" shall mean the South Florida Water Management District.

ARTICLE 2 - PROPERTY SUBJECT TO MASTER DECLARATION

Section 2.01 Existing Property. The real property initially subject to this Master Declaration is the property described in Exhibit "A".

Section 2.02 Additional Property.

A. Declarant, from time to time, may, in its sole, absolute and unfettered discretion, cause Additional Property to become subject to this Master Declaration and to be a part of the Master Property but under no circumstance shall Declarant be required to make such additions, and no other real property shall in any way be affected by or become subject to this Master Declaration, or become a part of the Master Property, until such time, if ever, such real property is added to the Master Property pursuant to the terms of this Article 2. If the subdivision has been approved by FHA/VA for the purpose of guaranteeing mortgages, Declarant must obtain the consent of FHA/VA before causing any Additional Property to become subject to this Master Declaration and to be a part of the Master Property.

B. Any additions to the Master Property authorized under this Master Declaration shall be made by the filing of record, from time to time, of an amendment to this Master Declaration or a Supplemental Master Declaration of Covenants, Conditions, Easements and Restrictions, executed by Declarant, which shall extend the covenants, conditions and restrictions contained herein to such property. Such amended Master Declaration or Supplemental Master Declaration of Covenants, Conditions, Easements and Restrictions may contain such amendments or additional provisions as Declarant may deem necessary and as are not inconsistent with the purposes of this Master Declaration. Declarant shall not be required to obtain the approval or consent of the Master Association or any Owner or any person claiming by, through, or under any Owner to add any property to the Master Property pursuant to this Section.

Section 2.03 Deletions from Master Property. Declarant may at any time delete any portion of the Master Property from encumbrance by this Master Declaration by executing and filing of record a Notice of Deletion from Master Declaration of Covenants, Conditions, Easements and Restrictions; provided, however, that in no event shall Declarant make any Prohibited Deletions, without first obtaining the written consent of the Owners affected by such deletion. Prohibited Deletions shall consist of deletions of any portion of the Master Property owned or leased by an Owner other than Declarant other than to the extent any such portion of the Master Property is being deleted to correct a scrivener's error whereby the portion of the Master Property being deleted was not intended to be a part of the Master Property. Prohibited Deletions shall also include deletions of any portion of the Master Property which contain Common Property (unless such deletion is to correct a scrivener's error as described above), unless appropriate easements are granted or other arrangements are made which ensure that remaining portions of the Master Property which are served by the subject Common Property continue to receive substantially the same service (from the Common Property or their substantial equivalents) after deletion of such Common Property occurs. No Owner, or any person claiming by, through, or under any Owner, shall have any right to claim

detrimental reliance upon this Master Declaration with regard to any portion of the Master Property deleted herefrom by Declarant pursuant to this Section.

Section 2.04 Effect of Master Declaration. Each Owner of a Development Parcel, Lot, Residential Unit or any other portion of the Master Property, by acceptance of a deed or other instrument evidencing its ownership interest, accepts and acknowledges the authority of this Master Declaration and of the Master Association created herein, and agrees to abide by and be bound by the provisions of this Master Declaration, the Articles, the Bylaws and other rules and regulations of the Master Association. In addition to the foregoing, the family, guests, invitees and tenants of said Owners shall, while in or on the Master Property, abide and be bound by the provisions of this Master Declaration, the Articles, the Bylaws and other rules and regulations of the Master Association.

Section 2.05 Use and Ownership of Tract C. Tract C may be used as a recreational and amenities area, as hereafter described. In addition to any recreational uses which the Declarant may make of Tract C, the Declarant reserves the right to make use of Tract C for such commercial purposes as Declarant determines to be appropriate, including, but not limited to, the leasing and/or operating of a bar serving alcoholic beverages, restaurants (which may, but which shall not be required to, serve alcoholic beverages), sundries shops (which may, but which shall not be required to, serve alcoholic beverages), exercise room(s), video rental, theater, conference and meeting rooms, welcome office, real estate management and/or sales offices and such other uses as may be of a benefit to the Declarant and/or all or any portion of the Owners and/or occupants from time to time of the Master Property as well as other property not located within the Master Property, as determined in Declarant's sole and absolute discretion. Declarant reserves the right to retain title to all or any portion of Tract C (and the improvements now or to be located thereon), convey title or grant lease and occupancy rights to all or any portion of Tract C or the improvements thereon to any third party or parties, or convey title to all or any portion of Tract C and any improvements constructed by Declarant thereon to the Master Association (subject to any reserved rights as Declarant may in its discretion deem appropriate to Declarant's benefit), all as determined in the Declarant's sole and absolute discretion.

ARTICLE 3 - MASTER ASSOCIATION

Section 3.01 Membership. The initial Members of the Master Association shall include the Owners of the respective Development Parcels (as such Development Parcels may exist from time to time) specifically excluding the Association to the extent that the Association is an owner of any portion of the Master Property. So long as fee simple title to any Development Parcel remains in one Owner (other than for such portion(s) thereof as may be conveyed to the Master Association as Common Property), such Owner shall remain the Member of the Association for such Development Parcel even if such Development Parcel has been subdivided by platting of lots or the recording of a declaration of condominium. Notwithstanding the foregoing, at such time as the Owner of a particular Development Parcel desires to convey fee simple title to individual Lots and/or Residential Units located within such Development Parcel, then such Owner shall be required to create a Neighborhood for such Development Parcel prior to conveying fee simple title to any Lot

and/or Residential Unit within such Development Parcel. Such Neighborhood shall be created by recording a Neighborhood Declaration in the Public Records of Osceola County, Florida, forming a Neighborhood Association and taking such other actions as may be reasonably required to properly establish such a Neighborhood. At such time as the Neighborhood Declaration for such Development Parcel is so recorded and the Neighborhood Association for such Development Parcel is properly created, then the Member of the Master Association for such Development Parcel shall automatically become the Neighborhood Association. No Development Parcel shall be subdivided by any party other than Declarant without the prior written consent of Declarant, which consent may be withheld in Declarant's sole discretion.

Section 3.02 Voting Rights. The affairs of the Master Association will be managed by the Board. Each Member shall be entitled to appoint one (1) Director to the Board. If however, there are less than three (3) Members, the third Director shall be jointly appointed by the presently serving two Members of the Association. Each of the Directors shall be entitled to cast one (1) vote when acting in their capacity as a Director of the Master Association. Notwithstanding anything in this Declaration to the contrary, nothing herein shall prevent the same person from holding more than one directorship on behalf of multiple Members, in which case such person shall be entitled to cast all the votes allocated to such directorships. Unless otherwise specifically provided herein, in the Articles or the Bylaws, all affairs of the Master Association shall be governed by the affirmative vote of a majority of the Directors in attendance at a duly called meeting. Neither the Members of the Master Association nor the Owners of Residential Units shall have any voting rights in the Master Association other than for the appointment of a Director to the Board, as set forth in this paragraph above, or as may otherwise be specifically permitted elsewhere in this Master Declaration.

Section 3.03 Change of Membership. Change of membership in the Master Association shall be established by recording in the Public Records of Osceola County, Florida, a deed or other instrument conveying record fee title to any Development Parcel, or with respect to a Neighborhood, recording in the Public Records of Osceola County, Florida, a Neighborhood Declaration. Upon such happening, the new Owner or Neighborhood Association shall automatically become a Member of the Master Association, and the membership of the prior Owner shall be terminated. Other than to the extent that membership in the Master Association is to held by a Neighborhood Association, the interest, if any, of a Member in the Master Association (i) shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to each Owner's real property and (ii) shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

ARTICLE 4 - FUNCTIONS OF MASTER ASSOCIATION

Section 4.01 Services. The Master Association shall have the powers provided herein and in the Articles and Bylaws from time to time, and such other powers as may be vested in the Master Association by law, and shall provide (or cause to be provided) the following services:

A. Maintenance of all Open Space, Common Property, recreation areas, landscaping and irrigation systems, including, without limitation, all private roads within the Master Property and all lights and landscaping on and around such private roads.

B. Maintenance, operation and repair of the Surface Water or Stormwater Management System(s), which shall mean the exercise of practices which allow such system(s) to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the Water Management District. The Master Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted, or if modified as approved, by the Water Management District.

C. Adopting, publishing and enforcing such reasonable rules and regulations as the Board deems necessary.

D. In addition to maintenance herein provided, the Master Association may provide exterior or other maintenance upon any Development Parcel (including any Residential Unit) and/or any improvement from time to time located thereon which, in the Board's opinion, requires such maintenance because said property is being maintained in a sub-standard manner. The Master Association shall notify the Owner or Member responsible for the property in writing, specifying the nature of the condition to be corrected, and if the Owner or Member has not caused the same to be corrected within fifteen (15) days after the date of said notice, the Master Association may correct such condition. Said maintenance shall include but not be limited to painting, repairs, replacement and maintenance of roofs, gutters, downspouts, exterior building surfaces, windows, trees, shrubs, grass, driveways, walks and other exterior improvements.

The cost of such maintenance shall be assessed by the Master Association against the Owner or Member on whose behalf such maintenance is performed, but shall not be considered part of the annual maintenance assessment or charge. Any such special assessment or charge shall be a lien upon the subject Development Parcel or Residential Unit, as the case may be, and an obligation of the Owner or Member and shall become immediately due and payable in all respects, together with attorneys' fees, court costs, interest and other fees or costs of collection as provided for other assessments of the Master Association.

E. At the sole option and discretion of the Board, conducting recreation, sport, craft, and cultural programs of interest to Owners, their families, tenants and guests and, in the Board's sole option and discretion, charging admission fees for the operation thereof.

F. Constructing improvements on Common Property and easements as may be required, permitted, recommended or desirable (as determined by the Board in its sole option and discretion to provide the services as authorized in this Article).

G. At the sole option and discretion of the Board, employment of attendants and other personnel, maintenance of control centers for the protection of persons and property within the Master Property, installation, operation and maintenance of communication systems by the Master Association or a contractual designee of the Master Association, and assistance in the apprehension and prosecution of persons who violate the laws of Osceola County or the State of Florida within the Master Property.

H. In addition to maintenance herein provided, the Master Association may, in the discretion of its Board, assume the maintenance responsibilities of a Member. In such event, all

costs of such maintenance shall be assessed only against the Member to which the services are provided. This assumption of maintenance responsibility may take place either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the community-wide standard of the Master Property.

I. Each Member shall be responsible for paying the costs of maintenance, repair, replacement and operation of Exclusive Common Areas (if any) associated with such Member's Development Parcel.

