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COPY
ANASTASIA
DUNES

DECLARATION
of
Charter, Easements, Covenants and Restrictions
for Anastasia Dunes

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Schedule of Exhibits:

- Exhibit A: Master Plan Area Legal Description
- Exhibit B: Articles of Incorporation of the Anastasia Dunes Association, Inc.
- Exhibit C: Bylaws of the Anastasia Dunes Association, Inc.

ANASTASIA DUNES

COPY

DECLARATION
of
Charter, Easements, Covenants and Restrictions
for Anastasia Dunes

JNM Makarios Development Venture, Ltd., a Florida limited partnership (the "Founder") makes this Declaration on the 2nd day of August, year of 2001.

STATEMENT OF PURPOSE:

A. The Founder is the owner of all of the property in St. Augustine Beach in St. Johns County, Florida, described on Exhibit A (the "Master Plan Area"), which is intended for development as a residential community to be known as "Anastasia Dunes."

B. The first portion of Anastasia Dunes to be developed is the property described as follows, which shall be known as the "Initial Property":

- Anastasia Dunes Unit One, as recorded in the public records of St. Johns County, FL, Map Book 40, Page 80 through 88

Other property may be annexed into Anastasia Dunes by Supplemental Declaration per paragraph 2.3 of this Declaration.

C. The Founder establishes this Declaration for this new community for the following purposes:

- To further enjoyment of the natural resources of Anastasia Dunes and enhance its natural beauty;
- To encourage a harmonious architecture; and
- To allow for self governing of Anastasia Dunes by its owners.

DECLARATION:

The Founder hereby submits the property described on the Initial Property to this Declaration of Charter, Easements, Covenants and Restrictions, which will run with the land and be binding upon, and inure to the benefit of, every owner of Anastasia Dunes or any portion of it.

Founder also hereby provides notice of certain restrictions, as further described in Article II, for the remainder of the Master Plan Area, but does not submit the entire Master Plan Area to all the terms of this Declaration at this time.

ARTICLE I: Definitions

The following definitions apply wherever the capitalized terms appear in this Declaration. Additional terms which apply only to one article are defined the first time they appear.

- 1.1 **Anastasia Dunes.** “Anastasia Dunes” is the Initial Property, as described on the first page of this Declaration, plus any additional property added by Supplemental Declaration.
- 1.2 **Architectural Review Board.** The “Architectural Review Board” is the panel established by Article XI to administer the Design Code.
- 1.3 **Articles.** “Articles” are the Articles of Incorporation of the Association, which are attached as Exhibit B to this Declaration.
- 1.4 **Assessments.** “Assessments” is the collective term for the following charges:
- (a) **General Assessment.** The “General Assessment” is the amount distributed among all Members to meet the Association’s annual budgeted expenses, as described in Section 9.3.
- (b) **Individual Lot Assessment.** An “Individual Lot Assessment” is a charge made to a particular Lot Owner for charges relating only to that Lot, as provided in Section 9.5.
- (c) **Special Assessment.** A “Special Assessment” may be charged to each Lot for capital improvements or emergency expenses, in accordance with the provisions of Section 9.4.
- 1.5 **Association.** “Association” is the Anastasia Dunes Association, Inc., a Florida nonprofit corporation, its successors and assigns. The Association, whose members are the Owners, is responsible for maintaining Anastasia Dunes and enforcing the Declaration.
- 1.6 **Board.** “Board” is the Board of Directors of the Association.
- 1.7 **Bylaws.** “Bylaws” are the Bylaws of the Association. The form of the initial Bylaws, as proposed, is attached as Exhibit C to this Declaration.

1.8 Commons. "Commons" comprises real property within Anastasia Dunes designated for the common use and enjoyment of all Owners and, in certain cases, the common use and enjoyment of the Condominium Parcel Owners (as defined in the Master Declaration) if, and only if, as provided in the Master Declaration of Agreements, Covenants, Restrictions and Easements For Makarios On the Island, dated the 15th day of February, 2000, and recorded in Official Record Book 1474, Pages 1317 through 1332 of the Public Records of St. Johns County, Florida (the "Master Declaration"). "Commons" also include any improvements on that real property, all easement rights or personal property for the Owners' common use, and any other property of any type specifically designated as Commons. The Commons are not dedicated for use by the general public.

1.9 Common Roads. "Common Roads" are the roads located within Anastasia Dunes which are intended for automobile traffic. Common Roads are part of the Commons. Title or easement rights in the Common Roads may be granted to the Association. The Condominium Parcel Owners have certain easement rights in portions of the common roads as provided in the Master Declaration

1.10 Community Meeting. The "Community Meeting" is the public meeting of Members for discussion and voting, as described in Article III.

1.11 Declaration. "Declaration" is this Declaration of Charter, Easements, Covenants and Restrictions for Anastasia Dunes.

1.12 Design Code. The "Design Code," as amended from time to time, establishes the plan for the development of Anastasia Dunes through its regulation of land use, architecture and environment.

1.13 Development Period. The "Development Period" begins with the recording of this Declaration and continues so long as the Founder either owns at least five Lots or holds any Lots for sale in the normal course of business. For the purposes of this definition, the term "Lot" shall include all planned lots for the Master Plan Area, whether or not platted.

1.14 Drainage System. The "Drainage System" is the Master Drainage/Surface Stormwater Management System designed and constructed to control discharge rainfall, as permitted under Chapters 40C-4, 40C-40, or 40C-42, FAC, as amended from time to time. The Drainage System shall incorporate 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. The term shall also include storm and surface water management facilities designed for the collection of storm and surface water draining from the property, and for the storage or conveyance of such waters, or other water management capabilities. Without limiting the generality of the foregoing, the Drainage System shall include the following:

(a) the detention/retention lakes and ponds and other improvements which constitute the system,

- (b) drainage facilities appurtenant to the basins,
- (c) all lakes, littoral areas, swales, underdrains, culverts, and filtration systems serving Anastasia Dunes,
- (d) any easements and right-of-ways which are necessary for drainage, ingress and egress, in order to properly operate and maintain the system, and
- (e) any other properties acquired by the Association which are necessary in connection with the operation and maintenance of the system.

1.15 Founder. The Founder is JNM Makarios Development Venture, Ltd., a Florida limited partnership, its successors and assigns, or any successor or assign of all or substantially all of its interests in the development of Anastasia Dunes. The Founder may also be an Owner for so long as the Founder is record owner of any Lot.

1.16 Lot. A “Lot” is the smallest parcel of land which may be separately conveyed. Ordinarily, Lots are designated as numbered, separately identifiable lots on the recorded subdivision plats of Anastasia Dunes. However, the Founder may redefine Lots prior to sale to third parties by combining Lots or portions of Lots and adjusting the boundary of a Lot.

1.17 Master Plan Area. The “Master Plan Area” is all of that property described on Exhibit A, comprising approximately 72 acres.

1.18 Master Declaration. “Master Declaration” is that document filed in O.R. 1474 Pages 1317 through 1332, St. Johns County, which describes the operation of the Commons to both Anastasia Dunes and the Condominium Parcel Owner.

1.19 Member. Each Owner is a “Member” of the Association, as provided in Article III of this Declaration.

1.20 Mortgagee. A “Mortgagee” is any institutional lender which holds a bona fide first mortgage encumbering a Lot as security for the performance of an obligation. The term “institutional lender” specifically includes a bank, savings and loan association, a mortgage lending company, an insurance company, and the Federal National Mortgage Association or similar agency.

1.21 Owner. “Owner” is the record owner, whether one or more persons or entities, of the fee simple title to any Lot. Owners shall not include those having such interest merely as security for the performance of an obligation.

1.22 Supplemental Declaration. “Supplemental Declaration” is any instrument which may be recorded by the Founder or the Association in accordance with Section 2.3 to add property to Anastasia Dunes.

ARTICLE II:
Property comprising
Anastasia Dunes

Anastasia Dunes is being developed in phases. This article describes the real property of which Anastasia Dunes will initially be comprised and provides the method by which additional property may be added.

2.1 Initial Property. The real property which shall be held, transferred, conveyed and occupied subject to this Declaration consists initially of the Initial Property.

2.2 Master Plan Area.

(a) Intent. It is currently intended that Anastasia Dunes will, upon completion, comprise the entire Master Plan Area. As improvements to each phase of the Master Plan Area are completed, allowing the sale of those lots, it is expected that the phase will be submitted to the terms of this Declaration and be made part of Anastasia Dunes.

(b) Limitation. No assurances are made as to what portions of the Master Plan Area, if any, will be made part of Anastasia Dunes, the boundaries of those portions or order in which the portions will be added. Exercising any development right in any portion of the Master Plan Area does not necessarily mean the right will be exercised in the remainder of the Master Plan Area

2.3 Adding Property to Anastasia Dunes.

(a) By the Founder. The Founder shall have the right, but not the obligation, for a period of thirty (30) years from this date, from time to time in its sole discretion, to add to Anastasia Dunes any or all of the following properties:

- (i) any part of the Master Plan Area,
- (ii) any contiguous property,
- (iii) property any portion of which is within one-half mile of any portion of Anastasia Dunes (including any property separated from Anastasia Dunes by a public street, body of water or other property), or
- (iv) any other property with a reasonable relationship to Anastasia Dunes.

(b) By Association. Property of any type may be added to Anastasia Dunes by a majority vote of the Board. Such right shall begin when the Founder no longer selects a majority of the Board of Directors and shall extend indefinitely.

(c) Supplemental Declaration. A Supplemental Declaration adding the additional property shall become effective upon being recorded in the St. Johns County public records.

(d) Special Provisions. The Supplemental Declaration may modify or add to the provisions of this Declaration if needed to reflect the different character of the additional property.

(e) Corrective Instruments. The Founder currently intends that any platted lots within the Master Plan Area which are conveyed to a party other than the Founder be made subject to this Declaration of Covenants, Conditions and Restrictions, unless a statement of intent otherwise is clearly stated on the public records. If through error a Supplemental Declaration is not recorded prior to, or at the time of, such a conveyance, the Founder shall have the right to record a corrective instrument subjecting the platted lots and any common areas to this Declaration.

ARTICLE III:
Establishment of the
Owners' Association

Most day-to-day decisions about the maintenance of Anastasia Dunes and enforcement of the Declaration are the responsibility of the Board, acting on the Members' behalf. For those decisions requiring Members' approval, the Community Meeting provides a public opportunity for discussion and voting.

The Articles and Bylaws of the Association, which create the Association as a non-profit corporation and provide certain procedures for its corporate organization, are attached as exhibits to this Declaration.

3.1 Membership. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to any Lot.

3.2 Voting Rights. Each Member shall have one vote for each Lot owned.

3.3 Exercise of Vote. When more than one person holds an interest in any Lot, all such persons shall be Members. However, the number of votes for that Lot shall not be increased, and the Members must determine among themselves how the Lot's vote may be exercised. Corporations, partnerships and other entities shall notify the Association of the natural person who shall exercise its vote. To the greatest extent permitted by law, the Association may institute voting by electronic or other means.

3.4 Election of Board of Directors. The Board of Directors shall consist of at least three people and shall be elected as provided in the Bylaws, subject to the Founder's rights under Article XIV.

3.5 Board Meetings.

(a) Board's Responsibility. Except as specifically provided in this Article or elsewhere in this Declaration, the Board has been delegated the power, and shall have the authority to act on behalf of the Association and to make all decisions necessary for the operation of the Association, the enforcement of this Declaration and the care of the Commons.

(b) Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference or, if allowed by state law, by proxy. If permitted by law, any action required to be taken by vote of the Board may be taken in the absence of a

meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board.

3.6 Community Meeting.

(a) When called. The Community Meeting shall be called annually for the election of members of the Board, and whenever any action is required by this Declaration to be taken by vote or assent in writing of the Members. As a convenient reference and not as a limitation, actions requiring a vote of the Members, or assent in writing, include the following:

Addition of Property	Section 2.3
Election of the Board of Directors	Section 3.4
Repeal of Additional Services	Section 5.8
Approval of General Assessments when increased 15%.....	Section 8.4
Ratification of expenditures for capital improvements	Section 8.6
Repeal of Rules and Regulations adopted by the Board	Section 10.9
Repeal of Modification of Design Code.....	Section 11.2
Amendment of Declaration	Section 15.1
Dedication of the Commons.....	Section 15.2
Redevelopment.....	Section 15.3
Termination of the Declaration.....	Section 15.4

(b) Quorum. Voting at a Community Meeting requires presence of members representing the percentage of votes established by the Board as necessary to transact business. The Board may revise this percentage from time to time, but in no event shall the required percentage be less than 25% or more than 50%, unless otherwise required by statute.

