

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

ST. JOHNS GOLF & COUNTRY CLUB

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this ____ day of _____, 2000, by St. Joe Residential Acquisitions, Inc., a Florida corporation.

PART ONE: INTRODUCTION TO THE COMMUNITY

St. Joe Residential Acquisitions, Inc. has created this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, expansion, administration, maintenance, and preservation of St. Johns Golf & Country Club as a planned community.

Article I Creation of the Community

1.1. Purpose and Intent.

Declarant, as the owner of the real property described in Exhibit "A" (or if not the owner, with the owner's consent), is Recording this Declaration to establish a general plan of development for St. Johns Golf & Country Club, a planned community. This Declaration provides for the Community's overall development, administration, maintenance, and preservation, and provides a flexible and reasonable procedure for its future expansion. An integral part of the development plan is the creation of St. Johns Golf & Country Club Community Association, Inc., an association comprised of all St. Johns Golf & Country Club property owners, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents.

This document does not and is not intended to create a condominium under Florida law.

1.2. Binding Effect.

This Declaration governs the property described in Exhibit "A," and any other property submitted to this Declaration in the future. This Declaration shall run with the title to such property and shall bind anyone having any right, title, or interest in any portion of such property, their heirs, successors, successors-in-title, and assigns.

Declarant, the Association, any aggrieved Owner, and their respective legal representatives, heirs, successors, and assigns may enforce this Declaration. This Declaration shall be effective for a minimum of 25 years from the date it is Recorded, subject to the right

of Declarant and the Association to amend it as provided in Article XIX. After the initial 25-year period, this Declaration shall be extended automatically for successive 10-year periods in perpetuity unless at least 75% of the then Owners sign and Record a document stating that the Declaration is terminated within the year before any extension. In such case, this Declaration shall expire on the date specified in the termination document. In any event, if any provision of this Declaration would be invalid under the Florida Uniform Statutory Rule Against Perpetuities, that provision shall expire 90 years after this Declaration is Recorded. This section does not permit termination of any easement created in this Declaration without the consent of the holder of such easement.

The St. Johns River Water Management District ("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 Surface Water or Stormwater Management System.

1.3. Governing Documents.

The Governing Documents create a general development plan for St. Johns Golf & Country Club. The following diagram identifies and summarizes the Governing Documents, each as they may be amended:

Declaration _____ (Recorded)	creates obligations which are binding upon the Association and all present and future owners of property in St. Johns Golf & Country Club
Supplemental Declaration _____ (Recorded)	adds property to St. Johns Golf & Country Club; <i>may</i> impose additional obligations or restrictions on such property
Articles of Incorporation _____ (filed with the Department of State)	establish the Association as a non-profit corporation under Florida law
By-Laws _____ (Board adopts)	govern the Association's internal affairs, such as voting rights, elections, meetings, officers, etc.
Architectural Guidelines _____ (Declarant adopts)	establish architectural standards and guidelines for improvements and modifications to Lots, including structures, landscaping, and other items on Lots
Use Restrictions _____ (initial set attached as Exhibit "C")	govern use of property and activities within St. Johns Golf & Country Club
Board Resolutions and Rules _____ (Board adopts)	establish rules, policies, and procedures for internal governance and Association activities; regulate operation and use of Common Area

Additional restrictions or provisions which are more restrictive than the provisions of this Declaration may be imposed on any portion of St. Johns Golf & Country Club, in which case, the more restrictive provisions will be controlling. However, no Person shall Record any additional covenants, conditions, or restrictions affecting any portion of St. Johns Golf & Country Club without Declarant's written consent, so long as Declarant or any Affiliate of Declarant owns property described in Exhibit "A" or "B." Thereafter, the Board must consent. Any instrument Recorded without the required consent is void and of no force and effect.

If there are conflicts between Florida law, the Declaration, the Articles, and the By-Laws, Florida law, then the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

The Governing Documents apply to all Owners and any occupants of a Lot. They also apply to tenants, guests, visitors, and invitees. All leases must require that tenants and all occupants of the leased Lot are bound by and obligated to comply with the Governing Documents; provided, the Governing Documents shall apply regardless of whether specifically set forth in the lease.