J. The Board shall have the right, in its discretion, to enter into contracts on behalf of the Master Association for the purpose of carrying out its duties hereunder or which will otherwise be of benefit to the Owners in general. The terms of any such contracts shall be negotiated by the Board in its discretion. It is specifically contemplated that the Board may (but shall not be required to) enter into a contract with a management company for the purpose of managing the day to day affairs of the Master Association and for carrying out the Master Association's maintenance obligations with respect to the Common Property. It is also contemplated that the Board may (but shall not be required to) enter into (i) a lease or other use agreement which will allow Owners to access amenities and other facilities located within or without the Master Property which are not part of the Common Area, (ii) a cable television agreement and/or a telephone agreement controlling the delivery of phone and/or cable services (as the case may be) and/or (iii) such other similar agreements as the Board may deem from time to time to be necessary and/or desirable. Any expenses associated with contracts entered into by the Board on behalf of the Master Association shall constitute Common Expenses.

Section 4.02 Mortgage and Pledge. With the approval of at least two-thirds (2/3) of the Board and the consent of Declarant (to the extent Declarant still owns any portion of the Master Property), the Board shall have the power and authority to mortgage the property of the Master Association and to pledge the revenues of the Master Association as security for loans made to the Master Association which loans shall be used by the Master Association in performing its functions.

Section 4.03 Conveyance by Master Association. Subject to the provisions hereof, the Master Association shall be empowered to delegate or convey any of its functions or Master Property to any governmental unit, public utility or private party approved by at least two-thirds (2/3) of the Board and, to the extent Declarant still owns any portion of the Master Property, by the Declarant, which approval may be withheld by the Declarant in its sole discretion.

ARTICLE 5 - EASEMENTS

Section 5.01 Appurtenant Easements. Declarant reserves unto itself, its successors, assigns, guests, lessees and invitees, and grants to all Owners, and their respective successors, assigns, guests, lessees and invitees, as an appurtenance to and as part of the ownership held by such Owner, but subject to the Master Declaration, the Articles and Bylaws and the rules and regulations promulgated by the Master Association, a perpetual non-exclusive easement for ingress and egress over, across and through and for the use and enjoyment of, all Common Property other than Exclusive Common Areas, if any, the use of which is restricted to Owners of particular Development

Parcels; such easements of ingress, egress, use and enjoyment to be shared in common with Declarant, the other Owners and their respective successors, assigns, guests, lessees and invitees.

Section 5.02 Utility Easements. Declarant reserves to itself, its successors and assigns, the right to grant easements to any private company and/or to any public or private utility or governmental authority providing utility and other services to the Master Property upon, over, under and across all portions of the Master Property. Said easements shall be given for the purpose of maintaining, installing, repairing, altering, replacing and operating sewer lines, irrigation lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal lines and systems, pipes, wires, power lines, telephone service, fiber optic cable lines and facilities, communications lines and facilities, gas lines, syphons, valves, gates, pipelines, cable television service, alarm systems and all machinery and apparatus appurtenant to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities and providing services to Owners and the various portions of the Master Property. All such easements shall be of a size, width, and location as Declarant, in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Master Property.

Section 5.03 Declarant Easements. The Declarant hereby reserves to itself, its successors and assigns, and to such other persons as Declarant may from time to time designate in writing, a perpetual non-exclusive easement, privilege and right in and to, over, under, on and across the Common Property for ingress and egress; provided, however, that such access and use does not unreasonably interfere with the reasonable use and enjoyment of the Common Property and facilities located thereon by the Owners. The Declarant hereby further reserves to itself, its successors and assigns, and to such other persons as Declarant may from time to time designate in writing, a non-exclusive perpetual easement, privilege and right in and to, over, under, on and across the Master Property, to construct, install, locate, maintain, repair, replace and operate any lines, cables, conduits, pipes and other such improvements related to the infrastructure and development thereof in connection with Declarant's development of the Master Property or any portion thereof; provided, however, that any such construction, location, installation, repair, replacement operation or development by Declarant shall not be permitted in, on, under or across houses or pools and Declarant shall be obligated to restore any disturbed area to as close to the original condition of the area as is reasonably practical. Declarant reserves for itself, its successors and assigns, a non-exclusive easement for the construction, installation, maintenance, repair, replacement and operation of security, television and communication cables and facilities within the rights-of-way and easement areas referred to herein. In addition to the foregoing, Declarant reserves for itself, its successors and assigns, all easement rights reserved by Declarant as set forth on any Plat.

Section 5.04 Service Easements. Declarant hereby grants to people and entities affiliated with delivery, pickup and fire protection services, police and other authorities of the law, United States Mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Declarant or the Association, and to such other persons as the Declarant or the Association from time to time may designate, a nonexclusive, perpetual easement for ingress and egress over and across the Common Property for the purposes of performing their authorized services, to service all or any portion of the Master Property and to perform any investigation related thereto.

Section 5.05 Drainage Easements. Drainage flow shall not be obstructed or diverted from drainage easements. The Declarant hereby reserves for itself, its successors and assigns, and hereby grants to the Master Association, easements for and may, but shall not be required to, cut drainways for surface water wherever within the Master Property and whenever such action may appear to the Declarant or the Master Association, as the case may be, to be necessary to maintain reasonable standards of health, safety and/or appearance provided that any such action is in compliance with any permit from time to time issued by the Water Management District, as such permits are amended or supplemented from time to time. These easements include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other action reasonably necessary to install utilities and maintain reasonable standards of health, safety and/or appearance, but shall not include the right to disturb any improvements erected within the Master Property which are not located within the specific easement areas designated on the Plat or in this Master Declaration. Except as provided herein, existing drainage and drainage channels (or areas reserved for such purposes) shall not be altered so as to divert the flow of water onto adjacent parcels or into sanitary sewer lines. No Owner of a Residential Unit may alter any elevations and slopes except upon written consent of the Master Association. Notwithstanding anything herein to the contrary, the Surface Water Management System makes use of certain portions of the Master Property, including, but not limited to, portions of the Common Areas dedicated for water management purposes. Declarant hereby reserves unto itself, its successors and assigns, and hereby grants to the Master Association, a perpetual non-exclusive easement over, under and upon that portion of the Master Property which may be utilized for the Surface Water Management System to make use of such Surface Water Management System for the surface water drainage, retention and detention necessary to develop the Master Property as Declarant deems to be appropriate.

Section 5.06 Conservation Easements. Declarant reserves the right to grant Conservation Easements to qualified grantees over and across Common Property, Open Space or Surface Water Management Systems located on the Master Property from time to time.

Section 5.07 Easements for Walls and Buffer Easement Areas. Declarant acknowledges that the various Development Parcels may include buffer areas and easement areas which may, but will not necessarily, be improved with walls, landscaping, sod, irrigation facilities and other items. Said areas may be dedicated to the Master Association or the Master Association may be granted an easement with respect thereto, and the Master Association may be required to maintain same.

Section 5.08 Right of Entry. The Master Association shall have the right, but not the obligation, to enter onto any part of the Master Property for emergency, security, and safety, which right may be exercised by the Board, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Master Association to enter a Residential Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 5.09 Easements of Encroachment. Reciprocal appurtenant easements of encroachment are hereby reserved, created and granted as between each Common Property, Residential Unit, Lot, Tract and/or Development Parcel and such portion or portions of the Common Property, Residential Units, Lots, Tracts and/or Development Parcels adjacent thereto due to the

unintentional placement or settling or shifting of the improvements from time to time constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet; as measured from any point on the common boundary along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, its successors and/or assigns, a tenant, or the Master Association.

Section 5.10 Extent of Easements. The rights and easements of enjoyment created in this Article 5 shall be subject to the following:

A. The right of the Master Association, to borrow money from any lender for the purpose of improving and/or maintaining the Open Space, Stormwater Management System, Common Property, and any improvements from time to time located or to be located thereon, and providing services authorized herein and, in aid thereof, to mortgage said Master Property; but only with the approval of the Board and the Declarant (so long as the Declarant owns any property within the Master Property) as required by Article 4, Section 4.02 above, which approval may be withheld in the Board's or the Declarant's sole discretion, as the case may be.

B. The right of the Master Association to suspend the rights and easements of enjoyment of any Owner or any tenant of any Owner for any period during which any assessment remains unpaid, and for any period, not to exceed the time period specified in Article 9, Section 9.02 under this Master Declaration, for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or breach of any rules and regulations of the Master Association shall not constitute a waiver or discharge of the Owner's obligation to pay the assessment.

C. The right of the Master Association to give, dedicate, mortgage or sell all or any part of the Common Property (including leasehold interests therein) to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be determined by the Master Association; provided that no such gift or sale or determination of such purposes or conditions shall be effective unless the same shall be authorized by the Board and the Declarant (so long as the Declarant owns any property within the Master Property) as required by Article 4, Section 4.02 above, which authorization may be withheld in the Board's or the Declarant's sole discretion, as the case may be.

Section 5.11 Discharge into Water Bodies. So long as Declarant owns any portion of the Master Property, nothing other than storm water and irrigation waters may be discharged into any lake, canal, or other body of water located within or adjacent to the Master Property without Declarant's prior written consent, which consent may be withheld by Declarant in Declarant's sole discretion. The construction and/or installation by any party other than the Declarant of any device through which water is drawn shall be subject to the prior written approval of the Architectural Review Board as herein below established in Article 8 of this Master Declaration. Irrigation water may not be withdrawn from any body of water within the Master Property or from the ground by any party other than the Declarant without the consent of the Board and the Declarant (so long as the Declarant owns any portion of the Master Property), which consent may be withheld in the Board's or the Declarant's sole discretion, as the case may be.

ARTICLE 6 - ASSESSMENTS

Section 6.01 Creation of the Lien; Personal Obligations of Assessments. The Declarant covenants, and each Owner of a Residential Unit shall by acceptance of a deed therefor, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Master Declaration and to pay the Master Association any and all annual and special assessments, and any and all other assessments to be established and collected as hereinafter provided. Notwithstanding anything herein to the contrary, for so long as Declarant retains control of the Master Association, Residential Units owned by Declarant (or builders of Residential Units approved by Declarant) shall be excused from the payment of all assessments for any budget year in which Declarant agrees to pay any operating expenses incurred by the Master Association that exceed the assessments receivable from other Owners and other income of the Master Association for such budget year (including initiation fees). Declarant shall notify the Master Association of its election to have its Residential Units excused from the payment of assessments during a particular budget year as provided herein within ninety (90) days after adoption by the Board of the budget for such budget year.

The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Residential Unit at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them. In the case of co-ownership of a Residential Unit, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment. The Master Association shall, upon demand, at any time, furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Master Association, setting forth whether said assessment has been paid. Such certificate shall be prima facie evidence of payment of any assessment therein stated to have been paid.