(c) Notice. Notice of the meeting must be given to Members in accordance with Section 16.4 (“Notices”) at least ten (10) days but no more than thirty (30) days before the meeting, except in an emergency when whatever notice is reasonable shall be given. Notice of meetings shall also be posted in at least one place within the Commons.

(d) Proxies. To the extent allowed by the Bylaws and statute, proxies and limited proxies may be used to establish a quorum and for voting purposes.

3.7 Action without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of directors) by a written ballot procedure, which may be conducted by mail, or by written consent without a meeting, without prior notice and without a vote. Voting or consents shall be in accordance with the Bylaws and statute.

3.8 Record Keeping. The Board shall keep a record of all meetings, both of the Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Member.

3.9 Approval. Wherever used in this Declaration, approval by a majority or other proportion of the Members refers to a vote in accordance with this Article, either at a properly called Community Meeting or through a voting procedure established under Section 3.7. Where the Declaration specifies consent in writing, or request in writing, by a majority or other proportion of all Members, then the necessary number is based on the number of votes represented by the total Membership of the Association, and signatures may be collected without a Community Meeting or other voting procedure.

3.10 Additional Provisions. Additional provisions concerning the operation of the Association and the Board are contained in the Articles and Bylaws.

ARTICLE IV:
Commons

Certain property within Anastasia Dunes and certain easement rights, called the "Commons," are to be owned and maintained by the Association for the benefit of all Owners. The Commons include the entry, landscaped areas, the pool/cabana club and any private streets.

4.1 Association Ownership, Responsibility.

(a) Title. The Commons shall be owned by the Association. For those portions of the Commons which consist of easements and other rights, the Association shall be the holder of those rights. The Association shall accept title to any Commons conveyed to it by the Founder.

(b) Member's Benefit. The Association shall own and maintain the Commons for the benefit of its Members and, in certain case, the benefit of the Condominium Parcel Owner. Except as specifically permitted by this Declaration or the Master Declaration, there shall be no commercial use of the Commons, nor shall the Commons be subdivided or sold.

(c) Additional Commons. The Founder may convey to the Association additional Commons which the Association shall accept for maintenance.

(d) Maintenance, Capital Improvements. The Association shall be responsible for the management, control and improvement of the Commons and shall keep the Commons attractive, clean and in good repair. The Association may make capital improvements to the Commons and may modify the uses of the Commons. Expenses for substantial capital improvements must be approved in accordance with Section 8.6. The Condominium Parcel Owner is responsible for a portion of the expenses of the Commons as provided in the Master Declaration. The Association is empowered and authorized to levy and collect expenses from the Condominium Parcel Owner.

(e) Rules and Regulations. The Association may make rules and regulations for the use of the Commons.

4.2 Owners' Easement of Enjoyment.

(a) Commons. Every Owner shall have a right and easement of enjoyment in and to the Commons. This easement shall be appurtenant to and shall pass with title to every Lot.

(b) Tenants, Guests. Any Owner may delegate, subject to the provisions of this Declaration, the Bylaws and the Rules and Regulations, his right to enjoyment to the Commons to the members of his family, his tenants or his guests who reside on the Lot or are accompanied by the Owner. The Association may adopt rules to prohibit or restrict dual use of the Commons recreational facilities by both an Owner and the Owner's tenant, except when the Owner is a bona fide guest of the tenant.

4.3 Damage or Destruction of Commons by Owner. If any Owner or any of his guests, tenants, licensees, agents, employees or members of his family damages any of the Commons as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage. The cost of repair shall be the responsibility of that Owner and shall become an Individual Lot Assessment payable by the responsible Owner. The Association may, but is not required to, seek compensation for damage from the guest, tenant or other party who caused the damage, in which case the Owner shall be jointly and severally liable.

4.4 Limitation of Liability. The Association shall use reasonable judgment in reducing access, maintaining the Commons and Common Roads and enforcing traffic control measures, but neither the Association nor the Founder makes any representation or assumes any liability for any loss or injury.

4.5 Condominium Parcel Owner Use. In certain case, the Condominium Parcel Owner may use some portions of the Commons, but such use is restricted to only those portions of the Commons as specified in the Master Declaration, to only those specific uses allowed by the Master Declaration and subject to all of the terms and provisions of the Master Declaration.

**ARTICLE V:
Association Powers and
Maintenance
Responsibilities**

The Association is responsible for maintaining the Commons, and has other maintenance responsibilities as described in this Article. The powers and duties are intended to be flexible, so that the Association can meet the needs of the community as it changes over time.

5.1 Commons. The Association shall be responsible for the management, control and improvement of the Commons and shall keep the Commons attractive, clean and in good repair.

5.2 Pool/Cabana Club, Pool and Related Facilities.

(a) Conveyance to Association. Founder shall construct and convey to the Association a pool/cabana club with pool, bath house, and related facilities.

(b) Concessions. The Association may engage in, or lease space for concessions for, the sale of refreshments, towel rental, or other enterprises intended to benefit those using the pool/cabana club. All leases shall be at the discretion of the Board, and no such lease shall be for a term greater than two years.

5.3 Common Roads. The Association shall maintain the Common Roads if not dedicated to the public, along with any sidewalks or on-street parking required by, or constructed in accordance with, the Design Code. The Association may make rules and regulations concerning driving and parking within Anastasia Dunes, and may construct speed bumps, post speed limit or other traffic signs and take any other reasonable measures to discourage excessive speed and encourage safe driving on the Common Roads. The Association may enforce any violation in accordance with Section 10.10 and may tow or bar admittance to offenders.

5.4 Entry.

(a) Reduced Access. If established by the Founder or if approved by majority vote of the Owners, the Association shall provide reduced access at the entrance to Anastasia Dunes. The Association may employ personnel, or maintain electronic or other devices for limiting access. Once reduced access has been established, the Association may not terminate reduced access unless approved by a two-thirds vote of the Owners. The Association may, however, alter its type or procedure for access measures at the entrances. Reduced access may be reinstated at any time by majority vote of the assessed Owners.

(b) Public Art. The Founder may install at the entry to Anastasia Dunes statues which are intended to be viewed and enjoyed both by the Owners and by the general public. The Association shall maintain and preserve such art as part of the Commons. If at any time the Association decides to remove the art, the art shall be returned to the Founder or, if the Founder does not accept its return, donated to an appropriate institutional or nonprofit entity.

5.5 Landscape Maintenance.

(a) Common Irrigation System. A common irrigation system may, at Founder's election, be installed for some or all of the lots. The cost of installing, maintaining and operating shall be divided among the Lots served by the irrigation system and assessed to that Owner as an Individual Lot Assessment.

(b) Required Maintenance. The Association may require that Owners contract for certain routine yard maintenance, in order to provide a uniform level of care.

(b) Optional Service. The Association also may, but is not obligated to, act as agent for an Owner, if so requested by that Owner, to contract for routine maintenance and other services not required to be provided by the Association, the cost of which would be assessed to that Owner as an Individual Lot Assessment. The terms and conditions of all such contracts shall be at the discretion of the Board.

5.6 Drainage System.

(a) Generally. Anastasia Dunes includes a system of ponds and wetlands designed to provide drainage and surface stormwater management. The Association shall maintain the Drainage/Surface Stormwater Management System as required by the St. Johns River Water Management District, a governmental entity. The City of St. Augustine Beach also requires, and is hereby granted, a perpetual drainage easement for the use of the Drainage System.

(b) Maintenance. The Association shall accept any part of the Drainage System deeded to it by the Founder and shall maintain the Drainage System in accordance with law, including any parts of the Drainage System which may be located on a Lot rather than the Commons.

(c) Association Use and Control. Subject to the requirements of law, the Association shall have the right to control the water level of the Drainage System and to control the growth and eradication of plants, animals, fish and fungi. If permitted by law, the Association may use water from the Drainage System for irrigation.

(d) Private Use. Any change to the height, grade and contour of any lake embankment, and the construction of any decks, docks, moorings, pilings, bulkheads or other structures on the embankments shall require Architectural Review Board approval, which may be withheld in its discretion. Swimming, boating, fishing or other recreational use is not permitted unless specifically granted by the Association.

(e) Governmental Enforcement. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Drainage System.

5.7 Fences. The Founder may construct or may cause to be constructed a fence along any perimeter boundary line of Anastasia Dunes. The Association may maintain the boundary fence and assess the costs to the affected Owners as an Individual Lot Assessment. Furthermore, the Founder may specify the type design and size of lot fencing, if allowed, in the Design Code.

5.8 Additional Powers. In addition to the specific powers provided in this Article, and to the extent permitted by governmental authorities, the Association may, but is not obligated to, provide the following services or engage in the following activities:

(a) water, sewer, electrical, telephone, cable television or other utility services; supply of irrigation water; garbage and trash collection and disposal;

(b) insect and pest control; improvement of vegetation, fishing and wildlife conditions; lake and forestry management, pollution and erosion controls;

(c) emergency rescue, evacuation or safety equipment; fire protection and prevention; lighting of Common Roads; traffic and parking regulation and security patrols within Anastasia Dunes;

(d) landscape maintenance; recreation, sports, craft and cultural programs; and newsletters or other information services;

(e) maintenance of easement areas, public rights-of-way and other public or private properties located within reasonable proximity to Anastasia Dunes if its deterioration would affect the appearance of or access to Anastasia Dunes; and

(f) any other service allowed by law to be provided by a community association organized as a not-for-profit corporation.

The Board may, by majority vote, initiate any of the above services. If requested by petitions signed by at least 10% of the Members, a Community Meeting may be called and, if a quorum is present, the offering of the additional service under this Section 5.8 shall be repealed by majority vote of the Members. For three years after such a repeal, the Board may not reinstitute the service unless also approved by majority vote of the Members.

5.9 Contracts. The Association may contract with any party, including the Founder, for the performance of all or any portion of the management of the Association and its maintenance and repair obligations. The cost of the contract shall be included within the General Assessment, Special Assessment or Individual Lot Assessment as applicable.

ARTICLE VI: Easements

Every Owner has the benefit of certain easements, and the responsibility of others.

6.1 Conservation Easements.

(a) Generally. Certain Lots are subject to conservation easements, as shown on the plat. Construction, recreation and all other activities within these conservation easement areas are restricted both by the terms of the conservation easements and by the Design Code.

(b) Upland Buffer Areas. Certain conservation easement areas are indicated on the plat and include Upland Buffer Areas. These are subject to regulation by the Army Corps of Engineers, the St. Johns Water Management District and the Design Code. In general, fill is prohibited in the Upland Buffer Areas, and only hand-clearing, using only hand tools or hand-portable power tools, is permitted.

6.2 Easements in Favor of the Founder and Association. The Founder hereby reserves for itself, its successors and assigns and for the Association and its assigns the following easements, which shall benefit Anastasia Dunes and all other properties owned by Founder or its assigns which are within, adjacent to, or reasonably near, Anastasia Dunes (including property separated from Anastasia Dunes by a public road):

(a) Common Roads. A nonexclusive easement for use of the Common Roads.

(b) Utility Easements. An easement upon, across, over, through, and under Anastasia Dunes for ingress, egress, installation, replacement, repair and maintenance of all public and private utility and service systems. These systems include, but are not limited to, water, sewer, irrigation systems, drainage, telephone, electricity, television, cable or communication lines and other equipment. Except where indicated on the plat or as described in specific recorded easements, such easements shall be located within the street right-of-way or other Commons, or in alley easement areas. By virtue of this easement the Founder, and its successors or assigns, may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits.

(c) Police Powers. A blanket easement throughout Anastasia Dunes for private patrol services, and for police powers and services supplied by the local, state and federal governments.

(d) Drainage. A blanket easement and right on, over, under and through the ground within Anastasia Dunes to access, maintain and to correct the lakes, the Drainage System and other drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health, safety or appearance or to comply with governmental requirements. The Founder or Association, as applicable, shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable. This easement may be exercised at the option of the Founder or Association and shall not be construed to obligate either to take any affirmative action to correct drainage, except as required by law.

(e) Encroachment. An easement for any improvements constructed on the Commons which encroach on any Lot, whether due to any minor deviation from the subdivision plat of Anastasia Dunes or the settling or shifting of any land or improvements.

(f) Maintenance of Commons. To the extent reasonably necessary, an easement over any Lot for maintenance of the Commons or to perform any duties required or permitted to be performed by the Association, its agent or assigns.

(g) Ingress Egress Easements. To the extent reasonably necessary, an easement for ingress or egress through any Lot to access the Commons or to public streets outside of Anastasia Dunes or to public streets outside of Anastasia Dunes.