If any court determines that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or other applications of the provision.

No provision of this Declaration or of the Articles, By-Laws or any rules or regulations of the Association shall limit or restrict in any way the regulatory powers of St. Johns County, Florida (including its powers to review and approve plats and replats under Section 177.071 of the Florida Statutes), the regulatory powers of the District, or the regulatory powers of the U.S. Army Corps of Engineers.

Diagrams in the Governing Documents illustrate concepts and assist the reader. The diagrams are for illustrative purposes only. If there is a conflict between any diagram and the text of the Governing Documents, the text shall control.

Article II Concepts and Definitions

The terms used in the Governing Documents are given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms are defined as follows:

"Affiliate": Any Person which (either directly or indirectly, through one or more intermediaries) controls, is in common control with, or is controlled by, another Person, and any Person that is a director, trustee, officer, employee, independent contractor, shareholder, agent, co-venturer, subsidiary, personal representative, or attorney of any of the foregoing. For the purposes of this definition, the term "control" means the direct or indirect power to direct or cause the direction of an entity's management or policies, whether through the ownership of voting securities, by contract, or otherwise.

"Architectural Guidelines": The Community's architectural, design, and construction guidelines and review procedures adopted pursuant to Article IV.

"Architectural Review Committee" or "ARC": The committee established to review plans and specifications for the construction or modification of improvements and to administer and enforce the architectural controls described in Article IV.

"Articles": The Articles of Incorporation of St. Johns Golf & Country Club Community Association Inc., filed with Florida's Department of State, as they may be amended.

"Association": St. Johns Golf & Country Club Community Association, Inc., a Florida nonprofit corporation, its successors or assigns.

"Benefited Assessment": Assessments charged against a particular Lot or particular Lots for Association expenses as described in Section 8.4.

"Board of Directors" or "Board": The body responsible for the general governance and administration of the Association, selected as provided in the By-Laws.

"Builder": Anyone acquiring Lots for the purpose of constructing homes for later sale to consumers, or who purchases land within the Community for further subdivision, development, and/or resale in the ordinary course of its business.

"By-Laws": The By-Laws of St. Johns Golf & Country Club Community Association, Inc., as they may be amended. A copy of the initial By-Laws is attached to this Declaration as Exhibit "D."

"Class "B" Control Period": The time period during which the Class "B" Member may appoint a majority of the Board members. The Class "B" Control Period ends when any one of the following occurs:

- (a) when 90% of the Lots permitted under the Master Plan are issued certificates of occupancy and are owned by Class "A" Members other than Builders;
- (b) December 31, 2015; or
- (c) when, in its discretion, the Class "B" Member so determines.

"Common Area": All real and personal property, including easements, which the Association owns, leases, or otherwise has a right to possess or use for the common use and enjoyment of the Owners. The Common Area does not include property owned, maintained, and operated by the Community Development District.

"Common Expenses": The actual and estimated expenses the Association incurs, or expects to incur, for the general benefit of all Owners. Common Expenses include any reserves the Board finds necessary or appropriate.

"Common Maintenance Areas": The Common Area, together with any other area for which the Association has or assumes maintenance or other responsibility.

"Community" or "St. Johns Golf & Country Club": The real property described in Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article IX.

"Community Development District" or "CDD": The Sampson Creek Community Development District, a special taxing district formed in accordance with the provisions of Chapter 190 of the Florida Statutes, or any successor to or assign of such taxing district which includes the Community within the scope of its jurisdiction.

"Community System(s)" or "System(s)": Any or all of a central telecommunication receiving and distribution system (*e.g.*, cable television, high speed data/Internet/intranet services, and security monitoring), and its components, including associated infrastructure, equipment, hardware, and software, serving St. Johns Golf & Country Club.

"Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Community, or the minimum standards established pursuant to the Architectural Guidelines, Use Restrictions, and Board resolutions, whichever is the highest standard. Declarant initially shall establish such standard. The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, and subjective elements, such as matters subject to the Board's or the ARC's discretion. The Community-Wide Standard may or may not be set out in writing. The Community-Wide Standard may evolve as development progresses and as St. Johns Golf & Country Club changes.