Section 6.02 Annual Assessments. The Master Association shall levy against Lots containing Residential Units, and the Owners thereof, annual assessments as provided herein. The annual assessments levied by the Master Association shall be used for the improvement, maintenance, enhancement and operation of the Surface Water Management System, Open Spaces and Common Property and to perform all obligations and services which the Master Association is authorized or required to provide including, but not limited to, the payment of taxes and insurance premiums, construction, repair or replacement of improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized functions, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Master Association for the purpose of enabling the Master Association to perform its authorized or required functions. In addition to the foregoing, the annual assessments charged any particular owner shall include such Owner's pro-rata share of any and all expenses incurred by the Master Association related to the Exclusive Common Areas (if any) benefiting such Owner. The Master Association shall be required to establish reserve funds to be held in reserve in

an interest bearing account or investments as a reserve for (a) major rehabilitation or major repairs to Common Property that must be replaced on a periodic basis, (b) emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss, (c) insurance premiums or taxes, (d) maintenance, repair and repaving of all private roads for which the Master Association is responsible (including, without limitation, landscaping and lighting on and around such roads), and (e) such other items as the Board may deem appropriate.

Section 6.03 Special Assessments. In addition to the annual assessments authorized by Section 6.02 hereof, the Master Association may levy against Lots containing Residential Units, and the Owners thereof, special assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction or reconstruction, unexpected repair or replacement of a described capital improvement upon Common Property, Open Space or easements, including the necessary fixtures and personal property related thereto, or for other purposes as determined by the Board. Each Residential Unit, regardless of the unit-type or Neighborhood in which it is located, shall be responsible for an equal pro rata share of the special assessment.

Section 6.04 Individual Assessments. The Master Association may impose an individual assessment upon any Owner or Member whose use or treatment of Common Areas, Open Space, a Residential Unit, a Lot, or any other portion of the Master Property and/or any improvement located thereon is not in conformance with the standards as adopted by the Master Association or which increases the maintenance cost to the Master Association above that which would result from compliance by the Owner or Member with the terms of this Master Declaration. The maximum amount of such assessment shall be equal to such cost incurred plus ten percent (10%) of the costs for administration and may be enforced in the manner provided for any other assessments.

Section 6.05 Annual Assessment Budget. Prior to the beginning of each fiscal year, the Board shall prepare and adopt an itemized budget which sets forth the estimated revenues and expenses (for both operations and reserves) of the Master Association for the upcoming fiscal year. The number of Residential Units used for the calculation of the annual assessment budget shall be determined using the ownership of record thirty (30) days prior to the commencement of the fiscal year of the Master Association and in accordance with Section 6.06 below, and once so determined shall be controlling for the entire fiscal year. Each Residential Unit, with the exception of the exempt property described in Section 6.12 below, regardless of the unit-type or Neighborhood in which it is located, shall be responsible for an equal pro rata share of the annual assessment. The annual assessment budget format shall be determined by the Board from time to time, subject to any provisions of applicable law. A copy of the budget, along with written notice of each Residential Unit's share of annual assessments, shall be sent to Owners prior to the date on which the payment of the first installment of the annual assessment is due, but a failure to do so shall not in any event excuse an Owner's obligation to pay such assessment.

Section 6.06 Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to each Residential Unit on the later of (i) the date of the issuance of a certificate of occupancy for such Residential Unit or (ii) the date of the closing of the conveyance from Declarant or another builder to the Owner. The Annual Assessments provided for herein shall be due and payable in advance in equal quarterly installments on the first day of each calendar quarter, or such other period as may be approved by the Association. If, as to a particular Residential Unit, the Annual Assessments are to commence at the time of the closing of

the conveyance of such Residential Unit, then a pro-rata portion of the quarterly (or other periodic) installment of the Annual Assessment shall be collected from the buyer of such Residential Unit and shall be remitted to the Association.

Section 6.07 Initiation Fee. At the first closing of the sale of each Residential Unit, the purchaser thereof shall pay a Three Hundred and No/100 Dollars (\$300.00) fee to the Master Association, which shall be a one time initiation fee that shall be used by the Association to pay operating or any other expenses of the Association.

Section 6.08 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Residential Unit to an Owner, the annual Assessment shall be paid in equal quarterly installments of THREE HUNDRED AND NO/100 DOLLARS (\$300.00) with each of such quarterly payments being due and payable on the first day of each calendar quarter. The foregoing annual Assessment is in addition to any and all assessments and other financial obligations which an Owner may have to the Master Association.

From and after January 1 of the year immediately following the conveyance of the first Residential Unit to an Owner, the maximum annual Assessment may be increased each year: (a) upon approval by a majority of the Association's board of directors without a vote of the Members, by an amount not greater than fifteen percent (15%) per year, compounded annually, or (b) upon approval of two-thirds (2/3) of each class of Members voting in person or by proxy at a meeting duly called for such purpose, by an amount greater than fifteen percent (15%) per year, compounded annually, as hereinabove provided.

The Board of Directors may fix the annual Assessment at an amount not in excess of the maximum.

Section 6.09 CIAC Assessments. In additions to the other Assessments provided for herein, the Association shall have the right to collect a recurring Assessment as a contribution in aid of construction ("CIAC Assessment"). The first CIAC Assessment (the "Initial CIAC Assessment") with respect to any Lot shall be in the initial amount of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) per Lot (which sum may be adjusted from time to time by the Master Association but in no event to an amount which would exceed one hundred twenty-five percent (125%) of the corresponding CIAC Assessment in effect during the prior fiscal year) and shall be due and payable by the purchaser or grantee at the time of the first conveyance of the fee simple title to the Lot by the Declarant to an Owner other than the Declarant. All Initial CIAC Assessments shall, upon receipt by the Master Association, be promptly disbursed to the Declarant to be used solely for the reimbursement of hard and soft costs associated with the construction of recreational facilities and other Common Area improvements within the Properties for the benefit of the Owners, their families and guests. Each ensuing purchaser or grantee of fee simple title to a Lot shall pay to the Association an additional CIAC Assessment (the "Supplemental CIAC Assessment") in the amount of one-half (1/2) of the then established Initial CIAC Assessment, which will be set aside by the Association solely for the purpose of maintenance, repair and replacement of the recreational facilities and other Common Area improvements.

Section 6.10 Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Master Association. If assessments are not paid on the dates due (being the dates specified in this Article 6) then such assessments shall become delinquent and shall, together with interest thereon and costs of collection thereof as hereinafter provided, become due and payable and be a continuing lien on the property which shall bind such property and the then Owner, the Owner's heirs, devisees, personal representatives, successors and assigns. The obligation of the Owner to pay such assessment, however, shall remain a personal obligation. The Master Association may record a notice of lien for delinquent assessments in the Public Records of Osceola County, Florida, and foreclose the lien in the same manner as a mortgage. The lien shall not be valid against subsequent bona fide purchasers or mortgagees for value unless so recorded. Upon recording, the lien shall secure the amount of delinquency stated therein, the cost of preparing and recording any such notice of lien (including, but not limited to reasonable attorneys' fees), all additional costs of enforcement (including, but not limited to reasonable attorneys' fees), all interest and late fees from time to time assessed on such delinquencies and all unpaid assessments thereafter until satisfied of record.

If any assessment is not paid within fifteen (15) days after the date such assessment is due, the Master Association may impose a late charge of not more than Fifty and No/100 Dollars (\$50.00) and the assessment shall bear interest from such date of delinquency at the highest lawful rate of interest per annum, and the Master Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property or Unit, and there shall be added to the amount of such assessment all costs and reasonable attorneys' fees incurred in connection therewith at all pre-trial, trial, appellate and post judgment levels, including, but not limited to, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the court together with the costs of the action.

Section 6.11 Subordination of the Lien to Mortgages; Mortgagees' Rights. The lien of assessments provided for herein is subordinate to the lien of any first mortgage given to an Institutional Lender now or hereafter placed upon a Residential Unit; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such Residential Unit from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. An institutional first mortgagee, upon request, shall be entitled to written notification from the Master Association of any default of an Owner of any obligation hereunder which is not cured within sixty (60) days. The Master Association may provide such notice without receiving a request from the institutional first mortgagee.

Section 6.12 Exempt Property. The following property subject to this Master Declaration shall be exempted from the assessments, charge and lien created herein: (a) all Common Property as defined in Article 1 hereof; (b) all property dedicated for recreational use pursuant to this Master Declaration; (c) property designated as Open Space or which is used in the Surface Water Management System; (d) all other portions of the Master Property which have not been developed as Residential Units; and (e) Residential Units owned by Declarant or another builder until such time as they are conveyed to individual Owners.

Section 6.13 Collection of Assessments. Assessments allocated to any Residential Unit shall be billed by the Master Association and collected by the Master Association. The Owners shall be liable for the payment of the Master Association assessments. Nothing herein shall be deemed a waiver by the Master Association of its independent right of lien and collection against any Owner and the Master Association may at any time invoice and proceed directly against an Owner for assessments owed hereunder. The Master Association shall be entitled to recover its costs of collection and attorney's fees from any Owner against whom an assessment must be enforced.

Section 6.14 Assessments Against Residential Units Subjected to Timeshare. Notwithstanding anything contained in this Master Declaration to the contrary, annual and special assessments allocable to Residential Units which are part of a timeshare plan regulated by Chapter 721, Florida Statutes, shall constitute common expenses of the timeshare plan. Consequently, all such annual and special assessments shall be assessed by the Master Association to the Neighborhood Association responsible for operating the timeshare plan and not to the Owners of individual timeshare interests. Failure of the Neighborhood Association to pay annual or special assessments owed to the Master Association shall result in a lien being filed against all of the Residential Units and other property subject to the timeshare plan. The Master Association shall have all rights to collect and enforce assessments against timeshare Neighborhood Associations (including foreclosure of the lien against the entire timeshare property) as are available to the Master Association against Owners of non-timeshare Residential Units hereunder.

ARTICLE 7 - NEIGHBORHOODS

Other than for any particular Development Parcel wherein one Owner is the owner of all of the Development Parcel (other than for such portion(s) thereof as may be conveyed to the Master Association as Common Property), as more particularly described in Article 3 above, all Residential Units shall be located within a Neighborhood. Consequently, in addition to being responsible for paying annual and special assessments to the Master Association as provided herein, Owners may also be required to pay assessments to a Neighborhood Association, as more specifically provided in the Neighborhood Declaration. So long as Declarant owns any property within the Master Property, no Neighborhood shall be established on the Master Property without the prior written consent of Declarant, which consent may be withheld in Declarant's sole and unfettered discretion. All Neighborhood documents shall be consistent and compatible with this Master Declaration and the Bylaws.