6.3 Relationship between Lots.

(a) Intent. The easements in this Section 6.3 are intended to provide guidelines for reasonable cooperation between neighbors. The Association may make rules for maintenance and use of easement areas and shared improvements which shall be applied uniformly to all Lots similarly configured.

(b) Lot Lines. Lots may not be subdivided or separated into smaller Lots, or any portion of a Lot separately conveyed, except by the Founder or with the specific consent of the Anastasia Dunes Architectural Review Board. However, this shall not prohibit corrective deeds or similar corrective instruments. The Founder may redefine Lots prior to sale by dividing or combining Lots or portions of Lots and adjusting the boundary of a Lot. The Founder shall also have the right to modify subdivision plats of Anastasia Dunes to make adjustments to Lot boundary lines with consent only of those Owners whose Lot boundaries are to be changed. The division or combination of Lots may be subject to zoning or other governmental regulation.

(c) Structural Party Walls. Each Owner grants to the Owner of each adjacent Lot the right and easement to maintain and to utilize any exterior or interior wall of a Building which forms a party wall between them. A wall will be considered a party wall only if it provides structural support for the Buildings, or parts of a Building, on more than one Lot. Maintenance of the surface of the party wall shall be the sole responsibility of the Owner whose Building faces such wall. Each Owner shall be liable and responsible if, in connection with that Owner's use and maintenance of the party wall, the Owner damages the adjacent Owner's Lot or the wall itself. The cost of any other repairs to the party wall shall be shared equally by the adjacent Owners.

(d) Exterior Walls along a Lot Line. An exterior wall which supports the Building on only one Lot, or which encloses a courtyard on one Lot, shall not be considered a party wall. The Association may make rules and regulations concerning use and maintenance of such walls, including assigning responsibility between the adjoining owners for painting and repair and granting access over the adjoining Lot as reasonably necessary to maintain the wall. All such maintenance and repair shall be in accordance with the Design Code.

(e) Yard Easements. To allow most efficient use of a Lot while complying with governmental setback requirements, a portion of a Lot along a Lot line may be subject to an easement for use by the adjoining Lot Owner. Such easements may be designated on the plat, the Design Code or on the deed from the Founder to the first Owner other than the Founder. Such use easements may be up to four feet wide and shall run along a boundary line, but shall not encroach upon more than one boundary line. In addition, the Owner of such a Lot subject to an easement shall be the beneficiary of a similar easement along another portion of the Lot, unless the Lot is a corner Lot or is larger than the surrounding Lots. Subject to regulation under the Design Code, the beneficiary of such an easement shall have the use and maintenance responsibility for the easement area and may place fences, decks or patios or other structures (but not a primary structure) upon the easement area.

(f) Roof Overhang. If permitted by the Design Code, roofs may overhang a property line.

ARTICLE VII:
Insurance

Insurance is essential to protect the interests of the various Owners and to assure that funds will be available for rebuilding after a casualty. However, because insurance costs may increase significantly or new types of coverage made available, this Article gives flexibility to the Board to select insurance coverage that is reasonable for the conditions that exist at that time.

7.1 Review of Coverage. The Board shall review limits of coverage and deductibles for each type of insurance at least once each year.

7.2 Casualty Insurance. The Board may obtain and, if additional Commons with significant insurable improvements are added to Anastasia Dunes, shall be required to obtain and maintain, casualty insurance on the Commons for fire damage. Endorsements for extended coverage, vandalism, malicious mischief, flood and windstorm should be obtained where available at reasonable cost. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements constructed on the Commons.

7.3 Public Liability. The Board may obtain public liability insurance in such limits as the Board may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Commons and any topographic conditions or water access located on or

adjoining Anastasia Dunes. Whenever practicable, such insurance should be issued on a comprehensive liability basis and should contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board or other Owners.

7.4 Director Liability Insurance. The Board may obtain liability insurance insuring against personal loss for actions taken by members of the Board and advisory members in the performance of their duties. Such insurance shall be of the type and amount determined by the Board in its discretion.

7.5 Other Coverage. The Board shall obtain and maintain workman's compensation insurance if and to the extent necessary to meet the requirements of law, and such other insurance as the Board may determine or as may be requested from time to time by a majority vote of the Members.

7.6 Lot Coverage. Each Owner shall obtain casualty insurance for improvements on the Lot, naming the Association as an additional insured. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements constructed on the Commons. If requested by the Association, an Owner shall provide evidence of such insurance to the Association.

7.7 Repair and Reconstruction after Fire or Other Casualty.

(a) Commons. If fire or other casualty damages or destroys any of the improvements on the Commons, the Board shall arrange for and supervise the prompt repair of the improvements, unless the area is to be redeveloped as provided in Section 15.3 ("Redevelopment"). The Board may restore the Commons to substantially original condition or may improve or modify the design or use. The reconstruction may be considered a substantial capital improvement in accordance with Section 8.6 only if and to the extent that it modifies the original purpose of the Commons, in which case insurance proceeds shall be considered as if they were assessments. The Board shall obtain funds for reconstruction first from the insurance proceeds, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhausting insurance and reserves.

(b) Lot Improvements. If fire or other casualty damages or destroys a building or any other improvements on a Lot, the Owner of that Lot shall immediately proceed to rebuild and restore the improvements to the condition existing immediately prior to such damage or destruction, unless other plans are approved by the Architectural Review Board or the area is to be redeveloped as provided in Section 15.3. If the Owner fails to clean and secure a Lot within 30 days after a casualty, the Association may, in accordance with the provisions of Section 10.10, remove debris, raze or remove portions of damaged structures and perform any other clean up the Association deems necessary to make the Lot safe and attractive. The cost of such clean-up shall be assessed to the Lot Owner as an Individual Lot Assessment.

ARTICLE

VIII: Association Budget

To fulfill its obligation to maintain the Commons and other maintenance obligations under this Declaration, the Board is responsible for the fiscal management of the Association.

8.1 **Fiscal Year.** The fiscal year of the Association shall begin January 1 of each year and end on December 31 of that year, unless the Board selects a different fiscal year.

8.2 **Budget Items.** The budget shall estimate total expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required by this Declaration or properly approved in accordance with this Declaration. The budget may also include reasonable amounts, as determined by the Board, for working capital for the Association and for reserves. If the Commons are taxed separately from the Lots, the Association shall include such taxes as part of the budget. Fees for professional management of the Association, accounting services, legal counsel and other professional services may also be included in the budget.

8.3 **Reserves.** The Association may build up and maintain reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual General Assessment. Extraordinary expenses not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy an emergency assessment in accordance with the provisions of Section 9.4 ("Special Assessment"). If there is an excess of reserves at the end of the fiscal year and the Board so determines, the excess may be returned on a prorata basis to all Members who are current in payment of all assessments due the Association, or may be used to reduce the following year's assessments.

8.4 **Preparation and Approval of Annual Budget.**

(a) **Initial Budget.** The Founder shall determine the budget for the fiscal year in which a Lot is first conveyed to an Owner other than the Founder.

(b) **Subsequent Years.** Beginning with the year in which a Lot is first conveyed to an Owner other than the Founder and each year thereafter, at least one month before the end of the fiscal year, the Board shall, by majority vote, adopt a budget for the coming year and set the annual General Assessments at a level sufficient to meet the budget. At least two weeks before the fiscal year to which the budget applies, the Board shall send to each Member a copy of the budget in reasonably itemized form, which shall include the amount of General Assessments payable by each Member.

(c) **Approval.** If General Assessments are to be increased to greater than 115% of the previous year's General Assessment which was not a year in which General Assessments were

guaranteed in whole or in part by Founder, and petitions signed by at least 10% of all Members request review within thirty (30) days after the budget is delivered to Members, the Board shall call a Community Meeting to present the budget and to answer any questions. After presentation, the budget shall be deemed approved unless the percentage required to transact business is present and the budget is rejected by a majority of the Members present. If the budget is rejected, the Board shall approve a new budget within ten (10) days and send a copy to each Member.

8.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year, or review of the budget under Section 8.4 (c), shall not waive or release a Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association budget each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

8.6 Capital Improvements. Any substantial capital improvement to the Commons approved by the Board must be ratified by a majority of the Members. If the substantial capital improvement is approved by the Members, the Board shall determine whether it shall be paid from General Assessments or by Special Assessment. A capital improvement shall be considered substantial if the cost to the Association of the improvement is more than six percent (6%) of the Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than ten percent (10%) of the Association's annual budget. However, any repair or replacement of existing improvements shall not be considered a capital improvement. Approval of the Architectural Review Board is required for all capital improvements. This paragraph shall not limit the right of the Founder to make improvements to the Commons.

8.7 Individual Lot Expenses. Certain services, such as irrigation and landscape maintenance may to be provided by the Association but are to be assessed to the affected Lots rather than be included in the common expenses. Where such services can be reasonably estimated in advance, the Association may budget for such expenses and assess the cost in advance to the affected Lots, including the establishment of reserves.

8.8 Accounts. Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.

ARTICLE IX:
Covenants for
Maintenance
Assessments

The cost of fulfilling the Association's financial obligations is divided equitably among the Members by means of Assessments. To assure the Association of a reliable source of funds and to protect those Members who contribute their equitable share, assessments are mandatory and are secured both by a lien on the lot and the Member's personal obligation.

9.1 Obligation for Assessments. The Founder, for each Lot owned within the property submitted by this Declaration or Supplemental Declaration to Anastasia Dunes, hereby covenants, and each Owner of any Lot by acceptance of a deed or other transfer instrument, whether or not it

shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following (to be known collectively as "Assessments"):

- COPY
- (a) General Assessments for expenses included in the budget,
 - (b) Special Assessments for the purposes provided in this Declaration, and
 - (d) Individual Lot Assessments for any charges particular to that Lot,
- together with a late fee and interest, as established by the Board, and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought. Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of such Assessment, which shall be declared due and payable in full.

9.2 Equitable Division of Assessment. General Assessments and Special Assessments shall be assessed equally among Lots. If an Owner combines two Lots or parts of Lots and uses them as a single Lot, the Association may assess them as a single Lot or other formula in accordance with regulations consistently applied.

9.3 General Assessments.

(a) Establishment by Board. The Board shall set the date or dates such assessments become due and may provide for collection of assessments annually or in monthly, quarterly or semiannual installments.

(b) Date of Commencement. The annual General Assessments shall begin on the day of conveyance of the first Lot to an Owner other than the Founder. The initial Assessment on any Lot subject to assessment shall be collected at the time title is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the prorata share of the annual General or Special Assessment charged to each Lot, prorated to the month of closing.

9.4 Special Assessment. In addition to the General Assessment, the Board may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four succeeding years as follows:

(a) Capital Improvements. Any substantial capital improvement which has been approved in accordance with Section 8.6 ("Capital Improvements") or any capital improvement not required to be approved by the Members may be paid by Special Assessment.

(b) Emergency Assessment. By a two-thirds (2/3) vote, the Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense which this Declaration or the law requires the Association to pay (including, after depletion of reserves, any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted).

9.5 Individual Lot Assessments. The Association may levy at any time an Individual Lot Assessment against a particular Lot for the purpose of defraying, in whole or in part, the cost of any special services to that Lot or any other charges designated in this Declaration as an Individual Lot Assessment.

9.6 Capital Contribution. At the closing and transfer of title of each Lot to the first Owner other than the Founder, the Owner shall contribute \$250. This contribution shall be used by the Association for the purpose of initial and nonrecurring capital expenses of the Association and for providing initial working capital for the Association, and shall not be considered as a pre-payment of assessments.

9.7 Effect of Nonpayment of Assessment; Remedies

(a) Personal Obligation. All Assessments, together with any late fee, interest and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Lot at the time when the assessment was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Lot.

(b) Creation of Lien. The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the Lot against which the Assessment Charge is made, which may be enforced upon recording of a claim of lien. This lien, in favor of the Association, shall secure the Assessment Charge which is then due and which may accrue subsequent to the recording of the claim of lien and prior to entry of final judgment of foreclosure. Any subsequent owner of the Lot shall be deemed to have notice of the Assessment Charge on the land, whether or not a lien has been filed.

(c) Suit for Payment; Foreclosure of Lien. The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in a manner similar to foreclosure of a mortgage lien, or both. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Lot foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.

(d) Other Remedies. The Association shall have the right to assess fines and suspend the voting rights and right to use of the Commons by an Owner for any period during which any Assessment against his Lot remains unpaid.

9.8 Certificate of Payment. The treasurer of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board stating whether any assessments are owed by that Owner. Such certificate, when co-signed by the secretary of the Association, may be relied upon by a good faith purchaser or mortgagee as conclusive evidence of payment of any assessment therein stated to have been paid.