"Declarant": St. Joe Residential Acquisitions, Inc., a Florida corporation, or any successor or assign as developer of all or any portion of St. Johns Golf & Country Club who is designated as Declarant in a Recorded instrument that the immediately preceding Declarant executes. On all matters, Declarant may act through any of its Affiliates.

"District": The St. Johns River Water Management District.

"Golf Club": That certain real property, and improvements and facilities thereon, located within, adjacent to, or in the immediate vicinity of the Community, which is owned by Persons other than the Association or the CDD, is operated on a club membership basis or otherwise, and includes a golf course and other associated facilities.

"Lot": A portion of the Community, whether improved or unimproved, which may be independently owned and conveyed, and upon which a dwelling is intended for development, use, and occupancy. The term shall refer to the land, if any, which is part of the Lot as well as any improvements on the Lot. The term shall not apply to the Common Area or to property the CDD owns. The boundaries of each Lot shall be shown on a Plat, provided that in the case of a building containing multiple dwellings for independent sale (*e.g.*, attached or stacked "for sale" units), each dwelling which may be sold independently shall be a separate Lot.

A parcel shall be deemed to be a single Lot until such time as a Plat subdivides all or a portion of the parcel. Thereafter, the subdivided portion shall contain the number of Lots shown on the Plat. Any portion not subdivided shall continue to be a single Lot.

"Master Plan": The land use plan for St. Johns Golf & Country Club approved by St. Johns County, as it may be amended, which includes all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B." Declarant is not obligated to submit property shown on the Master Plan to this Declaration. In addition, Declarant may submit property to this Declaration which is not shown on the Master Plan. The Master Plan is subject to change, in Declarant's discretion, without notice or consent except as may be required by law.

"Member": Each Lot Owner, as described in Section 6.2. There are two membership classes - Class "A" and Class "B."

"Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. The term "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

"Owner": The title holder to any Lot, but excluding, in all cases, anyone holding an interest merely as security for the performance of an obligation (*e.g.*, a Mortgage). If a Lot is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

"Person": An individual, a corporation, a partnership, a trustee, or any other legal entity.

"Plat": Any Recorded land survey plat for all or any portion of St. Johns Golf & Country Club.

"Record," "Recording," or "Recorded": To file, the filing of, or filed of record a legal instrument in the Office of the Clerk of the Circuit County of St. Johns County, Florida, or such other place designated as the official St. Johns County location for recording documents affecting title to real estate.

"Regular Assessment": Annual assessments levied to fund Common Expenses for the general benefit of all Lots, as determined in accordance with Section 8.1.

"Special Assessment": Assessments charged against all Owners in accordance with Section 8.3.

"Surface Water or Stormwater Management System": A system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, Florida Administrative Code. The term shall also include any stormwater discharge facility and irrigation system servicing the Community.

"Supplemental Declaration": A Recorded instrument which subjects additional property to this Declaration, identifies Common Area and/or imposes additional restrictions and obligations on the land described.

"Use Restrictions": The initial use restrictions, rules, and regulations governing the use of and activities on the Lots and the Common Areas set forth in Exhibit "C," as they may be changed in accordance with Article III or otherwise amended.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use and conduct, maintenance, and architecture at St. Johns Golf & Country Club are what give the Community its identity and make it a place that people want to call "home." This Declaration establishes procedures for adopting, modifying, applying, and enforcing such standards while providing the flexibility for community standards to evolve as the Community changes and grows.

Article III Use and Conduct

3.1. Restrictions on Use, Occupancy, and Alienation.

The restrictions set forth in this Section may be amended only in accordance with Article XIX.

(a) Residential and Related Uses. Lots shall be used primarily for residential purposes. An Owner or another resident of the Lot may conduct business activities on such Lot only if the business activity:

- (i) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;
- (ii) complies with applicable zoning requirements;
- (iii) does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees, or door-to-door solicitation within the Community; and
- (iv) is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Community, as determined in the Board's sole discretion.

"Business" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (A) such activity is engaged in full or part time, (B) such activity is intended to or does generate a profit, or (C) a license is required.