ARTICLE 8 - ARCHITECTURAL CONTROL

Section 8.01 Establishment of Architectural Review Board. There is hereby established an Architectural Review Board ("ARB"). Notwithstanding anything herein to the contrary, in no event shall the terms of this Article in any way apply to the Declarant.

Section 8.02 Duties and Functions of ARB. The duties, powers and responsibilities of the ARB shall be as follows:

A. The ARB shall consist of three (3) or more persons designated by Declarant. At such time as Declarant no longer owns any real property within the Master Property (or earlier at Declarant's option), Declarant shall assign to the Master Association the rights, powers, duties and obligations of the ARB, whereupon the Board shall appoint the members of the ARB and shall provide for the terms of the members of the ARB. Members of the ARB need not be officers, directors or Members of the Master Association. A majority of the ARB may take any action of the ARB and may designate a representative to act for it. In the event of death, disability or resignation of any member of the ARB, a successor shall be designated as provided in this Section.

B. The ARB shall have the right of specific approval or veto of all architectural, engineering, platting, planning, drainage and landscaping aspects of the improvement or development of any individual Residential Unit or subdivision, tract, or parcel of land within the Master Property, other than for any architectural, engineering, platting, planning, drainage and/or landscaping aspects of the improvements or development of any individual Residential Unit or subdivision tract or parcel of land within the Master Property by or on behalf of Declarant.

C. No building, wall, walk, dock, pool, enclosure or addition to a house or other structure shall be constructed, erected, removed or maintained nor shall any addition to nor any change or alteration therein be made until the plans showing the nature, kind, shape, height, materials, floor plans, color scheme and the location of same shall have been submitted to and approved in writing by the ARB. In approving or disapproving plans, the ARB shall consider the suitability of the proposed building, improvements, structure or landscaping and materials, the site upon which it is proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the ARB shall fail to specifically approve or disapprove the plans submitted in final and complete form, within thirty (30) days after written request for approval or disapproval, such plans shall be deemed approved.

D. There is specifically reserved unto the ARB, the right of entry and inspection upon any Residential Unit for the purpose of determination by the ARB as to whether there exists any construction of any improvement which violates the terms of any approval by the ARB or the terms of this Master Declaration or of any other covenants, conditions and restrictions to which its deed or other instrument of conveyance makes reference.

E. The ARB has the right, but not the obligation, to grant waivers for minor deviations and infractions of these covenants. The granting of any waiver for any portion of the Master Property may be given or withheld in the ARB's sole discretion and a prior grant of a similar waiver shall not impose upon the ARB the duty to grant new or additional requests for such waivers.

F. The Master Association, Declarant, ARB or any officer, employee, director or member thereof shall not be liable in any way to any persons submitting plans for approval by reason of mistake in judgment, negligence or non-feasance arising out of or in connection with the approval, disapproval or failure to approve any plans or the taking of any action described in this Article. Every person who submits plans for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit whatsoever against the Master Association, Declarant or ARB or any officer, employee, director, shareholder, partner or member thereof.

ARTICLE 9 - ENFORCEMENT OF RULES AND REGULATIONS

Section 9.01 Compliance by Owners; Initial Rules and Regulations. Every Owner shall comply with the restrictions and covenants set forth herein and any and all rules and regulations adopted by the Board. Notwithstanding the foregoing, or anything in this Declaration to the contrary, Declarant shall be exempt from any ARB consent or approval required pursuant to this Article or anywhere else in this Declaration. The following are the initial Rules and Regulations of the Master Association which may be amended, modified or added to from time to time as provided in the Bylaws.

A. Residential Units. Except as otherwise provided herein or approved by Declarant, all Residential Units constructed on the Master Property shall be used for residential purposes only. Upon approval of the Board (which approval may be withheld in the Board's sole and unfettered discretion), and subject to applicable local government ordinances, Residential Units may also be used for certain designated home occupations. Notwithstanding anything contained in this Master Declaration to the contrary, it is the specific intent of Declarant that, subject to applicable governmental regulations, transient rentals be permitted to occur in all Residential Units. Residential Units may be used for timeshare purposes, but only with the prior written consent of Declarant (which consent may be withheld in Declarant's sole and unfettered discretion). Residential Units may not be used as models nor as real estate sales offices without the prior written consent of Declarant. Any violation of the foregoing rule against use of any Residential Unit as a model or real estate sales office, and continuance of such violation after written notice from Declarant to quit such use, shall constitute a violation of a restrictive covenant for the benefit of Declarant, which violation will result in damages of an amount which is impossible to determine or prove with any certainty, in consequence of which each person violating such restriction agrees by the acceptance of a deed, lease, or any right of occupancy in the Master Property that the Declarant shall be entitled to recover from any such violator liquidated damages in an amount equal to \$1,000.00 per day from and after the 10th day after written notice of such violation and demand to quit is delivered to the violator or posted on the Lot on which such violation shall occur. The provisions of this Section requiring the consent of the Declarant and consequences of a violation thereof shall not be amended or modified without the written consent of the Declarant.

B. Common Property. Other than for the Exclusive Common Areas, if any, Common Property shall be improved, maintained, used and enjoyed for the common recreation, health, safety, welfare, benefit and convenience of all owners and residents of the Master Property and their guests and invitees.

C. Temporary Buildings. No structure of a temporary nature or character, including but not limited to, tents, trailers, house trailers, mobile homes, campers, vans, motor homes, recreational vehicles, shacks, sheds, barns, boats, tanks, or temporary or accessory buildings or structures shall be erected or permitted to remain on the Master Property (except in enclosed garages with the garage door to remain closed at all times or except as otherwise provided in applicable Neighborhood Association documents); provided, however, the foregoing shall not restrict or prevent the construction and maintenance of temporary sales models and such other temporary facilities as are essential to the development, construction and sale of the facilities created, including, but not limited to, construction trailers, sheds and material compounds, provided that the same are in compliance with appropriate governmental requirements applicable thereto.

Notwithstanding the foregoing, however, storage sheds may be permitted in backyards which are enclosed by fences, if the ARB approves same.

D. Trash and Garbage. No lumber, metals, bulk materials, refuse, rubbish or trash shall be kept, stored or allowed to accumulate on the Master Property except building materials during the course of construction of any approved structure. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, sealed containers may be placed in the open on any day that a pickup is to be made at such place as will be accessible to persons making such pick-up, provided that said containers shall not be permitted to remain in the open for more than twelve (12) hours on said day. At all other times, such containers shall be stored so that they cannot be seen from surrounding property or from the street(s) adjacent to the Lot. A common garbage disposal site shall be located on the Master Property for the benefit of the Owners.

E. Burial of Pipe and Tanks. Without the prior written consent of the Declarant (so long as Declarant owns any portion of the Master Property) and, other than for the Declarant, the Association, (i) no water pipe, gas pipe, sewer pipe, drainage pipe or storage tank shall be installed or maintained on the Master Property above the surface of the ground, except hoses and movable pipes used for irrigation purposes and (ii) no property shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth. Provided, however, that nothing contained herein shall prohibit or restrict removal of fill or earth materials to construct or create approved drainage structures or landscaped berms, Residential Units, or any other improvements contemplated and permitted by this Declaration or in connection with the initial grading and development of any Tract.

F. Nuisance. Nothing shall be done on the Master Property which is illegal or which may be or may become an annoyance or nuisance, including, but not limited to, offensive odors and noises. In the event of any questions as to what may be or become a nuisance, such questions shall be submitted to the ARB for a decision in writing and its decision shall be final.

G. Weeds and Underbrush:

(a) All Lots shall be landscaped with St. Augustine grass, or any other grass approved by the ARB, and shall have underground sprinkler systems.

(b) No weeds, underbrush, or other unsightly growths (such as, without limitation, grass which is more than six (6) inches tall) shall be permitted to grow or remain upon the Master Property and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. In the event an Owner (or a Neighborhood Association assigned such responsibility) shall fail or refuse to keep his Lot free of weeds, underbrush, sight obstruction, refuse piles or other unsightly growths or objects, then the Master Association may enter upon said Lot and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass; except, however, that the Owner or the Neighborhood Association, as the case may be, shall be given fifteen (15) days prior written notice of such action. In such event, the rights of the Master Association set forth in Article 4 shall apply.

H. Vehicle Parking. The Board may from time to time promulgate rules which restrict, limit or prohibit the use of any parking area which may be in front of, adjacent to or part of

any Lot as a parking place for personal passenger vehicles, commercial vehicles, buses, trailers, recreational vehicles, self-propelled motor homes, motorcycles and boats. All commercial vehicles, recreational vehicles, trailers, self-propelled motorhomes, motorcycles and boats shall be parked in enclosed garages at all times, unless otherwise provided in applicable Neighborhood Association documentation. All such rules, if and when promulgated by the Board, shall have the same force and effect as if promulgated and initially made a part of this Master Declaration. No unregistered or inoperable motor vehicle or trailer of any kind may be disassembled, serviced or repaired on the Master Property except in an enclosed garage with the garage door remaining closed at all times.

I. Clothes Drying Area. No portion of any of the Master Property shall be used as a drying or hanging area for laundry of any kind unless the area is fully screened by fencing or landscaping from view from adjacent property or streets.

J. Antennas, Aerials and Storm Shutters. There shall be no exterior radio, television, dish antenna or other antenna or device for sending or receiving electromagnetic signals erected or maintained on the Master Property without the prior written approval of the ARB, except as otherwise allowed by law, and except that a master antenna system or systems may be constructed and maintained by the Master Association or its designee. No hurricane or storm shutters shall be installed unless the same are of a type approved by the Master Association.

K. Drainage. No changes in elevations of any portion of the Master Property subject to this Master Declaration shall be made which will cause undue hardship to adjoining real property within the Master Property.

L. Underground Wires. Other than for the installation of lines or wires for communication or the transmission of electrical current in conjunction with the original construction of Residential Units and/or the original construction of other original improvements to be constructed within the Master Property, no lines or wires for communication or the transmission of electrical current shall be constructed, placed or permitted to be placed on any Lot unless the same shall be underground and specifically permitted in writing by the ARB.