**ARTICLE X:
Use of Individual Lots**

The following covenants are designed to protect the quality of life for all Owners within Anastasia Dunes and to set a standard for reasonable cooperation within the community.

10.1 Permitted Uses. Lots are intended for residential use. To the extent permitted by law, home industry which does not generate significant traffic, noise or odor or change the exterior appearance of a building shall be permitted. Signage for home-based business, if any, shall be regulated under the Design Code.

10.2 Prohibited Uses.

(a) Nuisances, Unlawful Use. No nuisance or immoral, improper, offensive or unlawful use shall be permitted to exist or operate on any Lot or Commons. All laws, building codes, orders, rules, regulations or requirements of any governmental agency having jurisdiction shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair the affected portion of Anastasia Dunes.

(b) Insurance. Nothing shall be done or kept on any Lot or the Commons which will increase the rate of, or result in cancellation of, insurance for Anastasia Dunes or any other Lot or its content, without the prior written consent of the Association.

(c) Soliciting. No soliciting will be allowed at any time within Anastasia Dunes.

(d) Time Sharing. No time-share ownership of Lots is permitted without the Architectural Review Board's approval. For this purpose, the term "time-share ownership" shall mean a method of ownership of an interest in a Lot under which the exclusive right of use, possession or occupancy of the Lot circulates among the various owners on a periodically reoccurring basis over a scheduled period of time. Leasing a building or ownership of a Lot by a corporation, partnership or other entity or by not more than four individuals or married couples will not normally be considered time-share ownership.

10.3 Renting. Residential dwelling units may be rented, subject to reasonable rules and regulations as promulgated by the Board, which may be modified from time to time. The Board may set a minimum term for leases of up to six months and may prohibit the leasing of a Lot while the Owner is in default in the payment of Assessments.

10.4 Attractiveness and Safety of Lots.

(a) Generally. Each Owner shall keep all parts of his Lot in good order and repair and free from debris. The Design Code or the Association may regulate placement and maintenance of garbage and trash containers, and fuel or gas storage tanks, and other matters affecting the attractiveness or safety of Lots.

If the Lot has been deeded from the Founder to an Owner and if the Lot is unimproved, then the Owner must keep the Lot, at all times, in a park-like condition, free of debris and trash, with all grasses and underbrush cut to a height not exceeding six (6) inches from the ground.

(b) Sports Equipment. Play structures, such as basketball hoops and swing sets, are encouraged but must be kept in good repair and may be limited, in accordance with the Design Code, to back yards. Large play structures such as skateboard ramps which are visible from outside the Lot may be prohibited or regulated.

10.5 Pets. Pets may be kept by an Owner on his Lot but only if such pets do not cause an unsafe condition or unreasonable disturbance or annoyance within Anastasia Dunes. Each Owner shall be held strictly responsible to immediately collect and properly dispose of wastes and litter of his pets. The Association reserves the right to regulate the number, type and size of pets; to prohibit the keeping of animals other than customary household pets, which it may define, acting reasonably; to designate specific areas within the Commons where pets may be walked and to prohibit pets on other areas; to require pets to be on leash; and to restrict the rights of tenants to keep pets.

10.6 Signs. No sign, advertisement or notice of any type or nature whatsoever (including "For Sale" or "For Rent" signs) shall be erected or displayed upon any Lot (including placement on the building, Yard or in any window) or upon the Commons unless specifically permitted by the Design Code. The Design Code may prohibit all types of signs within residential areas. However, the Founder shall be permitted to post and display advertising signs within Anastasia Dunes so long as the Founder has any property for sale in the normal course of business, and hereby reserves an easement for reasonable use of the Commons for such purposes.

10.7 Automobiles.

(a) Parking. Automobiles may be parked only in the garage or driveway of a Lot, in unassigned parking areas as originally created by the Founder or in other parts of Anastasia Dunes which may be specifically designated in writing by the Board. All parking within Anastasia Dunes shall be in accordance with rules and regulations adopted by the Association. The Association reserves the right to regulate or prohibit the parking of trucks, buses or recreational vehicles, oversize vehicles, boats, and vehicles which display advertising or the name of a business.

(b) Good Repair. Only automobiles bearing current license and registration tags, as required by state law from time to time, may be parked on Anastasia Dunes. All such automobiles shall be in good running condition; repair of automobiles (other than emergency repair) or storage of disabled automobiles is not permitted within Anastasia Dunes.

(c) Garage Doors. Garage doors shall be kept closed except when automobiles are entering or leaving the garage.

(d) Visibility at Street Intersections. No obstruction to visibility at street intersections shall be permitted.

10.8 Mobile Homes; Temporary Structures. Mobile homes are prohibited, although construction trailers and other temporary structures may be permitted by the Founder during construction. The Design Code or Association may prohibit or regulate structures of a temporary character, trailers, tents, shacks, barns, sheds or other outbuildings. However, reasonable,

occasional use of tents for festive occasions or children's backyard camping is part of life and should be enjoyed. During parties and other special events, the Board may approve the use of tents, trailers and other temporary buildings on the Commons or elsewhere within Anastasia Dunes.

10.9 Rules and Regulations. The Board may from time to time adopt rules or amend previously adopted rules and regulations governing the details of the operation, use, maintenance and control of the Lots, Commons and any facilities or services made available to the Owners. This right shall include without limitation the right to approve rental agents, contractors and sub-contractors who do business within Anastasia Dunes. Rules and Regulations shall take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested in writing by at least 10% of all Members, a Community Meeting may be called and any Rule or Regulation may be repealed by majority vote of the Members. A copy of the Rules and Regulations adopted from time to time shall be posted in a conspicuous place within Anastasia Dunes or furnished to each Owner.

10.10 Enforcement.

(a) Owner's Responsibility. Each Owner, family members of Owners and Owners' guests and tenants shall conform and abide by the covenants contained in this Declaration and any Rules and Regulations which may be adopted from time to time by the Board. Each Owner shall be responsible for assuring such compliance, and any violation by family members, guests or tenants may be considered to be a violation by the Owner.

(b) Covenants Committee. The Board shall establish a Covenants Committee to hear any complaints of violations of these Covenants or Rules and Regulations adopted by the Board. Members of the Board may serve on the Covenants Committee.

(c) Notice, Hearing and Fines. Any Owner who is believed to be in violation of this Declaration or the Rules and Regulations shall be given notice and an opportunity to be heard. After such hearing, the Covenants Committee shall have the right to assess fines, up to a maximum of \$50 for a single violation or \$10 per day for a continuing violation (to be adjusted according to increases in the cost of living) and may restrict the Owner's use of the Commons for up to sixty (60) days or until remedied, whichever is longer. However, the primary goal of the Covenants Committee is not to punish but to conciliate and resolve problems. The Covenants Committee may suggest or approve dispute resolution agreements and withhold the requirement of paying a fine if the agreement is honored. Fines shall be charged against the Lot as an Individual Lot Assessment.

(d) Tenant Violations. If a tenant is believed to be in violation of the Covenants or Rules and Regulations, the Covenants Committee shall notify the Owner and tenant and provide an opportunity for hearing. If the Covenants Committee determines after notice and opportunity for hearing that a tenant has violated the Covenants or Rules and Regulations, the Covenants Committee may assess fines against the Owner as provided in paragraph (c). In addition, if the violation continues for ten days after notice to the Owner of the Committee's findings, or if the tenant materially violates the Covenants or Rules and Regulations more than once in any one-year period, the Association, by a two-thirds (2/3) vote of the Board, shall have the right to evict the

tenant. Each Owner by acceptance of a deed irrevocably appoints the Association as its agent and attorney-in-fact in such an eviction action. All costs related to such action shall be charged to the Owner as an Individual Lot Assessment. Any Owner whose tenant or tenants (whether under one lease or different leases) violate the Covenants or Rules and Regulations three times in any one-year period may be prohibited from further leasing of his Lot for a period of up to one year.

(e) Corrective Action for Lot Maintenance. If the Covenants Committee determines after notice and hearing that any Owner has failed to maintain any part of the Lot (including the yard and any wall, fence, building, garden structure or other structure) in a clean, attractive and safe manner, in accordance with the provisions of this Declaration, the Design Code and applicable rules and regulations, the Covenants Committee shall notify the Owner of its findings and may assess fines as provided in paragraph (c). If the violation continues for ten days after notice to the Owner of the Committee's findings, the Association, by a two-thirds (2/3) vote of the Board, shall have the right without liability to enter upon such Lot to correct, repair, restore, paint and maintain any part of such Lot and to have any objectionable items removed from the Lot. The Board may reduce or eliminate the time for notice if it believes the condition creates a hazard. All costs related to such action shall be assessed to the Owner as an Individual Lot Assessment.

(f) Pets. After notice and hearing, the Covenants Committee may require that an Owner permanently remove from Anastasia Dunes any pet which violates rule and regulations or creates disturbances or annoyances to the reasonable displeasure of other Owners.

(g) Additional Remedies. All remedies listed in this section are non-exclusive and may be applied cumulatively. The Association shall also have the right to bring suit to enforce the covenants and Rules and Regulations, as described in Section 16.3.

ARTICLE XI:
The Design Code and
Architectural Review
Board

The Design Code is intended to encourage individual design within a unifying guide for development. This Article establishes the Design Code and the Architectural Review Board, which administers the Design Code.

11.1 Design Code. The Founder hereby establishes the Design Code as the plan for the construction of homes and other improvements within Anastasia Dunes. The Design Code does not need to be recorded to be effective.

11.2 Modification of Design Code. During the Development Period, the Founder may revise any part of the Design Code from time to time for any of the following reasons:

(a) To make changes which the Founder believes will better accomplish the objectives of Anastasia Dunes;

(b) To establish separate provisions as property is added to Anastasia Dunes in accordance with Section 2.3; or

(c) To adjust for market conditions.

(d) To comply with codes and/or requirements of the municipality(ies) or governmental bodies having jurisdiction over Anastasia Dunes.

After the Development Period, the Board of Directors of the Association by two-thirds vote may make modifications to the Design Code. If requested by petitions signed by at least 10% of the Members, a Community Meeting may be called and, if a quorum is present, the modification to the Design Code shall be repealed by majority vote of the Members. The Design Code may not be modified to impair the rights of Lot Owners who have not yet constructed a home to build improvements which are substantially similar to those permitted during the Development Period.

11.3 Architectural Review Board.

(e) Establishment. The Founder hereby establishes the Architectural Review Board to administer the Design Code. The Architectural Review Board is not a committee of the Association but exists as a separate entity under the terms of this Declaration.

(b) Composition. The Architectural Review Board shall consist of at least three members. During the Development Period, the Founder shall select the members of the Architectural Review Board. After that time, the Board of Directors of the Association shall select the members of the Architectural Review Board, which may include members of the Board of Directors. To the extent reasonably possible, the Architectural Review Board shall include one or more architects, designers, builders or other professionals with an interest in home design.

(c) Employees. The Architectural Review Board may employ personnel or contract with individuals or companies as necessary to assist in the review process.

(d) Compensation. Professionals and staff may be paid reasonable compensation for serving on the Architectural Review Board, as determined from time to time by the Founder or the Board, whichever is responsible for selection of the Architectural Review Board members. All members shall be compensated for expenses.

(e) Cost of Operation. The Founder or the Board, whichever is responsible for selection of the Architectural Review Board members, shall set the Architectural Review Board's review fees to cover all or part of the expected cost of its operation and shall fund any deficit. Fees shall not be intended to create a surplus, other than an ordinary operating capital fund for the Architectural Review Board to which any excess fees shall be contributed.

ARTICLE XII:
Design Review

The Architectural Review Board will review all plans for construction, or modification, of any Lot or Commons.

12.1 Construction Subject to Review.

(a) Lots. No tree or land clearing or grading or any construction is permitted on a Lot until the Architectural Review Board has reviewed and approved construction plans and

specifications. All construction must comply with the submitted and approved plans. Once a plan is approved, any modification to that plan, or any modification to the finished Lot, must also be reviewed and approved.

(b) Commons. Construction of any structure upon the Commons (other than initial construction by the Founder), or modification of any existing structure, as well as any material alteration of the landscaping or topography of any Commons, must be approved in advance by the Architectural Review Board.