This Section shall not apply to restrict Declarant's, or Declarant's Affiliates', activities, nor shall it restrict the activities of Persons Declarant approves with respect to the development and sale of property in the Community. This Section also shall not apply to restrict Association activities related to the provision of services or to operating and maintaining the Community, including the Community's recreational and other amenities, or the activities of the Community Development District.

Leasing a residence is not a "business" within the meaning of this subsection. "Home offices" which do not violate the above criteria are permitted.

(b) Leasing. For purposes of this Declaration, "leasing" is the regular, exclusive occupancy of a dwelling by any Person other than the Owner, for which the Owner receives any consideration or benefit, including a fee, service, or gratuity. The principle dwelling on the Lot may be leased only in its entirety (e.g., separate rooms within the same dwelling may not be separately leased); provided, a detached "in-law suite" or "guest house" may be independently leased.

All leases shall be in writing and shall have a term of at least seven months, except with the Board's prior written consent. The Board, in its discretion, may approve a shorter lease term or any particular Lot, based upon hardship or other circumstances; provided, such approval as to any particular Lot shall not constitute a waiver of the Board's right to enforce the minimum lease term requirement in the future or to withhold future approval for other Lots under similar circumstances. The restrictions on lease terms set forth in this paragraph shall not apply to Lots Declarant or any Affiliate of Declarant owns.

Within ten days of a lease being signed, an Owner shall notify the Board or the Association's managing agent of the lease and provide any additional information the Board may reasonably require. The Owner must give the tenant copies of the Governing Documents. In addition to this sub-section (b), the Board may adopt reasonable Use Restrictions and rules regulating leasing and subleasing.

(c) Maximum Occupancy. No more than two Persons per bedroom may occupy the same dwelling on a regular and consistent basis (as the Board determines).

(d) Occupants Bound. Every Owner shall cause anyone occupying or visiting his or her Lot to comply with the Governing Documents and shall be responsible for all violations and losses they cause to the Common Maintenance Areas, notwithstanding the fact that such Persons also are responsible for complying and may be sanctioned for any violation.

(e) Subdivision of a Lot. Lots may not be subdivided or their boundary lines changed except with Declarant's approval for so long as Declarant or any Affiliate of Declarant owns any portion of the Community. Thereafter, the Board's prior written approval is required. Declarant may subdivide, change the boundary line of, and replat any Lot it owns. In addition, for so long as Declarant or any Affiliate of Declarant, owns any portion of the Community, Declarant may convert Lots into Common Area.

3.2. Framework for Regulation.

As part of the general plan of development, the Governing Documents establish a framework of covenants, easements, and restrictions which govern the Community. This includes the initial Use Restrictions set forth in Exhibit "C." Within that framework, the Board and the Members must be able to respond to unforeseen problems and changes affecting the Community. This Article establishes procedures for modifying and expanding the Use Restrictions to respond to such changes.

The procedures described in this Article are intended to apply primarily to restrictions affecting the use of Lots. The procedures described in this Article are not intended to apply to reasonable rules and regulations relating to use and operation of the Common Area, which the Board may adopt by resolution, or other administrative rules, unless the Board chooses, in its discretion, to submit to such procedures.

3.3. Owners' Acknowledgment and Notice to Purchasers.

Each Owner, by accepting a deed, acknowledges and agrees that the use, enjoyment, and marketability of his or her Lot is limited and affected by the Use Restrictions and Board rules, which may change from time to time. All Lot purchasers are on notice that the Association may have adopted changes to the Use Restrictions and that such changes may not be set forth in a Recorded document. Copies of the current Use Restrictions and Board rules may be obtained from the Association.

3.4. Rule Making Authority.

(a) Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and the Members, the Board may change (*i.e.*, modify, cancel, limit, create exceptions to, or add to) the Use Restrictions. The Board shall send the Members notice of any proposed change at least five business days before the Board meeting to consider the change. The Members shall have a reasonable opportunity to be heard at such Board meeting.

The proposed change shall be approved unless disapproved by a majority of the Association's Class "A" votes, or by the Class "B" Member, if any. The Board is not obligated to call a meeting of the Members to consider disapproval unless it receives a petition which meets the By-Law's requirements for special meetings. If the Board receives such a petition before the change's effective date, the change shall not become effective until after a meeting is held, and then subject to the outcome of the meeting.