M. Animals. Except for dogs, cats and aquarium kept fish which may be kept, raised and maintained on the Master Property, no reptiles, livestock, poultry, pets or animals of any kind, nature or description shall be kept, raised or maintained on the Master Property. In addition, in no event may any animal be bred or otherwise maintained on the Master Property for business or commercial purposes. Dogs, cats and aquarium kept fish, raised or maintained on any Lot or within any Residence, may only be so kept, raised and maintained in numbers deemed reasonable by the Declarant or the Master Association, in the exercise of their sole discretion. More than two (2) dogs and/or cats kept, raised or maintained on any Lot and/or within any Residence shall prima facie be considered unreasonable. Notwithstanding the foregoing, no such dogs, cats or aquarium kept fish may be kept, raised or maintained on the Master Property under circumstances, which, in the sole judgment of the Declarant or the Master Association, shall constitute an unreasonable annoyance, hazard, or nuisance to residents in the vicinity or an unreasonable interference with the comfortable and quiet use, occupation and enjoyment of other Lots or portions of the Master Property. All dogs must be on leashes when they are not in a Residence. In addition, any person walking a pet within the Master Property shall not allow any such pet to trespass on any other Owner's Lot and shall remove and properly dispose of any pet waste deposited on any portion of the Master Property by such Owner's pet.

N. Business. Except as expressly contemplated in this Master Declaration or the Plat, no manufacturing, trade, business, commerce, industry, profession or other occupation whatsoever will be conducted or carried on or upon any Lot or within any Residential Unit. Accessory businesses operated in order to support or otherwise facilitate the short-term rental of Residential Units or other properties, as an amenity to the occupants of the Master Property and others, or the sale and management of timeshares in Residential Units or other properties shall be permitted on the Master Property as approved by Declarant so long as the Declarant owns any portion of the Master Property, which approval may be granted or withheld by the Declarant in the Declarant's sole and absolute discretion. At such time as the Declarant no longer owns any portion of the Master Property, such approval shall be granted or withheld by the Association in the sole and absolute discretion of the Board.

O. Maintenance of Parking Areas, Etc. All setback areas, yards, walkways, driveways and parking areas and drainage swales shall be maintained and kept in a neat and clean condition, free of refuse and debris.

P. Maintenance of Landscaped Areas. All landscaped areas (to the paved public right-of-way) shall be maintained in live, healthy and growing condition, properly watered, weeded, and mowed, edged and/or trimmed, as applicable. Any planting of grass, shrubs or trees which become dead or badly damaged shall be replaced with similar, sound, healthy plant materials, except as otherwise allowed by law.

Q. Natural Gas. Declarant (or its successor or assigns) shall have the right, but not the obligation, to install a natural gas system. In connection with the installation, maintenance and operation of such system, Declarant reserves access, installation and service easements over, across and under Common Property, Open Space and such other portions of the Master Property including the Lots necessary to provide such natural gas service to all Owners; provided, however, such easements shall be reasonably located by Declarant so as not to unreasonably impair the value or use of the Residential Units.

R. Fences. All fences or walls shall be approved in writing from time to time on a case by case basis by the ARB. All fences or walls which are painted or stained in a color other than that of natural wood shall be painted or stained not less than once biannually, with the color to be approved by the ARB at the time of the original submission and application process. If any fence or wall can be seen from any street or roadway immediately in front of a Residential Unit (and from the side of a Residential Unit if a corner Lot) then the same must be shielded by opaque landscaping such that not less than fifty percent (50%) of the portion of the fence or wall visible from the street or roadway shall be covered by the landscaping at the time of planting. Provided further, that any such landscaping must be aesthetically compatible with the existing landscaping of the Residential Unit. Further, no fence or wall shall be located within forty (40) feet of any water body and/or Tract and no closer than twenty (20) feet behind the front line of any single-family detached Residential Unit, except as approved by the ARB. Further, all fences around swimming pools shall require prior written approval of the ARB.

S. Air Conditioners. No window air conditioning units shall be permitted. Permanently mounted wall air conditioning units shall not be permitted unless first approved by the ARB.

T. Signs. No sign of any kind shall be displayed to the public view on the Property, except any sign used by the Declarant to advertise the company or builder, project, sales or other matters during the construction and sales period. No sign of any kind shall be permitted to be placed inside a home or on the outside walls of the home so as to be visible from the exterior, nor on any Common Area, nor on any dedicated streets, drainage easement areas or any other dedicated areas, if any, nor on entryways or any vehicles within the Property, except such as are placed by the Declarant. Provided, however, one (1) discreet, professionally prepared "For Sale" or "For Lease" sign of not more than eighteen (18) inches by twenty-four (24) inches may be placed on the interior of a window of any dwelling located on a Lot.

U. Lighting. No exterior lighting fixtures shall be installed on any Residential Unit without adequate and proper shielding of fixtures and without ARB approval.

V. Stormwater. No structure, fence or landscaping that interferes with the stormwater drainage and retention system within the boundaries of the Master Property shall be permitted and no refuse shall be placed upon or allowed to remain on any part of any Lot within any easement area for storm water drainage or retention, and the storm water drainage and retention areas, including drainage swales or retention ponds, shall not be filled or otherwise changed so as to alter or block the flow or the quantity of water. Owners of Lots within which any easement for stormwater drainage or retention lines or swales are located may be required by the Master Association to be responsible for the maintenance of such easement areas to permit the flow and retention of water in accordance with the stormwater drainage and retention system approved by applicable governmental authorities. If any Owner shall fail to comply with any part or all of the restrictions contained in this Section, the Master Association shall notify the Owner in writing, shall have the right to correct such failure to comply herewith, and to assess and collect the cost thereof and shall have a lien upon the Lot upon which the work was performed.

W. Wells. No wells for any purpose other than irrigation shall be permitted on the Master Property and any such irrigation well must be approved in writing by the ARB and shall comply with all governmental requirements related thereto.

X. Garages and Garage Doors. All detached single family Residential Units shall have an attached enclosed garage for a minimum of one (1) automobile; and all garage doors of any Residential Unit shall remain closed at all times when not in use for entry and exit to and from the garage.

Y. Swimming Pools. Any swimming pool, screening or fencing related thereto to be constructed on any Residential Unit shall be subject to the approval and requirements of the ARB. Aboveground swimming pools are prohibited.

Z. Mailboxes. The location, size, shape and color of all mailboxes shall require ARB approval prior to installation.

AA. Use of Common Areas. In order to promote the health, safety and welfare of the Owners and occupants of the Master Property and provide for the maintenance and preservation of the Common Areas and Master Property, the Declarant and the Association shall be entitled (but not obligated) to establish and enforce conditions governing the use of the Common Areas by third parties, including (without limitation) parties providing utility or other services to the Master

Property. Accordingly, all third parties utilizing the Common Areas shall be required to comply with such conditions as may be determined by the Association and/or the Declarant, as applicable, to be reasonable and necessary to maintain, preserve and protect the Common Areas and the Master Property, and to preserve and protect the safety of persons and property from time to time located upon or within the Master Property. Conditions may be imposed, in particular, on any person or entity utilizing the Common Areas for the installation, maintenance, repair or replacement from time to time of utilities or any other improvements or facilities (a "Service Provider") pursuant to any easement, permit, license, right of use or similar right or privilege granted by either the Declarant or the Association (whether or not pursuant to this Declaration, a plat of the Master Property or any other agreement or instrument) in order to accomplish the foregoing purposes and in order to avoid, if possible, the installation of improvements which interfere with the use of the Common Areas and/or detract from the appearance of the Common Areas and the Master Property. Such conditions may include, without limitation, the right of the Association or Declarant to:

- (a). Require that the Service Provider submit a written request for authorization to utilize the Common Areas, in form and content (and accompanied by such additional documents and information) as are reasonably required by the Association or the Declarant to adequately review and process same;
- (b). Require the Service Provider to pay a processing fee in an amount reasonably determined by the Association or the Declarant to compensate it for the cost of processing, reviewing and approving such request;
- (c). Require that improvements be installed below ground to the maximum extent practicable;
- (d). Approve the location of any improvements;
- (e). Approve the size and composition of any above-ground improvements;
- (f). Approve the plans and specifications for all improvements;
- (g). Supervise construction, installation, repair and other activities;
- (h). Establish appropriate times for such activities to be conducted;
- (i). Require screening or landscaping around above-ground improvements;
- (j). Minimize interference with other uses of the Common Areas and Master Property;
- (k). Impose safety, security and traffic control requirements;
- (l). Establish and enforce reasonable rules and regulations;
- (m). Require the Service Provider to reimburse the Association or the Declarant for any actual, out-of-pocket expenses incurred or payable by the Association or the Declarant to others in order to perform any activities contemplated in

this Section, including, without limitation, costs or fees of consultants, contractors and others who may be engaged to perform such activities or to monitor or enforce the provisions of this Section with respect to such Service Provider; and

- (n). Take such other actions as are reasonable or appropriate in furtherance of the foregoing.

Nothing contained herein, however, shall be construed to impose upon the Declarant or the Association an affirmative obligation to establish such conditions, nor any particular condition listed above, nor shall either the Declarant or the Association be liable to each other or any Owner, Member or other person for failure to establish or enforce any such conditions.

BB. Non-Waiver. No delay in enforcing these covenants and restrictions as to any breach or violation thereof shall impair, damage or waive the right of the Master Association to enforce the same, to obtain relief against or recovery for continuation or repetition of such breach or violation, or of any similar breach or violation thereof at a later time or times.

Section 9.02 Enforcement. Failure of any Owner to comply with any restrictions, covenants, or rules and regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, the imposition of one or more fines (which may become a lien against the Lot or Residential Unit, together with interest and costs of collection), or any combination thereof, including costs and attorney's fees incurred in bringing such actions, and if necessary, costs and attorney's fees for appellate review. The Master Association shall have the right to suspend use of Common Property for any Owner violating these covenants and restrictions for a period of time which is the longer of sixty (60) days or the term of continued violation. Declarant, the Master Association or any Owner shall have the right to enforce the provisions of this Master Declaration, as more particularly set forth herein.

ARTICLE 10 - TURNOVER

Members other than Declarant shall be entitled to appoint at least a majority of the members of the Board no later than three (3) months after ninety percent (90%) of all the Residential Units that may ultimately be constructed on all the Development Parcels have been conveyed to Owners. Declarant shall be entitled to appoint at least one member of the Board for so long as Declarant holds for sale in the ordinary course of business at least five percent (5%) of all of the Residential Units that may ultimately be constructed on all the Development Parcels.

ARTICLE 11 - INSURANCE AND CASUALTY LOSSES

Section 11.01 Insurance. The Board shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one

hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard. In addition to the foregoing, the Association shall be obligated to obtain directors' and officers' liability insurance for the directors and officers of the Association.

Insurance obtained on the Master Property within any Neighborhood, whether obtained by the Neighborhood Association or the Master Association, shall at a minimum comply with the applicable provisions of this Section 11.01, including the provisions of this Article applicable to policy terms, loss adjustment and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to each Member insured, to the Master Association, and to the Neighborhood Association, if any.