(c) Scope. The Design Code shall set standards for all aspects of the Lot visible from the outside, including without limitation the size and shape of the building, its roof, windows, doors, porches and other components, placement on the lot, fences, drainage, paving and landscaping and all finish materials. The Design Code may also regulate the type, placement and number of residential or business units which may be constructed on a Lot and the uses to which those units may be put. Review shall include materials and color selection and selection and placement of any ornamentation or functional accessories, including but not limited to the following:

- (i) materials and color selection for the main building and any outbuilding (including roof, doors, windows and trim);
- (ii) driveways, walks, patios and other ground surface materials;
- (iii) antennas, satellite dishes or receivers, solar panels or other devices which are visible from outside the Lot;
- (iv) fountains, swimming pools, whirlpools or other pools;
- (v) privacy walls or other fences and gates;
- (vi) awnings, flower boxes, shelves, statues, or other outdoor ornamentation, and window coverings visible through the window;
- (vii) construction trailers or other trailers, temporary structures, tents, shacks, and sheds;
- (viii) signage of any type; and
- (ix) permanent or semi-permanent play equipment, whether or not secured, such as tree houses, basketball hoops, skateboard ramps and swing sets.

The listing of a category does not imply that such construction is permitted.

(d) Exception. Interior construction and modifications not affecting the external structure or appearance of any Building are not subject to review. However, construction drawings are required as part of the review process to assist in interpreting the design.

(e) Tree Preservation. The cutting, removal or intentional damage of existing trees (including excessive pruning or failure to use due care with equipment or when removing other trees permitted to be removed) shall be strictly regulated under the Design Code. The Architectural Review Board may require the relocation and replanting of trees which must be removed for construction. If particularly significant trees are found within the building setback lines, the Architectural Review Board shall determine whether the placement of the building should be altered to accommodate the trees, or whether the trees may be removed.

(f) Drainage. All plans shall comply with applicable drainage, water conservation, erosion control and stormwater detention requirements.

(g) Modifications. Modifications after completion of construction, or additions or changes to the approved plans during construction, must be reviewed and approved. However, review is not required to paint with originally approved materials and colors, or to replace the roof or other components with duplicates of the original material. Significant new landscaping, grading and any removal or substantial pruning of trees or plants must be approved in advance.

12.2 Review Procedure.

(a) Application. The plans to be submitted for approval shall, at a minimum, include (i) site plan on a 24" X 30" format showing all improvements to the Lot, and any tree and topographical survey(ies) and/or other information required, (ii) the construction plans and specifications, including all materials and colors, (iii) elevations of all proposed improvements (iv) proposed clearing, grading and landscaping, and (v) all other items required by the Architectural Review Board. Plans and specifications for review shall be submitted in the form required by the Architectural Review Board.

(b) Uniform Procedures. The Architectural Review Board may establish forms and procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant. The Architectural Review Board may provide lists of approved materials and may allow for staff review and approval of routine or minor matters.

(c) Basis for Decision. Applications shall be approved or denied based upon compliance with the provisions of the Design Code in effect at the time of the submittal, and overall quality of design. If the Architectural Review Board rejects an application due to overall design quality, despite compliance with the Design Code, the Architectural Review Board shall make suggestions for improving the design.

(d) Variances. The Architectural Review Board may grant variances from the Design Code based on existing topographical or landscape conditions, existing trees, or architectural merit. Any such variance must be in writing. Approval of a variance does not constitute a precedent for other applications, and such requests may be arbitrarily denied.

(e) Notification; Construction; Inspection. The Architectural Review Board shall make best efforts to notify the applicant of its decision within the time allowances set out in its design approval process handbook. However, a delay in reviewing an application shall not be deemed consent to construction. If approval is given, construction of the improvements may begin. If construction is not begun within six months after approval of the plans and specifications and there has been any change in the Design Code in the intervening months, then the approval will expire and the plans and specifications must be resubmitted.

(f) Inspection. The Architectural Review Board or its agent may inspect the property during construction but has no obligation to make any such inspection.

(g) Governmental Compliance. Owners are responsible for making sure that construction conforms to governmental regulations and all local building codes. If the Architectural Review Board notes noncompliance, the Owner will be required to make the

necessary changes. However, the Architectural Review Board is not responsible for compliance with governmental requirements.

12.3 Approval of Architects, Builders.

(a) Generally. The creation of the Anastasia Dunes streetscape depends on the quality of design and construction, and adherence to the Design Code. While architects and contractors are selected by the Owner, they must cooperate with the Architectural Review Board. Approval of architects and contractors is necessary to assure quality construction and a reasonable spirit of cooperation. Once granted, approval status may be reviewed and revoked or extended from time to time based on actual performance.

(b) Architects. Architects and house designers must be approved by the Architectural Review Board before submitting plans. Approval shall be based on quality of past work, client satisfaction and understanding of, and willingness to work within, the Design Code.

(c) Contractors. Contractors must be approved by the Founder or by the Architectural Review Board before building in Anastasia Dunes. Approval shall be based on willingness to build in accordance with approved plans and specifications, quality of past work, client satisfaction and financial history. Contractors must agree to comply with construction regulations, to dispose of construction debris properly and to build in accordance with the approved plans and specifications. Contractors must post a deposit for compliance and damages. Failure to comply may result in fines, forfeiture of the deposit and revocation of the right to build in Anastasia Dunes.

12.4 Enforcement.

(a) Fines. The Architectural Review Board may require the builder or Owner to post a deposit from which the Architectural Review Board may deduct fines for failure to comply with the approved plans and specifications, tree regulations and rules for builder conduct. The collection of a fine shall not in any way diminish the available remedies at law or equity.

(b) Suit Permitted. If any construction is begun which has not been approved or which deviates from approved plans and specifications, the Architectural Review Board, the Founder or the Association may require the Owner to resolve the dispute through binding arbitration or may bring suit seeking damages, specific performance, declaratory decree and/or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association. If suit is brought and the court finds that the construction was not approved or that the construction deviated from the approved plans or specifications, then the party bringing suit shall also be awarded reasonable attorney's fees, even if the relief requested is not granted.

(c) Trees. Improper cutting, removal or intentional damage to existing trees is subject to fines plus a requirement that the tree be replaced with an approved species of comparable caliper, or, if approved by the Architectural Review Board, a combination of trees totaling the caliper of the removed tree. Fines shall be set by the Architectural Review Board.

(d) No Waiver. Failure to enforce any provision of these Master Deed Restrictions shall not be deemed a waiver of the right to do so at any time thereafter. Variances from the Design Code may be granted in particular circumstances; however, such variances shall not create a precedent for other applications.

12.5 Liability. The Architectural Review Board and its inspectors are concerned primarily with aesthetic considerations, and are not responsible for compliance with governmental requirements or design or construction defects or use of materials affecting the safety or structural integrity of the building. Approval by the Architectural Review Board of an application shall not constitute a basis for any liability of the Founder, or members of the Architectural Review Board, Board of Directors or Association for failure of the plans to conform to any applicable building codes or inadequacy or deficiency in the plans resulting in defects in the improvements, or for the performance or quality of work of any contractor or architect approved by it, or for non-compatible or unstable soil conditions or soil erosion, or any other condition of the property.

ARTICLE XIII: Building Time Limits

The Building Time Limits apply during the early stages of Anastasia Dunes's development. While the requirement will usually be made part of sales documents, it is included here to provide terms and enforcement provisions, as well as legal notice of the restriction for subsequent purchasers.

13.1 Founder's Intent.

(a) Purpose. To allow for neighborhood development and to discourage speculation which results in empty lots, the Owner of a Lot must begin construction of a primary building on the Lot, in accordance with plans and specifications approved by the Founder within a limited period of time, as described in Section 13.2, unless the deed or other recorded instrument from the Founder releases or modifies the restriction as to that Lot.

(b) Holder of Rights. The right to enforce this Article XIII is held originally by the Founder, who may assign these rights at any time to the Architectural Review Board or to the Association. The time limit for construction does not apply to any Lots held by the Founder. At the end of the Development Period, all of the Founder's rights under this Article XIII shall be automatically assigned to the Association.

13.2 Construction Time Limit

(a) Requirement. Unless otherwise specified on the deed or other recorded instrument executed by Founder, Owner shall begin construction of the single family residence on the Lot within ten years from the date of the original recording (not replat) of the Anastasia Dunes plat which includes the Lot (the "Required Commencement Date") and diligently pursue construction until completion, including landscaping. Owner must submit plans and begin the architectural review process in sufficient time to begin construction on time.

(b) Unavoidable Delays. Failure to make significant progress during any thirty-day period or to complete the single family residence within twelve months from the start of construction

shall be considered a failure to diligently pursue construction under (a), except in the case of casualty, extreme material shortages, extreme weather conditions or other significant matters beyond the builder's control.

13.3 Enforcement

(b) Events of Default. If Owner fails to comply with the requirements of Section 13.2 or if Owner deviates from the approved plans and specifications and fails, after reasonable notice, to correct the deviation, then Founder shall have the right, but not the obligation, to repurchase the Lot for the amount set out in paragraph (b). These rights shall be in addition to the Architectural Review Board's rights to enforce the requirements of Article XII.

(b) Repurchase Price. The repurchase price shall be equal to the amount paid by Owner to Founder or the current fair market value of the Lot, whichever is less, plus the cost or fair market value, whichever is less, of any improvements made in accordance with plans approved by the Architectural Review Board. Any mortgage or lien on the Lot and all closing costs for the repurchase shall be deducted from the amount paid to Owner by Founder.

(c) Time of Exercise. Founder may exercise its rights against Owner at any time up to three years after the event of default. Founder may preserve its enforcement rights by recording, within three years after the event of default, a lien or other notice of its intent to exercise its rights.

13.4 Subordination to Mortgage

(a) Effect. Founder agrees to subordinate its right of repurchase to a Mortgagee under the terms of this section, which shall be effective whether or not noted in the deed. A Mortgagee in granting a mortgage subject to this right of repurchase agrees to these terms. Except as described in this section, Founder's right of repurchase shall not be subordinate to any other encumbrances.

(b) Assumption of Mortgage. If Founder exercises its right of repurchase while Mortgagee's mortgage encumbers the Lot, Founder shall take the Lot subject to the mortgage, and Mortgagee in granting a mortgage subject to this right of repurchase agrees to allow Founder to assume the mortgage.

(c) Mortgage Foreclosure. If Mortgagee files a foreclosure of its mortgage or accepts a deed in lieu of foreclosure on a Lot, then Founder shall be notified of the foreclosure action or conveyance. Founder's rights of enforcement under Section 13.3 shall not be extinguished by foreclosure or deed in lieu of foreclosure but shall continue as a restriction on the lot.

13.5 Resale Restriction; Right of First Refusal. If Owner has not constructed a single family residence on the Lot in accordance with approved plans and specifications prior to reselling the Lot, the Lot shall remain subject to the requirements and remedies set out in this Article XIII. In the event of such a proposed sale, Founder shall have a right of first refusal to repurchase the Lot on the same terms and conditions Owner intends to accept. Founder shall have five (5) business days from receipt of Owner's written notice to notify Owner whether Founder will exercise its

right. If Founder does not exercise its right, then Owner may sell the Lot to another purchaser, but only for the same price and terms offered to Founder. If Owner does not consummate that sale, Founder's right of first refusal applies to all subsequent offers. Founder's right of first refusal shall automatically terminate when Founder no longer has any lots for sale in Anastasia Dunes, including all subsequent phases.

ARTICLE XIV: Founder's Reserved Rights

Most of the rights contained in this Article apply only to the Development Period or other stated period of time and will expire automatically.

14.1 Selection of Board. The Founder shall appoint and remove the initial officers and members of the Board and may elect a majority of the Board until required by law to end its control of the Board. At the first annual Community Meeting after more than fifty percent (50%) of the single family residences within the Master Plan Area are sold, Lot owners other than the Founder shall have the right to elect at least one member of the Board. Elections shall be conducted in accordance with the Bylaws. The Founder may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the control period, in which case the Founder reserves the right to record an instrument specifying that certain actions of the Association or Board must be approved by the Founder before they become effective.

14.2 Guarantee of Assessments. The Founder shall pay General Assessments and Special Assessments on all Lots it owns which have been made part of Anastasia Dunes. However, the Founder shall be excused from payment of assessments if the Founder guarantees to Lot owners that their Assessments during the "Guarantee Period," as defined below, shall not exceed the amounts shown in the then-current estimated operating budget. If the Founder offers such a guarantee, the Founder agrees to pay any Common Expenses incurred during the Guarantee Period which exceed the amount produced by Assessments during that time. The "Guarantee Period" may begin at Founder's discretion at any time within the first three years after the recording of this Declaration in the public records of St. Johns County, Florida and shall end at the beginning of the next fiscal year. The Guarantee Period shall then be automatically extended for successive six-month periods up to an additional five years unless terminated upon written notice by the Founder to the Association at least 30 days before the end of the then-current Guarantee Period. During the Guarantee Period, the General Assessments may be increased by up to 15% per year.

14.3 Easements in Favor of the Founder. In addition to the easements in Section 6.2, the Founder reserves for itself and its assigns the following easements in perpetuity:

(a) Construction. To the extent reasonably necessary, an easement over, under and through any roads, whether public or private, and any other Commons for construction equipment and any other purpose related to continued construction of any property within the Master Plan Area. This easement shall expire when all improvements to the Master Plan Area are complete.

(b) Cable TV, Etc. An exclusive easement for installation, replacement, repair and maintenance of cable tv, satellite dish tv, internet access and other telecommunication services, and fiber optic systems. By virtue of this easement the Founder, and its successors or assigns

(including the service providers to which Founder delegates or assigns the rights to use said easement areas), may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. However, the exercise of this easement must not unreasonably disturb each Owner's right of quiet enjoyment of his Lot. Any consideration paid by the service providers of the foregoing easements, or by the provider of the cable tv, satellite dish tv, internet access or other telecommunication services, shall belong solely to Founder.

(c) Gas. An exclusive easement for installation, replacement, repair and maintenance of underground pipes for the distribution of propane or natural gas or both. By virtue of this easement the Founder, and its successors or assigns (including the service providers to which Founder delegates or assigns the rights to use said easement areas), may install and maintain facilities and equipment and excavate for such purposes. However, the exercise of this easement must not unreasonably disturb each Owner's right of quiet enjoyment of his Lot. Any consideration paid by the service providers of the foregoing easements, or by the provider of the propane or natural gas, shall belong solely to Founder.

14.4 Models; Sales and Management Offices. The Founder reserves for itself and its assigns the right to maintain a sales office, a management office and an unlimited number of models within Anastasia Dunes during the Development Period. These facilities may be located on any Lot in Anastasia Dunes and may be relocated from time to time at the Founder's discretion. The sales office, management office and models may be owned by different entities, including builders and other entities which are unrelated to the Founder. At the end of its use as a sales or management office or model, the Lot shall be owned by the owner of record, subject to all normal covenants and restrictions for Anastasia Dunes. Subject to state law and local ordinances, the Founder or its assigns may maintain signs on the Commons and on the sales office, management office and models advertising Anastasia Dunes.

14.5 Commercial Use of Images. The Founder shall have the following rights:

(a) the exclusive right to grant permission for the Commons to be photographed, sketched, painted or its image otherwise reproduced for commercial use (including without limitation its use as a motion picture set or as a background for the display of fashions or other goods), and

(b) the right to grant permission for similar reproduction of the exteriors of any other part of Anastasia Dunes which can be viewed from streets, alleys or Commons. Such exteriors may be reproduced without the consent of, or payment to, the Lot Owner, but the above right is not intended to prevent any Lot Owner from granting independent permission for any part of Anastasia Dunes owned exclusively by that Owner, in which case the consent of the Founder shall not be required.

The Founder may collect a fee for its consent to the use of such images, or for the providing of support services to photographers or others. The exercise of these rights shall not interfere with normal and customary rights of architects as to structures designed by them. Consent of the Founder shall not be required for photography or other reproductions of the images of Anastasia Dunes in connection with any news or feature coverage, for academic purposes, or by any

governmental agency interested in the promotion of tourism or commerce or any other similar purpose.

14.6 Trademark. The name "Anastasia Dunes" is a trade name owned by the Founder.

**ARTICLE XV:
Amendment,
Redevelopment and
Termination**

Property Owners should be able to rely on the Declaration and the general principles it states. Amendment should not be easy. However, new solutions will be proposed from time to time to make the Association operate more efficiently or to adjust to changing conditions. Where clearly to the community's benefit, these new provisions should be incorporated into the Declaration.

15.1 Amendment.

(a) By Members. This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by two-thirds (2/3) of all Members. Any amendment during the Development Period shall require Founder's consent. Rights reserved to the Founder may not be amended at any time without the specific consent of the Founder.

(b) By the Founder. The Founder specifically reserves the absolute and unconditional right, at any time during the Development Period, to amend this Declaration without the consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the guarantee or purchase and sale of home loan mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, or (iii) to clarify the Declaration's provisions or correct errors.

(c) Limitation. Whenever any action described in this Declaration requires approval of greater than two-thirds (2/3) of the Members, amendment of that provision shall require the same percentage vote as would be required to accomplish that action directly.

(d) Recording. Any amendment shall take effect upon recording in the public records.

15.2 Dedication.

(a) Common Roads. The Founder or Association shall have the right to convey title to or dedicate the Common Roads to the appropriate public agency or authority.

(b) Commons. All other Commons may be dedicated to the public by the Board upon consent in writing of two-thirds of all Members.

15.3 Redevelopment. All or a portion of Anastasia Dunes, known as a "Redevelopment Area," may be purchased for redevelopment in accordance with the following provisions:

(a) Purpose. If Anastasia Dunes should ever be struck by a natural disaster or other casualty, all or a portion of Anastasia Dunes might be destroyed and need to be rebuilt. In general, after any casualty loss, improvements are to be rebuilt in accordance with the original plan. Alternatively, this section provides a method for redevelopment in accordance with a new plan when Lot Owners representing sixty seven percent (67%) of the votes in the Association, and a majority of the Mortgagees agree that it is necessary and desirable to do so. This super-majority approval is designed to protect individual property owners' rights and expectations in their property. However, when such consensus is achieved, this section allows redevelopment, while continuing to protect the dissenting owners by assuring payment to them of fair market value, plus a relocation allowance. The same method may be used when, after long periods of time, changing uses and conditions make redevelopment desirable.

(b) Redevelopment Area. A Redevelopment Area is a portion of Anastasia Dunes which must be a defined, logical section for redevelopment. Both the plan for redevelopment and exercise of the purchase option for a Redevelopment Area must be approved by the Architectural Review Board and the Board prior to exercise of the option. The plan for redevelopment may include modification of the Design Code or termination of the Declaration for the Redevelopment Area. If the Declaration is terminated for a Redevelopment Area, the Board may sell or donate to the Owners within the Redevelopment Area the Commons located there, reserving access and use easements as appropriate.

(c) Purchase Option; Time When Available. The option to purchase Lots within Anastasia Dunes for redevelopment is not available until the occurrence of one of the following:

(i) Any time after fifty (50) years from the recording of this Declaration, or

(ii) Upon a casualty loss destroying at least 75%, by value, of the insurable improvements, either within all of Anastasia Dunes, or within a Redevelopment Area. The option period for a casualty loss ends ninety (90) days after the casualty, and if the option is not exercised within that time, the damage must be repaired in accordance with Section 7.7 ("Repair and Reconstruction after Fire or Other Casualty").

(d) Requirements for Exercise. If Owners representing sixty seven percent (67%) of the Member's votes within Anastasia Dunes or the Redevelopment Area, as applicable, and Mortgagees holding mortgages on a majority of the Lots encumbered by mortgages, wish to make a new use of that portion of the property, such Owners may exercise an option to purchase the remaining Lots. The option to purchase must be executed by all Owners of all Lots seeking the option, and must include all remaining Lots.

(e) Delivery of Option; Closing. The option to purchase (or copy of the original, executed option) must be delivered in person or by registered mail to each Owner of a Lot to be purchased. The sale price shall be paid in cash or upon terms approved by the seller, and the sale shall be closed in a timely fashion following determination of the sale price.

(f) Price. The price for each Lot to be purchased shall be its fair market value determined by agreement between the seller and purchaser within 30 days of the delivery or mailing of the notice. In the absence of agreement, the purchasing Owners and the selling Owners

shall each select a real estate appraiser, which appraiser shall then choose a third appraiser, and the purchase price shall be the average (mean) of the three appraisals. The fair market value of the property shall be determined in its present, as-is condition, subject to the Declaration, and the seller shall be entitled to any insurance proceeds attributable to that Lot distributed on account of the casualty loss. The expense of the appraisals and all closing costs shall be paid by the purchaser.

(g) Relocation Allowance. In addition to the purchase price, the purchaser shall pay to the seller a relocation allowance of five percent (5%) of the purchase price.

(h) Enforcement. A judgment of specific performance of the purchase based upon the determination of the price by the appraisers may be entered in any court of competent jurisdiction.

(i) Limitation. If necessary for this section's validity under the Rule Against Perpetuities or similar law, this option shall expire 90 years from the time of recording of this Declaration, or whatever greater time period allowed by law.

15.4 Duration; Termination. The covenants and restrictions contained in this Declaration shall run with and bind Anastasia Dunes and shall inure to the benefit of and be enforceable by the Founder, the Association, and all Owners of property within Anastasia Dunes, their respective legal representatives, heirs, successors or assigns for forty (40) years, and shall be automatically extended for each succeeding ten (10) year periods unless terminated as herein provided. The Owners holding fifty percent (50%) or more of the total votes of the Association may terminate this Declaration provided, however, that so long as Founder owns any land within the Master Plan Area no such termination shall be effective without the written consent and joinder of Founder.

This Declaration may also be terminated in any of the following ways:

(a) Unanimous Consent. The Declaration may be terminated at any time by the consent in writing of all Owners.

(b) Dedication of Commons. The Declaration may be terminated by consent in writing by Members representing two-thirds (2/3) of the votes in the Association, if the Commons have been accepted for dedication or taken by eminent domain by the appropriate unit of local government (or, if alleys or footpaths are not accepted for dedication, they have been conveyed to the adjacent Lot Owner, reserving an easement for continued use).

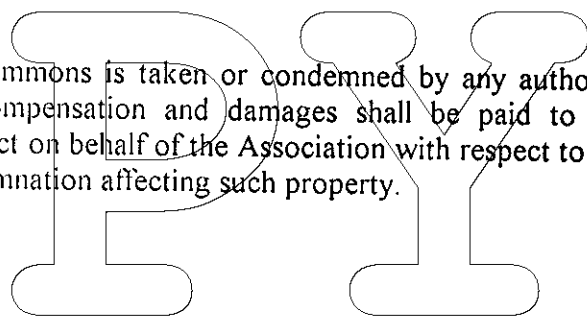
(c) Redevelopment. The Declaration may be terminated for all or a part of Anastasia Dunes in accordance with the redevelopment provisions of Section 15.3.

Any amendment to the Declaration which alter 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 St. Johns River Water Management District.

15.5 Rerecording. Unless this Declaration is terminated, the Association shall rerecord this Declaration or other notice of its terms at intervals necessary under Florida law to preserve its effect.

15.6 Condemnation. If all or part of the Commons is taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such property.

ARTICLE XVI:
General Provisions



16.1 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform and consistent plan for the development and operation of Anastasia Dunes as a community of the highest quality. The italicized portions at the beginning of each Article are intended to state the purposes for the provisions that follow and may be used as an aid to interpretation. However, if the italicized portion conflicts with the operative provision, the operative provision shall govern.

16.2 Invalidity. The invalidity of any part of this Declaration shall not impair or affect the validity or enforceability of the rest of the Declaration, which shall remain in full force and effect.

16.3 Enforcement of Declaration.

(a) Enforcement. Suit may be brought against any person, persons or entity violating or attempting to violate the provisions of this Declaration, either to restrain violation or to recover damages, and against his or its property to enforce any lien created by this Declaration. To enforce this Declaration or the Rules and Regulations, the Association, the Founder or any Owner may bring an action for damages, specific performance, declaratory decree or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association.

(b) No Waiver. Failure to enforce any provision of this Declaration or the Rules and Regulations shall not be deemed a waiver of the right to do so at any time thereafter.

(c) Association's Legal Fees. Any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Association in the enforcement of any of the provisions of this Declaration, whether or not suit is brought, may be assessed as an Individual Lot Assessment to the Owner against whom such action was taken.

16.4 Notices. Any notice required to be sent to the Owner shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Lot and, if different, to the last known address of the person who appears as Owner of the Lot as that address is stated on the records of the Association at the time of the mailing.

16.5 Gender and Number. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

16.6 Consent of Mortgagees.

(a) When Consent Required. This Declaration contains provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by a mortgage on a Lot. Accordingly, no amendment or modification of this Declaration specifically impairing such rights, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of Mortgagees as provided in subsection (b). This section shall not be construed, however, as a limitation upon the rights of the Founder, the Association or the Members to make amendments which do not adversely affect the Mortgagees.

(b) Percentage Required. Wherever consent of the Mortgagees is required, it shall be sufficient to obtain the written consent of Mortgagees holding a lien on a majority or more of all Lots encumbered by a mortgage.

(c) Timely Response. Any such required consent shall be given promptly and shall not be unreasonably withheld. Any consent not given or denied within 30 calendar days of receipt of request for consent shall be deemed given.