The Board shall also obtain a public liability policy covering the Common Area, the Master Association and its Members for all damage or injury caused by the negligence of the Master Association or any of its Members or agents. The public liability shall have at least a One Million Dollar (\$1,000,000.00) limit for bodily injury, personal injury, and property damage from a single occurrence, and, if reasonably available, a Five Million Dollar (\$5,000,000.00) umbrella liability policy.

Premiums for all insurance obtained by the Association shall be Common Expenses of the Master Association and shall be included in the Annual Assessment; provided, in the discretion of the Board, premiums for insurance on Exclusive Common Areas may be assessed exclusively to the Member benefited thereby. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board shall be written in the name of the Master Association as trustee for the respective benefited parties, as further identified in Subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Florida which holds a Best's ranking of A or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of the Master Association, its Members, and mortgagees providing construction financing on the Common Area, if any.

(c) Exclusive authority to adjust losses under policies obtained by the Master Association on the Master Property shall be vested in the Board; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Master Association's Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the vicinity of the Master Property.

(f) The Master Association's Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Master Association's Board, its manager, Declarant, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be cancelled, invalidated, suspended, or subject to non-renewal on account of any one or more individual Owners;

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subject to non-renewal on account of the conduct of any director, officer, or employee of the Master Association or its duly authorized manager without prior demand in writing delivered to the Master Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Master Association, its manager, any Owner, or Mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that the Master Association will be given at least thirty (30) days prior written notice of any cancellation, substantial modification, or nonrenewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Master Association's funds, if reasonably available, flood insurance, if required, and any and all other insurance required by law or as determined to be reasonably necessary and/or desirable by the Board. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments on all Residential Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days prior written notice to the Master Association of any cancellation, substantial modification, or non-renewal.

Section 11.02 Individual Insurance. By virtue of taking title to any portion of the Master Property, each Owner covenants and agrees with all other Owners and with the Master Association

that each Owner shall carry blanket all-risk casualty insurance on such Owner's property, and structures constructed thereon meeting the same requirements as set forth in Section 11.01 of this Article for insurance on the Common Area. Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his property, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Master Declaration. The Owner shall pay any and all costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the property of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the property in a neat and attractive condition consistent with the standards of the Master Property.

A Neighborhood Association may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on property subject to its jurisdiction and the standard for returning property to its natural state in the event the structures are not rebuilt or reconstructed.

Section 11.03 Damage and Destruction.

A. Immediately after damage or destruction by fire or other casualty to all or any part of the Master Property covered by insurance written in the name of the Master Association, the Board 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 Master Property. Repair or reconstruction, as used in this Section, means repairing or restoring the Master Property to substantially the same condition which existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

B. Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least two-thirds (2/3) of the members of the Board shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Master Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed; provided, however, this provision shall not apply to construction mortgagees providing construction financing for such damaged property.

C. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Master Property shall be restored to its natural state and maintained by the Master Association in a neat and attractive condition consistent with the standards of the Master Property.

Section 11.04 Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies 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 hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Master Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Master Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee of the Master Property and may be enforced by such mortgagee.

Section 11.05 Repair and Reconstruction. If the damage or destruction to the Common Area is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall levy a special assessment against the Owners of Residential Units on the same basis as provided for annual assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE 12 - CONDEMNATION

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation; provided, however, that any such conveyance in lieu of and under threat of condemnation must be approved by (i) the Board acting on the authorization of at least two-thirds (2/3) of the Board and (ii) the Declarant so long as the Declarant owns any property subject to this Declaration or which may become subject to this Master Declaration) by any authority having the power of condemnation or eminent domain, each Member shall be entitled to notice thereof. The award made for such taking shall be payable to the Master Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property which may become subject to this Master Declaration, and at least two-thirds (2/3) of the members of the Board shall otherwise agree, the Master Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the above provisions in Article 11 hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Master Association and used for such purposes as the Board shall determine.

ARTICLE 13 - GENERAL PROVISIONS

Section 13.01 Duration. The covenants, conditions and restrictions of this Master Declaration shall run with and bind the Master Property, and shall inure to the benefit of and be

enforceable by the Master Association, the Declarant, any Member and any Owner, their respective legal representatives, heirs, successors, and assigns, for a period of forty (40) years from the date this Master Declaration is recorded. Upon the expiration of said forty (40) year period this Master Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Master Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Master Declaration if during the last year of the initial forty (40) year period, or during the last year of any subsequent ten (10) year renewal period, the Board unanimously votes in favor of terminating this Master Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such proposal to terminate this Master Declaration is to be considered, setting forth the fact that such proposal will be considered, shall be given to each Owner at least sixty (60) days in advance of said meeting. In the event that the Board votes to terminate this Master Declaration, the President and Secretary of the Master Association shall execute a certificate which shall set forth the resolution of termination adopted by the Master Association, the date of the meeting of the Board at which such resolution was adopted, and the date that notice of such meeting was given to the Owners. Said certificate shall be recorded in the Public Records of Osceola County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Master Declaration. Termination of this Master Declaration and/or the Master Association shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract(s) were meant to survive termination.

Section 13.02 Amendments by Members. This Master Declaration may be amended at any time provided that two-thirds (2/3) of the members of the Board vote in favor of the proposed amendment; provided, however, that if the affirmative vote required for approval of action under the specific provision to be amended is a higher or lower percentage, then such higher or lower percentage shall be required to approve amendment of that provision. Notice to the Members shall be given at least fourteen (14) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Master Declaration is approved by the Board as set forth above, the President and Secretary of the Master Association shall execute an Amendment to this Master Declaration which shall set forth the amendment, the effective date of the amendment, the date of the meeting of the Board at which such amendment was adopted, and the date that notice of such meeting was given to the Members. Such amendment shall be recorded in the Public Records of Osceola County, Florida. Notwithstanding anything above contained to the contrary, as long as Declarant owns any interest in any real property within the Master Property, any amendment which affects any of Declarant's rights granted to, reserved by or created in favor of Declarant hereunder shall require Declarant's consent.

Section 13.03 Amendments by Declarant. No amendment may be made to this Master Declaration by Declarant as to all or any portion of the Master Property without the joinder and consent of the Board if such amendment would materially prejudice or materially impair the rights of any Member or any mortgagee of record. Notwithstanding the foregoing, in addition to any other amendments Declarant may be granted the right to make elsewhere herein, prior to turnover as described in Article 10 above, Declarant may amend this Master Declaration, at any time and from time to time, as to all or any portion of the Master Property unilaterally and without the consent of

the Board, any Member, Owner or other person claiming an interest in the Master Property by, through or under any Member or Owner in the following situations:

A. if such amendment is necessary, as determined by Declarant in the exercise of Declarant's sole and absolute discretion, to bring any provision of this Master Declaration into compliance with any applicable law;

B. if such amendment is necessary, as determined by Declarant in the exercise of Declarant's sole and absolute discretion, to enable any reputable title insurance company to issue title insurance coverage with respect to any property subject to this Master Declaration;

C. if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans encumbering any property subject to this Master Declaration;

D. if such amendment is necessary, as determined by Declarant in the exercise of Declarant's sole and absolute discretion, for the purpose of clarifying or otherwise curing any error, oversight, ambiguity in or inconsistency between or among the provisions contained herein; or

E. if Declarant determines such amendment is necessary and/or desirable so long as such amendment, in the Declarant's sole and absolute discretion, does not materially prejudice or materially impair the rights of any Member or any mortgagee of record.

Section 13.04 Water Management District Approval/Enforcement. Any amendment to this Master Declaration which alters the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Areas, must have the prior approval of the Water Management District. The Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Master Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

Section 13.05 Assignment of Rights and Duties. Any and all of the rights, powers and reservations of the Master Association and/or Declarant may be assigned to any person or entity which will assume the duties of the Master Association or Declarant, as the case may be, pertaining to the particular rights, powers and reservations assigned. Upon such assignee evidencing its consent in writing to accept such assignment and assume such duties, such assignee shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Master Association or the Declarant. Further, the Master Association or the Declarant may from time to time delegate any and all of its rights, powers, discretions and duties hereunder to such agent or agents as it may nominate.

Section 13.06 FHA/VA Approval. Notwithstanding anything herein to the contrary, as long as Residential Units are being developed on the Master Property, Declarant may (but shall not be required to) require the following actions to be approved in advance by (i) Department of Housing and Urban Development, and/or (ii) the Federal Housing Administration (and/or the Veterans Administration): annexation of Additional Property to the Master Property; dedication of Common Area; and amendment of this Master Declaration. Furthermore, to the extent it is required as a

condition of obtaining approval by FHA/VA that Declarant make modifications to this Master Declaration, then Declarant shall have the right to so modify this Master Declaration without the necessity of joinder of the Board or any Owner or other party who may be affected.

Section 13.07 Special Exceptions and Variations. Unless the written consent of the Master Association is first obtained, no Member or Owner other than Declarant (which shall not be required to obtain the Master Association's consent) shall file a request for zoning variations, special exceptions or zoning changes affecting or relating to land within the Master Property.

Section 13.08 Municipal Service Taxing Units. In order to perform the services contemplated by this Master Declaration, the Master Association or Declarant, in conjunction with Osceola County, Florida, may seek the formation of special purpose municipal service taxing units ("MSTUs"). The MSTUs will have responsibilities defined in their enabling resolutions which may include, but are not limited to, maintaining roadway informational signs, traffic control signs, benches, trash receptacles and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefiting the Master Property. In the event such MSTUs are formed, the Master Property will be subject to assessment for the cost of services performed within the MSTU and personnel working for or under contract with Osceola County shall have the right to enter upon lands within the Master Property to effect the services contemplated. Each Owner by acquiring lands within the Master Property agrees to pay each and every MSTU assessment imposed upon the Owner's land in a timely manner, failing which such assessments and special charges shall be a lien upon those lands, and the MSTU shall have the right to foreclose said lien pursuant to the MSTU's enabling resolution. The Master Association retains the right to contract with Osceola County to provide the services funded by the MSTU.