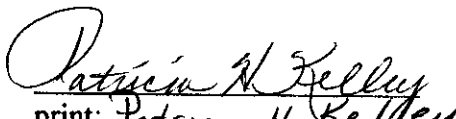
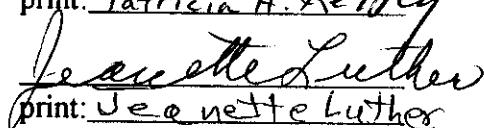
16.7 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of Florida.

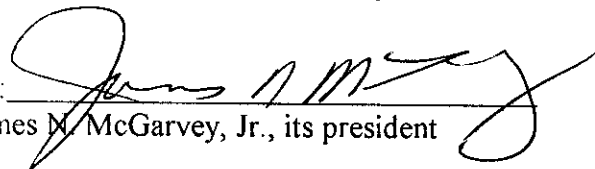
16.8 Incorporation of Master Declaration. By this reference the Master Declaration is hereby incorporated herein and its terms and provisions shall be in addition to the terms and provisions hereof.

IN WITNESS WHEREOF, the undersigned does hereby make this Declaration of Charter, Easements, Covenants and Restrictions for Anastasia Dunes and has caused this Declaration to be executed as of the day and year first above written.

WITNESSES:

JNM Makarios Development Venture, Ltd.
a Florida limited partnership, by
JNM Makarios, Inc., its general partner


print: Patricia H. Kelley

print: Jeannette Luther

By: 
James M. McGarvey, Jr., its president

Notary Block on following page.

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 2nd day of August, 2001, by James N. McGarvey, Jr., president of JNM MAKARIOS, INC., a Florida corporation, on behalf of the corporation as general partner of JNM MAKARIOS DEVELOPMENT VENTURE, LTD. Florida limited partnership. He is personally known to me or has produced a Florida driver's license as identification and did take an oath.

COPY

Patricia H. Kelley
Notary Public, State of Florida at Large
Serial Number: *CC 722880*
Patricia H. Kelley



Patricia H. Kelley
MY COMMISSION # CC722880 EXPIRES
May 21, 2002
BONDED THRU TROY FAIN INSURANCE, INC.

EXHIBIT A

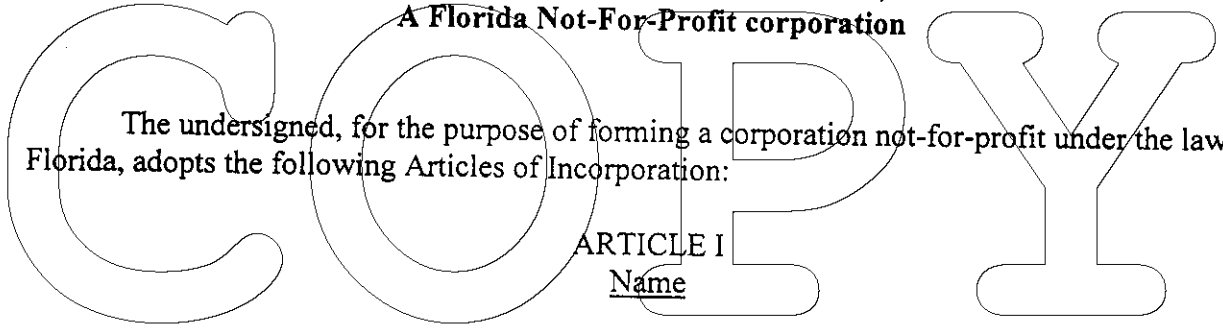
0R1635PG0065

A portion of Government Lots 4 and 5, Section 3, Township 8 South, Range 30 East, St. Johns County, Florida, being more particularly described as follows: COMMENCING at the intersection of the Westerly right of way line of County Road No. A-1-A and/or Beach Boulevard (as established for a width of 66 feet at this point, per State of Florida Department of Transportation Right of Way Map Section 78040, Sheets 1, 2, 3 and 4 and recorded in County Right of Way Map, Road Plat Book 1, Pages 34, 35, 36 and 37 of the Public Records of said St. Johns County, being an amendment to County Right of Way Map recorded in Road Plat Book 1, Pages 11, 12, 13 and 14 of said Public Records) with the South line of Coquina Gables, Subdivision No. 1, as recorded in Map Book 3, Page 30 of said Public Records; thence North $88^{\circ}34'17''$ West, along said South line of Coquina Gables, Subdivision No. 1, a distance of 371.82 feet to an angle point in said South line; thence North $88^{\circ}45'30''$ West, and continuing along said South line of Coquina Gables, a distance of 151.82 feet for a POINT OF BEGINNING; thence South $02^{\circ}30'51''$ West, a distance of 1,298.25 feet; thence South $14^{\circ}30'51''$ East, a distance of 225.19 feet to a point situate in a curve concave Southerly and having a radius of 425.00 feet; thence Easterly around and along the arc of said curve, through a central angle of $11^{\circ}50'28''$, a distance of 87.83 feet, said arc being subtended by a chord bearing and distance of South $77^{\circ}05'34''$ East, 87.68 feet to the point of tangency of said curve; thence South $71^{\circ}10'20''$ East, a distance of 137.73 feet to the point of curvature of a curve to the left, concave Northwesterly, and having a radius of 25.00 feet; thence Northeasterly around and along the arc of said curve, through a central angle of $90^{\circ}00'00''$, a distance of 39.27 feet, said arc being subtended by a chord bearing and distance of North $63^{\circ}49'40''$ East, 35.36 feet to the point of tangency of said curve and a point situate in the Westerly right of way line of said County Road No. A-1-A, said right of way map; thence South $18^{\circ}49'17''$ West, a distance of 1,139.32 feet to a point situate in the South line of said Government Lot 5; thence South $89^{\circ}20'16''$ West, along said South line of Government Lot 5, a distance of 1,084.88 feet to the Southwest corner thereof; thence North $00^{\circ}50'05''$ East, along the West line of said Government Lot 5, the same being the East line of Magnolia Dunes, as recorded in Map Book 31, Pages 83, 84, 85, 86 and 87 of said Public Records, a distance of 1,325.35 feet to the Northwest corner of said Government Lot 5, the same being the Southwest corner of said Government Lot 4; thence North $00^{\circ}49'02''$ East, along the West line of said Government Lot 4 and along the East line of Atlantic Oaks, as recorded in Map Book 14, Page 39 of said Public Records, a distance of 1,320.55 feet to the Northwest corner of said Government Lot 4, said point also being situate in the South line of said plat of Coquina Gables; thence South $88^{\circ}45'30''$ East, along the North line of said Government Lot 4 and the South line of said Coquina Gables, a distance of 1,167.41 feet to the POINT OF BEGINNING.

ARTICLES OF INCORPORATION
OF

ANASTASIA DUNES ASSOCIATION, INC.

A Florida Not-For-Profit corporation



The undersigned, for the purpose of forming a corporation not-for-profit under the laws of Florida, adopts the following Articles of Incorporation:

ARTICLE I
Name

The name of this corporation shall be ANASTASIA DUNES ASSOCIATION, INC., a Florida not-for-profit corporation, hereinafter referred to as the "Association."

ARTICLE II
Principal Office and Mailing Address

The principal place of business and mailing address of this corporation shall be c/o James N. McGarvey, Jr., JNM Makarios Development Venture, Ltd., 2453 South Third Street, Jacksonville Beach, Florida 32250.

ARTICLE III
Initial Registered Agent and Address

The initial Registered Agent of the Association is James N. McGarvey, Jr.. The street address of the Registered Agent is 2453 South Third Street, Jacksonville Beach, Florida 32250.

ARTICLE IV
Incorporator

The incorporator of the corporation is JNM Makarios Development Venture, Ltd., a Florida limited partnership whose address is 2453 South Third Street, Jacksonville Beach, Florida 32250.

ARTICLE V
Duration

This corporation shall exist perpetually.

ARTICLE VI
Purposes

The Association does not contemplate pecuniary gain or profit to its members. The Association's specific purposes are to provide for the maintenance and preservation of the property to be known as Anastasia Dunes (the "Property") in accordance with the Declaration of Charter, Easements, Covenants and Restrictions for Anastasia Dunes, recorded or to be recorded in the public

records of St. Johns County, Florida (the "Declaration") for the mutual advantage and benefit of the members of the Association, who shall be owners of Lots within the Property. To promote the health, safety and welfare of the owners of Lots, the Association shall have the exercise the following authority, powers and duties:

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, which is hereby incorporated by reference, as it may be amended from time to time, and all the powers and privileges of a not-for-profit corporation organized under Chapter 617, Florida Statutes.
- (b) To acquire, by gift, purchase or otherwise, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.
- (c) To operate, maintain and manage the surface water or stormwater management system(s) in a manner consistent with St. Johns River Water Management District requirements and applicable rules; to assist in the enforcement of the restrictions and covenants contained therein; and to levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management systems, including but not limited to work within retention areas, drainage structures and drainage easements.
- (d) To borrow money and to mortgage, pledge or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred.
- (e) To participate in mergers and consolidations with other nonprofit corporations organized for similar purposes.

ARTICLE VII
Membership

Every person or entity who is a record owner of a Lot within the Property shall be a member of the Association. Membership shall be appurtenant to any may not be separated from ownership of any Lot

ARTICLE VIII
Voting Rights

Voting rights are assigned in accordance with the provisions of the Declaration. However, until the occurrence of certain events as described of the Declaration, the developer of the Property shall have the right to elect a majority of the members of the Board.

ARTICLE IX
Board of Directors

The affairs of the Association shall be managed by a Board of Directors, who do not need to be members of the Association. The Board of Directors shall be selected as provided in the Declaration and Bylaws.

ARTICLE VI
Indemnification

This Association shall indemnify and hold harmless any and all of its present or former directors, officers, employees or agents, to the full extent permitted by law. Said indemnification shall include but not be limited to the expenses, including the cost of any judgments, fines, settlements and counsel's fees actually and necessarily paid or incurred in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative, and any appeal thereof, to which any such persons or his legal representative may be made a party or may be threatened to be made a party by reason of his being or having been a director, officer, employee or agent as herein provided. The foregoing right of indemnification shall not affect any other rights to which any director, officer, employee or agent may be entitled as a member or law or which he may be lawfully granted.

IN WITNESS WHEREOF, the incorporator has caused these Articles of Incorporation to be executed this 17 day of July, 2001.

WITNESSES:

JNM Makarios Development Venture, Ltd., a
Florida limited partnership

Patricia H. Kelley
Name: Patricia H. Kelley

Jeanette Luther
Name: Jeanette Luther

BY: JNM Makarios, Inc., its general partner

James N. McGarvey, Jr.
James N. McGarvey, Jr., its president

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 17 day of July, 2001, by James M. McGarvey, Jr., president of JNM Makarios, Inc., a Florida corporation, on behalf of the corporation as general partner of JNM MAKARIOS DEVELOPMENT VENTURE, LTD., a Florida limited partnership. He is personally known to me or has produced a Florida driver's license as identification and did take an oath.

Patricia H. Kelley
Notary Public for the State of Florida

Commission No. CC 722880

Commission Expires: 5-21-02

(SEAL)



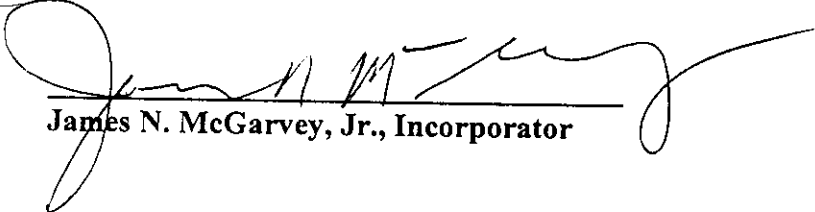
Patricia H. Kelley
MY COMMISSION # CC722880 EXPIRES
May 21, 2002
BONDED THRU TROY FAIN INSURANCE, INC.