Section 13.09 Surface Water Management System. The Declarant has caused or will cause to be constructed within the Master Property, various drainage retention/detention areas and facilities. These drainage structures are part of the overall drainage plan for Terra Verde. The Master Association shall have unobstructed ingress to and egress from all retention/detention facilities at all reasonable times to maintain said facilities in a manner consistent with its responsibilities as provided herein and any rules and regulations promulgated by the Master Association under authority thereof. No Owner or the Declarant shall cause or permit any interference with such access and maintenance. Notwithstanding any provision of this Master Declaration to the contrary, each Owner of a Lot shall be required to maintain any drainage swale or berm located on such Owner's Lot, and should any Owner fail to sufficiently maintain such swale or berm, the Master Association shall have the authority to maintain the same and the cost of such maintenance shall be assessed against and become a debt of the said Owner and shall become immediately due and payable as provided for other assessments of the Master Association. No Owner shall utilize, in any way, any of the Terra Verde drainage facilities or incorporate such facilities in the Owner's development plans, without the express prior written consent of Declarant, the Master Association and the ARB. Further, where a Development Parcel is contiguous to any of the drainage facilities of Terra Verde, the Owner shall prepare its site plan so that the utilization of its property will not adversely affect the drainage facilities and structures and so as to be aesthetically compatible with such drainage facilities and structures.

Section 13.10 Enforcement. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted by the Declarant, its successors or assigns, the Master Association, its successors or assigns, or any Member or Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these covenants; and failure by the Master Association or any Member, Owner or the Declarant to enforce any covenant condition, or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. In connection with the said enforcement of these covenants, conditions and restrictions, the prevailing party shall be entitled to its reasonable attorney's fees and costs at all pre-trial, trial, appellate levels and post judgment levels.

Section 13.11 Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, Subsection sentence, clause, phrase or term of this Master Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 13.12 Interpretation. The Board shall have the right, except as limited by any other provisions of this Master Declaration or the Bylaws, to determine all questions arising in connection with this Master Declaration and to construe and interpret its provisions, and its good faith determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Master Declaration shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 13.13 Authorized Action. All actions which the Master Association is allowed to take under this instrument shall be authorized actions of the Master Association as approved by the Board in the manner provided for in the Bylaws of the Master Association, unless the terms of this instrument provide otherwise.

Section 13.14 Termination of Master Declaration. Should the Members of the Master Association vote not to renew and extend this Master Declaration as provided for herein, all Common Property owned by the Master Association at such time shall be transferred to another not-for-profit corporation or appropriate public agency having similar purposes. If no other Master Association or agency will accept such property then it will be conveyed to a Trustee appointed by the Circuit Court of Osceola County, Florida, which Trustee shall sell the Common Property free and clear of the limitations imposed hereby upon terms established by the Circuit Court of Osceola County, Florida; provided, however, that that portion of the Open Space or Common Property consisting of the Surface Water Management System cannot be altered, changed or sold separate from the lands it serves. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Property, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of the Common Property. The excess of proceeds, if any, from Common Property shall be distributed among Owners in a proportion which is equal to the proportionate share of such Owners in Common Expenses.

Section 13.15 Execution of Documents. The development of the Master Property may require from time to time the execution of certain documents required by governmental authorities to facilitate the provisions thereof. To the extent that said documents require the joinder of Members or Owners, the Declarant by its duly authorized representative, as the agent or the attorney-in-fact for the Members and Owners may execute, acknowledge and deliver such documents and the Members and Owners, by virtue of their acceptance of deeds to portions of the Master Property, irrevocably nominate, constitute and appoint the Declarant, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section shall recite that it is made pursuant to this Section.

Section 13.16 Declarant's Consent or Approval. Notwithstanding anything in this Declaration to the contrary, to the extent that any action hereunder requires Declarant's consent or approval, such consent or approval shall only be required so long as Declarant owns any portion of the Master Property. As such time as Declarant no longer owns any portion of the Master Property, any action which is subject to Declarant's consent or approval shall no longer require such consent or approval.

Section 13.17 Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Master Association will neither perform any act nor undertake any activity which will violate its non-profit status under applicable state or federal law.

Section 13.18 Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 13.19 Construction. The provisions of this Master Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Master Property.

Section 13.20 Laws of Florida. The provisions of this Master Declaration shall be construed under and subject to the laws of the State of Florida.

Section 13.21 Waivers, Exceptions and Variances by Declarant and Master Association. Notwithstanding anything to the contrary set forth in or which may otherwise be implied from the terms and provisions of this Master Declaration, the Declarant specifically reserves exclusively unto itself, for the duration hereinafter specified, the right and privilege (but Declarant shall have absolutely no obligation), upon a showing of good cause therefor, to: (a) grant waivers with respect to any existing or proposed future deviation from, or violation or infraction of, the restrictions specified in this Master Declaration where, in the reasonably exercised good faith judgment and discretion of the Declarant, the Declarant shall determine or decide that such deviation, violation or infraction is de minimus, minor, or insignificant, (b) grant waivers of, exceptions to, or variances from, the restrictions specified in this Master Declaration where special conditions and circumstances exist which are peculiar to a particular Lot and not generally applicable to other Lots (e.g., because of its unusual size, configuration or location) or where a literal interpretation or application of any restriction to a particular Lot would be inappropriate, inequitable or otherwise work or result in a hardship or deny such Lot and the Owner thereof specific rights which are

generally enjoyed by other Lots and Owners; it being expressly provided, however, that, in all cases, the Declarant, in the exercise of such right and privilege shall, in its reasonably exercised and good faith judgment and discretion determine or decide that its grant of any such waiver, exception or variance shall not result in, represent, be or constitute a significant deviation of or derogation from (a) the uniform plan of development for the Property, (b) the architectural, ecological, environmental and aesthetic standards otherwise established for the Property or (c) the objects and purposes of this Master Declaration as hereinabove enumerated. The Declarant shall have such right and privilege to grant waivers, exceptions and variances, as aforesaid, until either (a) the expiration of a period of fifteen (15) years from the date of the recordation of this Master Declaration among the Public Records of Osceola County, Florida, or (b) the sale by the Declarant or its successors or assigns in the ordinary course of business, and not in bulk, of ninety-five percent (95%) of all Lots which may be developed in Terra Verde, whichever shall last occur. Following the occurrence of the last of the foregoing events to occur, the right and privilege of the Declarant to grant waivers, exceptions and variances, as aforesaid, shall be delegated and assigned by the Declarant to and thereafter vest in the Board. To the extent that any such waiver, exception or variance is granted in a particular instance or with respect to any particular Lot pursuant to the provisions of this Section, the same shall not be deemed to be a precedent for the granting of such or any similar waiver, exception or variance in any other particular instance or any other particular Lot.

Section 13.22 Access. If ingress or egress to and from any parcel within the Master Property is through any Common Area, any conveyance or encumbrance of such Common Area shall be subject to an easement for ingress and egress in favor of such parcel.

IN WITNESS WHEREOF, the Declarant has executed this Master Declaration as of the day and year first above written.

Signed, sealed and delivered in the presence of:

WITNESSES:

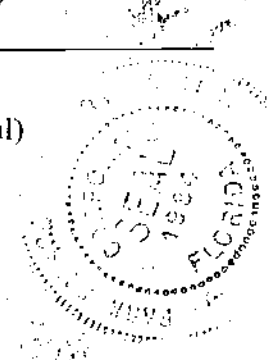
PARK SQUARE ENTERPRISES, INC., a Florida corporation

Shawn Jackson
Name: Shawn Jackson

By: [Signature]
Name: Anil Dshpande
Title: President

Angel Baldwin
Name: Angel Baldwin

(Corporate Seal)



STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 21st day of April, 2003, by Anil Dshpande, as President of PARK SQUARE ENTERPRISES, INC., a Florida corporation, on behalf of the corporation. He/She [] is personally known to me or [] has produced a driver's license as identification, and did not take an oath.

(NOTARY SEAL)



Shawn Jackson
My Commission DD032219
Expires June 07 2005

Shawn Jackson
NOTARY SIGNATURE
Shawn Jackson
PRINTED NOTARY SIGNATURE
NOTARY PUBLIC, STATE OF FLORIDA
Commission Number: DD032219
My Commission Expires: June 7, 2005

JOINDER OF MORTGAGEE

The undersigned **BANK OF AMERICA, N.A.**, a national banking association, hereby consents to and subordinates to the foregoing Master Declaration of Covenants, Conditions, Easements and Restrictions for Terra Verde and all of its covenants, conditions, easements, restrictions, terms and provisions, the lien of its Mortgage described and restated in that certain Receipt for Future Advance and Mortgage Modification, Spreader, Consolidation and Restatement Agreement dated August 6, 1998, and recorded August 18, 1998, in Official Records Book 1526, Page 34, Public Records of Osceola County, Florida, as modified by that certain Receipt for Future Advance and Mortgage Modification Agreement dated May 1, 2000, and recorded May 12, 2000, in Official Records Book 1736, Page 1005, Public Records of Osceola County, Florida, that certain Receipt for Future Advance and Mortgage Modification Agreement dated October 1, 2001 and recorded January 3, 2002 in Official Records Book 1980, Page 2523, Public Records of Osceola County, Florida, that certain Mortgage Modification Agreement dated October 1, 2001, recorded January 3, 2002, in Official Records Book 1980, Page 2526, Public Records of Osceola County, Florida, that certain Receipt for Future Advance and Mortgage Modification Agreement dated January 22, 2002, and recorded April 2, 2002, in Official Records Book 2027, Page 1663, Public Records of Osceola County, Florida; and that certain Mortgage Spreader Agreement dated May 30, 2002, and recorded June 3, 2002, in Official Records Book 2058, Page 2815, Public Records of Osceola County, Florida.

WITNESSES:

BANK OF AMERICA, N.A., a national banking association

Gisela A. Holley
Name: Gisela A. Holley

By: Angelika Meredith
Name: Angelika Meredith
Title: Senior Vice President

Melisa Crivency
Name: Melisa Crivency

Date: April 10, 2003

STATE OF FLORIDA
COUNTY OF ORANGE

CL 2003142460

OR 2308/297

The foregoing instrument was acknowledged before me this 10th day of April, 2003, by Angelika Meredith, as Senior Vice President of **BANK OF AMERICA, N.A.**, a national banking association, on behalf of the association. He/She is personally known to me or [] has produced a driver's license as identification.