H01000076476 0 **CERTIFICATE DESIGNATING REGISTERED OFFICE AND REGISTERED
AGENT FOR THE SERVICE OF PROCESS WITHIN FLORIDA**

In compliance with Sections 48.091, 607.0501 and 607.0505, Florida Statutes, the following is submitted:

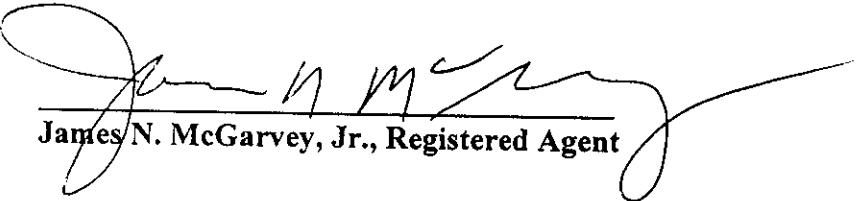
ANASTASIA DUNES ASSOCIATIONS, INC., desiring to organize or qualify under the laws of the State of Florida, hereby designates as its registered agent James N. McGarvey, Jr. to accept service of process within the State of Florida and the address of its registered office shall be 2453 South Third Street, Jacksonville Beach, Florida 32250

DATED this 17 day of July, 2001


James N. McGarvey, Jr., Incorporator

Having been named as registered agent to accept service of process for the above stated corporation, at the place designated in this certificate, I hereby agree to accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

DATED this 17 day of July, 2001


James N. McGarvey, Jr., Registered Agent



OR1635P60070

FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

July 19, 2001

ANASTASIA DUNES ASSOCIATION, INC.
C/O JAMES N. MCGARVEY JR.,
2453 SOUTH THIRD STREET
JACKSONVILLE BEACH, FL 32250**COPY**

The Articles of Incorporation for ANASTASIA DUNES ASSOCIATION, INC. were filed on July 19, 2001, and assigned document number NO1000005118. Please refer to this number whenever corresponding with this office.

This document was electronically received and filed under FAX audit number E01000076476.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding corporations, please contact this office at the address given below.

Sincerely,
Neysa Culligan
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 801A00042389

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

BYLAWS
FOR
ANASTASIA DUNES ASSOCIATION, INC.,

A FLORIDA NOT-FOR-PROFIT CORPORATION

COPY

ARTICLE I
MEMBERS

1.1 Membership. The members of the Anastasia Dunes Association, Inc. (the "Association"), a corporation not for profit organized under Florida law, shall consist of the owners of lots ("Lots") in Anastasia Dunes (the "Property") located in St. Johns County, Florida, as described in the Declaration of Charter, Easements, Covenants and Restrictions recorded or to be recorded in the public records of St. Johns County, Florida (the "Declaration"). The membership of each Owner shall terminate when he ceases to be an Owner of a Lot. Upon the sale, transfer or other disposition of his ownership interest in a Lot, membership in the Association shall automatically be transferred to the new Lot Owner. The Association may issue certificates evidencing membership.

1.2 Shares; Votes. Each member shall have an interest in the funds and assets of the Association and shall be assigned a vote as set out in the Declaration.

ARTICLE II
MEETINGS OF MEMBERSHIP

2.1 Rules. The meetings of the membership shall be held in accordance with the provisions of the Declaration and, subject to the Declaration, in accordance with these By-Laws. Except where in conflict with the Declaration, Roberts Rules of Order (as amended) shall govern the conduct of all membership meetings.

2.2 Annual Meeting. The annual meeting of the Association membership shall be held at the offices of the Association or at such other place in the state of Florida as shall be designated by the Board or the President of the Association. The annual meeting shall be at a place and time determined by the Board, which shall ordinarily be at least 11 months but no later than 13 months since the previous annual meeting.

2.3 Special Meetings. Unless specifically provided otherwise herein or in the Declaration, meetings of the membership shall be held when directed by the President or the Board or when requested in writing by members holding a majority of the votes having the right to vote at such meeting. The call for the meeting shall be issued by the secretary.

2.4 Notice. Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association to each member unless waived in writing. Such notices shall be mailed or personally delivered to each member not less than ten (10) nor more than thirty (30) days prior to the meeting, except in an emergency, in which case the Board shall give such notice as is reasonable under the circumstances.

In addition, except in an emergency, when such notice requirement shall be waived, written notice shall be posted at a conspicuous place on the Property not less than forty-eight (48) hours prior to any special meeting and not less than fourteen (14) days prior to the annual meeting.

2.5 Waiver. Any Owner may waive notice of a meeting or consent to the holding of a meeting without notice or consent to action taken without a meeting, by execution of a waiver or consent in writing. Such waiver or consent may be executed prior to, at, or subsequent to the meeting or Association action to which the waiver or consent relates.

2.6 Quorum. Voting at an Association meeting requires presence of Members (in person, by proxy or, to the extent allowed by Florida law, by telephone conference) representing the percentage of votes established by the Board as necessary to transact business. The Board may revise this percentage from time to time, but in no event shall the required percentage be less than 25% or more than 50% of the membership.

2.7 Proxies. Proxies shall be in writing and are revocable at any time at the pleasure of the member executing it. A proxy shall be valid only for the particular meeting designated and any lawfully adjourned meetings thereof (but in no event shall a proxy be valid for more than 90 days after the date of the first meeting for which it was given). All proxies must be filed with the Secretary before the appointed time of the meeting.

2.8 Action without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of Directors) by written ballot. Ballots shall be mailed or hand delivered to all Members. The Board shall establish for each vote the amount of time to be permitted for voting, which shall be no less than 10 days nor more than 60 days, and all ballots returned within the permitted time shall be counted. The Board may also establish a minimum number of ballots which must be returned in order for the vote to be valid, within the limits required for a quorum.

ARTICLE III BOARD OF DIRECTORS

3.1 Initial Composition. The Board shall initially consist of at least three persons who shall be originally appointed by the Developer.

3.2 Election By Owners, Developer. Owners other than the Developer shall be entitled to elect one Board member when Owners other than the Developer own twenty (20) Lots, and may elect a majority of the Board of the Association as provided in the Declaration.

3.3 First Election. Within sixty (60) days after the Owners other than the Developer become entitled to elect a member of the Board, the Association shall call a meeting of the Owners to elect a member or members of the Board. Notice shall be given not less than thirty (30) days nor more than forty (40) days before the meeting. The meeting may be called and notice given by any Owner if the Association fails to do so. At the meeting, such Owners shall elect the director or directors which they are then entitled to elect, who shall replace those named by the Developer

and who shall serve until the next regularly scheduled annual meeting of the Association, when their successors shall be elected as provided in the Bylaws.

3.4 Number of Directors. The Board shall consist of at least three directors, plus the immediate past president, if not already a director and otherwise available to serve. The number of directors shall be determined from time to time by the Board. When the immediate past president serves as an additional director, he or she shall not vote when an even number of directors is present.

3.5 Term. Directors shall hold office for a term of two years, except the immediate past president, who shall serve for one year. A director may be elected to a one-year term to permit staggered terms. Directors may be elected for successive terms.

3.6 Qualifications. Directors are not required to be Members.

3.7 Voting Procedure. Each Member shall have one vote for each seat to be filled. No cumulative voting shall be permitted. The candidates receiving the highest number of votes shall be declared elected.

3.8 Removal. Except for directors selected by the Developer, any director may be removed from office, with or without cause, by at least a majority vote of all Members, at any duly called meeting of Members. A special Association meeting to remove a director or directors from office may be called by Members representing 10% of the membership giving notice of the meeting unless a lower percentage is permitted by law. The notice shall state the purpose of the meeting and shall be given to all Members in writing at least one week prior to the Association meeting.

3.9 Vacancy. Any vacancy occurring in the Board may be filled by a majority vote of the remaining Board members, except that a vacancy resulting from removal of a director by the members shall be filled by a vote of the membership. Members shall also vote to fill a vacancy if there are not sufficient remaining Board members to constitute a quorum.

3.10 Meetings. An annual meeting of the Board shall be held immediately following the annual meeting of the membership and at the same place. Special meetings of the Board shall be held upon call by the President or a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, unless the Board determines an emergency to exist, in which event the Board shall give such notice as is reasonable under the circumstances. All meetings of the Board at which official action may take place shall be open to all members and, except in an emergency as provided above, notices of all such meetings shall be posted in a conspicuous place on the Property at least 48 hours prior to the meeting. However, members shall not be entitled to vote or participate in any other way at the meeting.

3.11 Waiver. Any director may waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action of the Board without a meeting. Such waiver or consent may be executed prior to, at, or subsequent to the meeting or Board action to which the waiver or consent relates.

3.12 Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference or, if permitted by law, by proxy or by any other permissible means. Any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board.

3.13 Compensation. Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Owners but may be reimbursed for expenses.

3.14 Powers and Duties. The Board shall have the following powers and duties:

- (a) To elect the officers of the Association as hereinafter provided;
- (b) To administer the affairs of the Association and the Property and formulate policies for such purposes;
- (c) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and to amend such rules and regulations from time to time;
- (d) To provide for the maintenance, repair and replacement of those parts of the Property stated in the Declaration to be maintained by the Association;
- (e) To provide for the designation, hiring and removal of employees and other personnel or service companies, including a property manager, to engage or contract for the services of others, to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and to delegate any such powers to the employees or agents of the Association;
- (f) To estimate the amount of the annual budget, to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses as hereinafter provided and to assess any supplemental assessment as the Board shall deem necessary;
- (g) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Owners as expressed in a resolution duly adopted at any annual or special meeting of the Owners; and
- (h) To exercise all other powers and duties of the Board provided for in the Declaration and the Articles.

ARTICLE IV OFFICERS

4.1 Election. Subject to the provisions of the Declaration and Articles, at each annual meeting of the Board, the Board shall elect the following officers of the Association:

- (a) A President, who shall be a director, shall preside over the meetings of the Board and of the Association and shall be the chief executive officer of the Association. In the recess of the

Board, the President shall have general control and management of the business and affairs of the Association;

(b) One or more Vice Presidents, who shall also be directors and who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President;

(c) A Secretary, who shall keep the minutes of all meetings of the Board and of the membership and who shall perform all the duties generally incident to the office of Secretary;

(d) A Treasurer, who shall cause to be kept the financial records and books of account of the Association; and

(e) Such additional officers as the Board shall see fit to elect. An individual may hold more than one position.

4.2 Powers. The officers shall have the general powers usually vested in such officers of a not-for-profit corporation, provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may deem necessary.

4.3 Term. Each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

4.4 Vacancy. Vacancies in any office shall be filled by the Board at special meetings thereof. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board.

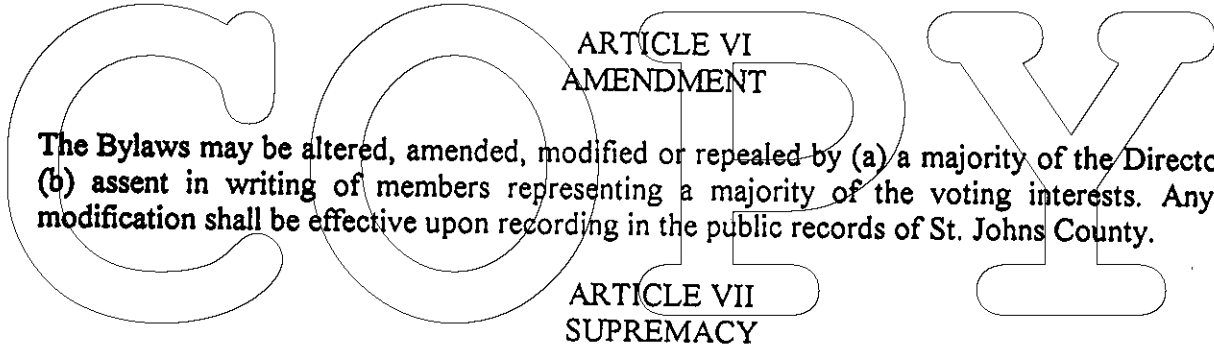
4.5 Compensation. Officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by the Owners, but may be reimbursed for expenses.

ARTICLE V RECORDS

5.1 Accounting. The Board shall maintain accounting records according to generally accepted accounting practices, which records shall be open to inspection by Owners at reasonable times and upon reasonable notice. These accounting records shall include a record of receipts and expenditures and a separate account for each Owner showing the assessments charged to and paid by such Owner. Within ninety (90) days after the end of each year covered by an annual budget, the Board shall cause to be furnished to each Owner a statement for such year showing the receipts and expenditures and such other information as the Board may deem desirable. Upon reasonable notice to the Board, any owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from him.

5.2 Meetings. The Board shall keep a record of all meetings, both of the Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a

summary of the information on which the decision was based. The record shall be available for inspection by any Member.



ARTICLE VI
AMENDMENT

The Bylaws may be altered, amended, modified or repealed by (a) a majority of the Directors, or (b) assent in writing of members representing a majority of the voting interests. Any such modification shall be effective upon recording in the public records of St. Johns County.

ARTICLE VII
SUPREMACY

In the event of a conflict among the Bylaws, Articles or Declaration, the Declaration shall control, followed by the Articles and then Bylaws.

These Bylaws were adopted by the Board on _____, 2001.