(NOTARY SEAL)



Melisa Maria Quincy
NOTARY SIGNATURE

Melisa Maria Quincy
PRINTED NOTARY SIGNATURE
NOTARY PUBLIC, STATE OF FLORIDA
Commission Number: 896991
My Commission Expires: 12/20/03

EXHIBIT "A"Legal Description

A portion of land situate in the Southwest $\frac{1}{4}$ of Section 24, Township 25 South, Range 28 East, and a portion of the Southeast $\frac{1}{4}$ of Section 23, Osceola County, Florida. Being more particularly described as follows:

Commencing at the Southwest $\frac{1}{4}$ of said Section 24, thence run North $88^{\circ}28'06''$ East along the South Line of the Southwest $\frac{1}{4}$ of said Section 24 a distance of 628.47 feet to the Point of Beginning said point also being on the Easterly right-of-way line of Poinciana Boulevard; thence leaving said South Line run North $15^{\circ}16'55''$ West along said Easterly right-of-way line 2,743.12 feet; thence leaving said Easterly right-of-way line, run North $89^{\circ}37'14''$ East 79.37 feet to the West $\frac{1}{4}$ corner of said Section 24; thence run North $89^{\circ}37'14''$ East along the North line of the Southwest $\frac{1}{4}$ of said Section 24 a distance of 1,319.66 feet to the Northeast corner of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 24; thence run South $00^{\circ}04'11''$ East along the East line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 24 a distance of 1,323.96 feet to the Southeast corner of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 24; thence leaving said East line run North $89^{\circ}16'49''$ East along the North line of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 24 a distance of 643.03 feet; thence leaving said North line run South $00^{\circ}03'49''$ East 990.00 feet; thence North $89^{\circ}16'49''$ East 662.70 feet to the West right-of-way line of South Roma Way, thence run South $00^{\circ}20'26''$ East along said West right-of-way line 304.73 feet to a point on the South line of the Southwest $\frac{1}{4}$ of said Section 24; thence run South $88^{\circ}28'06''$ West along said South line 1,986.85 feet to the Point of Beginning.

Containing 87.16 acres, more or less.

Prepared by and Return to:
Gary M. Kaleita, Esquire
Lowndes, Drosdick, Doster,
Kantor & Reed, P.A.
215 North Eola Drive
Post Office Box 2809
Orlando, Florida 32802

LARRY WHALEY
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

CL 2003216046 OR 2382/25
BIW Date 11/13/2003 Time 09:36:

**AMENDED SUPPLEMENTAL DECLARATION TO
MASTER DECLARATION OF CONDITIONS, COVENANTS,
EASEMENTS AND RESTRICTIONS, ADDING
TERRA VERDE VILLAS, PHASE 2**

THIS AMENDED SUPPLEMENTAL DECLARATION (the "Supplemental Declaration") is entered into as of the 17th day of October, 2003, by **PARK SQUARE ENTERPRISES, INC.**, a Florida corporation ("Declarant"), whose address is 5200 Vineland Road, Suite 200, Orlando, Florida 32811.

WITNESSETH:

WHEREAS, the Declarant is the fee simple owner of all of **TERRA VERDE VILLAS, PHASE 2**, according to the Plat thereof as recorded in Plat Book 15, Pages 129 and 130, Public Records of Osceola County, Florida (collectively the "Phase 2 Property" and for purposes of definition also considered to be a portion of the "Additional Property"); and

WHEREAS, the Declarant executed that certain Supplemental Declaration to Master Declaration of Conditions, Covenants, Easements and Restrictions Adding Terra Verde Villas, Phase 2, dated April 21, 2003, recorded September 17, 2003, in Official Records Book 2340, Page 2447, Public Records of Osceola County, Florida (the "Villas Phase 2 Supplemental Declaration"); and

WHEREAS, pursuant to Section 13.03 of the Declaration (as hereinafter defined) the Declarant wishes to amend and restate the Villas Phase 2 Supplemental Declaration in order to correct certain references to the Amended and Restated Master Declaration of Conditions, Covenants, Easements and Restrictions for Terra Verde, as more particularly set forth below, and to include the recording information of the Plat referenced above; and

WHEREAS, the Declarant executed that certain Amended and Restated Master Declaration of Conditions, Covenants, Easements and Restrictions for Terra Verde dated April 21, 2003, and recorded on August 6, 2003, in Official Records Book 2308, Page 2933 of the Public Records of Osceola County, Florida, as amended by Corrective Amendment to Amended and Restated Master Declaration of Conditions, Covenants, Easements and Restrictions for Terra

Verde, recorded September 10, 2003, in Official Records Book 2336, Page 412, Public Records of Osceola County, Florida (collectively, the "Declaration"), covering certain real property located in Osceola County, Florida; and

WHEREAS, pursuant to Article II, Section 2.02 of the Declaration, the Declarant may, from time to time, in its discretion, cause all or any portion of the Additional Property (as defined in the Declaration) to be subjected to the jurisdiction of the Declaration and to become a part of the Property (as defined in the Declaration); and

WHEREAS, the Declarant, pursuant to the provisions of Article III, Section 3.2, of the Declaration, wishes to extend the scheme of the Declaration to the Property.

NOW, THEREFORE, the Declarant hereby amends and restates the Villas Phase 2 Supplemental Declaration; and declares that the Phase 2 Property is hereby made a part of the Property and that the Phase 2 Property shall be held, sold and conveyed subject to the Declaration which is for the purpose of protecting the value and desirability of the Property (including the Phase 2 Property) and which shall run with the Property (including the Phase 2 Property). This Supplemental Declaration shall replace and supercede the Villas Phase 2 Supplemental Declaration and shall be binding on all parties having any right, title or interest in the Property (including the Phase 2 Property) or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Witnesses:

Shawn Jackson
Name: Shawn Jackson

Laurie J. Moberg
Name: Laurie J. Moberg

"DECLARANT"

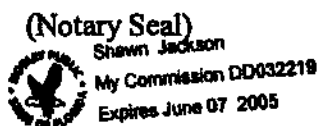
PARK SQUARE ENTERPRISES, INC., a Florida corporation.

By: Anil Deshpande
Print Name: Anil Deshpande
As Its: President

Address:
5200 Vineland Road, Suite 200
Orlando, Florida 32811

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 17 day of October, 2003, by ANIL DESHPANDE, as President of Park Square Enterprises, Inc., a Florida corporation, on behalf of said corporation. He is personally known to me or has produced as identification.



Shawn Jackson

Notary Public, State of Florida
Name: Shawn Jackson
My Commission Expires: DD032219

JOINDER AND CONSENT

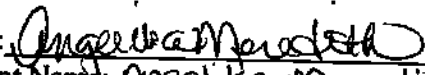
The undersigned, **BANK OF AMERICA, N.A.**, (the "Mortgagee"), whose address is 750 South Orlando Avenue, Suite 101, Winter Park, Florida 32819, which is the owner and holder of that certain Mortgage described and restated in that certain Receipt for Future Advance and Mortgage Modification, Spreader, Consolidation and Restatement Agreement dated August 6, 1998 and recorded August 18, 1998, in Official Records Book 1526, Page 34, Public Records of Osceola County, Florida, as modified by that certain Receipt for Future Advance and Mortgage Modification Agreement dated May 1, 2000, and recorded May 12, 2000 in Official Records Book 1736, Page 1005, Public Records of Osceola County, Florida, that certain Receipt for Future Advance and Mortgage Modification Agreement dated October 1, 2001 and recorded January 3, 2002, in Official Records Book 1980, Page 2523, Public Records of Osceola County, Florida, that certain Mortgage Modification Agreement dated October 1, 2001, recorded January 3, 2002, in Official Records Book 1980, Page 2526, Public Records of Osceola County, Florida, that certain Receipt for Future Advance and Mortgage Modification Agreement dated January 22, 2002, and recorded April 2, 2002, in Official Records Book 2027, Page 1663, Public Records of Osceola County, Florida; and that certain Mortgage Spreader Agreement dated May 30, 2002, and recorded June 3, 2002, in Official Records Book 2058, Page 2815, Public Records of Osceola County, Florida. (hereinafter collectively referred to as the "Mortgage"), hereby consents to and joins in this Amended Supplemental Declaration to Declaration of Conditions, Covenants, Easements and Restrictions Adding Terra Verde Villas, Phase 2 (the "Supplemental Declaration"), to which this Joinder and Consent is attached, and hereby agrees that the Mortgage shall be subordinate to the terms and conditions of such Supplemental Declaration.

IN WITNESS WHEREOF, the Mortgagee has set its hand and seal as of the effective date of such Supplemental Declaration.

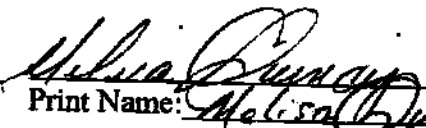
Signed, sealed and delivered in the present of:


Print Name: Karen A. Palmer

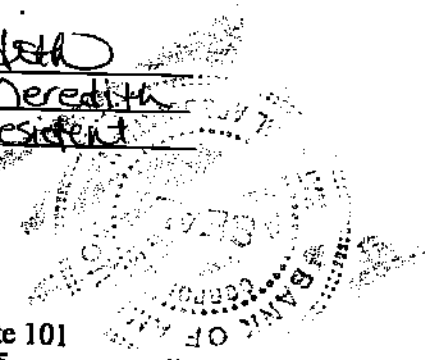
BANK OF AMERICA, N.A., a national banking association

By: 
Print Name: Angelika Meredith
As its: Senior Vice President

(CORPORATE SEAL)


Print Name: Melissa Quincy

Address:
750 S. Orlando Avenue, Suite 101
Winter Park, FL 32789-4895



STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 20th day of October, 2003, by Angela Meredith, as Senior Vice President of Bank of America, N.A., a national banking association on behalf of said banking association. He/she is personally known to me or has produced n/a as identification.



Melissa Maria Quincy
Notary Public; State of Florida
Melissa Maria Quincy
Typed/Printed Notary Name
My Commission Expires: 12/20/03

(Notary Seal)

Lowndes
Drosdick
Doster &
Kantor
Reed, P.A.



EILEEN M. HEASLEY, CP
DIRECT DIAL: 407-418-6386
NORTH EOLA DRIVE OFFICE
POST OFFICE BOX 2809
ORLANDO, FLORIDA 32802-2809
eileen.heasley@lowndes-law.com

A T T O R N E Y S
A T L A W

MERITAS LAW FIRMS WORLDWIDE

November 9, 2004

Shawn Jackson
Park Square Enterprises, Inc.
5200 Vineland Road, Suite 200
Orlando, FL 32811

Re: Terra Verde Development Matters

Dear Shawn:

With respect to the Terra Verde development, enclosed are the following original documents:

1. Supplemental Declaration to Neighborhood Declaration of Conditions, Covenants, Easements and Restrictions Adding Terra Verde Villas, Phase 2, recorded in Official Records Book 2382, Page 2911, Public Records of Osceola County, Florida;
2. Original Amended Supplemental Declaration to Master Declaration of Conditions, Covenants, Easements and Restrictions Adding Terra Verde Villas, Phase 2, recorded in Official Records Book 2382, Page 2915, Public Records of Osceola County, Florida;
3. Joinder and Consent to Plat for Terra Verde Villas, Phase 2, recorded in Official Records Book 2382, Page 2919, Public Records of Osceola County, Florida.

Should you have any questions, please call.

Sincerely,

Eileen M. Heasley, CP
Paralegal

emh
Enclosures