(b) Alternatively, Members representing a majority of the Class "A" votes in the Association, at an Association meeting duly called for such purpose, may vote to change the Use Restrictions then in effect. Any such change shall require approval of the Class "B" Member, if any.

(c) Before any Use Restriction change becomes effective, the Board shall send a copy of the new or changed Use Restriction to each Owner. The change does not become effective until 15 days following distribution to the Owners. The Association shall provide to any requesting Member or Mortgagee, without cost, a copy of the Use Restrictions then in effect.

(d) No action taken under this Article shall have the effect of modifying, repealing, or expanding the Architectural Guidelines or any provision of this Declaration other than the initial Use Restrictions. In the event of a conflict between the Architectural Guidelines and the Use Restrictions, the Architectural Guidelines shall control. In the event of a conflict between the Use Restrictions and any provision within this Declaration (exclusive of the Use Restrictions), the Declaration provision shall control.

3.5. Protection of Owners and Others.

Except as may be set forth in this Declaration (either initially or by amendment) or in the initial Use Restrictions set forth in Exhibit "C," the Association's actions with respect to Use Restrictions and rules must comply with the following:

(a) Similar Treatment. Similarly situated Owners must be treated similarly.

(b) Displays. Owners' rights to display religious and holiday signs, symbols, and decorations on their Lots of the kinds normally displayed in single-family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions, including restrictions on size and scope, with respect to such displays.

The Association shall not regulate the content of political signs; however, it may regulate the time, place, and manner of posting such signs (including design criteria).

(c) Household Composition. The Association shall not interfere with any Owner's freedom to determine the composition of his/her household, except that it may enforce the occupancy limits set out in Section 3.1(c).

(d) Activities Within Dwellings. The Association shall not interfere with activities carried on within a dwelling, except it may prohibit activities not normally associated with residential property, and it may restrict or prohibit activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that are an unreasonable source of annoyance.

(e) Alienation. The Association shall not prohibit leasing or transfer of any Lot, or require the Association's or the Board's consent prior to leasing or transferring a Lot. The Association may require that it be provided a copy of any lease pertaining to a Lot. In addition, among other things, Section 3.1(b) imposes a minimum lease term.

(f) Abridging Existing Rights. The Association may not require an Owner to dispose of personal property that was in or on a Lot in compliance with previous rules. This exemption shall apply only during the period of such Owner's ownership of the Lot and shall not apply to subsequent Owners who take title to the Lot after adoption of the rule.

(g) Reasonable Rights to Develop. The Association may not impede Declarant's right to develop St. Johns Golf & Country Club.

(h) Interference with the Golf Club. The Association may not interfere with the use, ownership, appearance, or operation of the Golf Club.

The limitations in subsections (a) through (f) of this Section shall not apply to amendments to this Declaration adopted in accordance with Article XIX.

Article IV Architecture and Landscaping

4.1. General.

Except for work done by or on behalf of Declarant or any Affiliate of Declarant, no structure or thing shall be placed, erected, or installed upon any Lot, and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations, or planting or removal of landscaping) shall take place within St. Johns Golf & Country Club, except in compliance with this Article and the Architectural Guidelines.

Any Owner may remodel, paint, or redecorate the **interior** of any structure on his or her Lot without approval. **However**, modifications to the interior of screened porches, patios, and any other portions of a Lot visible from outside a structure are subject to approval.

Improvements shall be constructed by qualified Persons acceptable to Declarant, provided that Declarant shall not unreasonably withhold its acceptance.

This Article does not apply to Declarant's, or its Affiliates', activities, nor to the Association's activities during the Class "B" Control Period.

4.2. Architectural Review.

(a) By Declarant. Declarant shall have exclusive authority to administer and enforce architectural controls and to review and act upon all applications for architectural and other improvements within the Community. Declarant's rights under this Article IV shall continue until 100% of the Lots permitted under the Master Plan have been conveyed to Class "A" Members other than Builders and contain a dwelling for which a certificate of occupancy has been issued by St. Johns County, unless Declarant earlier terminates its rights in a Recorded instrument. Declarant may designate one or more Persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, Declarant or its designee acts solely in Declarant's interest and owes no duty to any other Person.

Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other Person or committee, including the Architectural Review Committee. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

(b) Architectural Review Committee. Upon Declarant's delegation or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters. When appointed, the ARC shall consist of at least three, but not more than seven, persons. Members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, landscape architects, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish. The ARC members shall serve and may be removed and replaced in the Board's discretion.

The Board may create and appoint subcommittees of the ARC. Subcommittees may be established to preside over particular areas of review (e.g., landscape plans) and shall be governed by procedures the Board or the ARC may establish. Any subcommittee's actions are subject to review and approval by Declarant, for as long as Declarant may review the ARC's decisions, and the ARC. Notwithstanding the above, neither the ARC nor Declarant shall be obligated to review all actions of any subcommittee, and the failure to take action in any instance shall not be a waiver of the right to act in the future.

Unless and until such time as Declarant delegates any of its reserved rights to the ARC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

Declarant and the Association may employ architects, engineers, or other Persons to perform the review required under this Article.

(c) Reviewer. For purposes of this Article, the "Reviewer" is the entity having jurisdiction in a particular case.

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. The Board may include the compensation of such Persons in the Association's annual operating budget.

4.3. Guidelines and Procedures.

(a) Architectural Guidelines. Declarant may prepare the initial Architectural Guidelines, which may contain general provisions applicable to all of St. Johns Golf & Country Club as well as specific provisions which may vary according to location within the Community or product type. The Architectural Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer. The Architectural Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Architectural Guidelines does not guarantee an application's approval.

Declarant shall have sole and full authority to amend the Architectural Guidelines as long as it or any Affiliate of Declarant owns any portion of the Community or has a unilateral right to annex property. Declarant's right to amend shall continue even if its reviewing authority is delegated to the ARC, unless Declarant also delegates the power to amend to the ARC. Upon termination or delegation of Declarant's right to amend, the Board may amend the Architectural Guidelines.

Amendments to the Architectural Guidelines shall be prospective only. They shall not require modifications to or removal of structures previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Architectural Guidelines as amended. Subject to the Community-Wide Standard, there is no limit to the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Architectural Guidelines less restrictive.

In Declarant's discretion, the Architectural Guidelines may be Recorded, in which event the Recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

(b) Procedures. Unless the Architectural Guidelines provide otherwise, no construction activities or other activities described in Section 4.1 may begin until a request is submitted to and approved by the Reviewer. The request must be in writing and be accompanied by plans and specifications and other information the Reviewer or the Architectural Guidelines require. Plans and specifications shall show, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed exterior design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to review so long as they are made in good faith and in accordance with the required procedures.

The Reviewer shall make a determination on each application within 45 days after receipt of a completed application and other information it requires. The Reviewer may permit or require that an application be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application.

As long as Declarant or any Affiliate of Declarant owns any portion of the Community or has the unilateral right to annex property, the ARC shall promptly notify Declarant in writing of any action (*i.e.*, approval, partial approval, or disapproval) it intends to take under this Article. A copy of the application and any additional information that Declarant may require shall accompany the notice. Declarant shall have the right, in its sole and absolute discretion, to veto any such ARC action; provided, Declarant's right to veto must be exercised within 10 business days after it receives notice of the ARC's action. The party submitting the plans for approval shall not be notified of the ARC's action until after Declarant's right to veto has been exercised or has expired.

The Reviewer shall notify the applicant in writing of a final determination on any application within the 45-day period provided for making a determination or, with respect to any ARC determination subject to Declarant's veto right, within five days after the earlier of: (i) receipt of notice of Declarant's veto or waiver thereof; or (ii) expiration of the 10-day period for exercise of Declarant's veto. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

If the Reviewer fails to respond in a timely manner, approval shall be deemed given, subject to Declarant's veto right. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Architectural Guidelines unless a written variance has been granted pursuant to Section 4.5.

Notice shall be deemed given at the time the envelope containing the response is deposited in U.S. mail. Personal or electronic delivery of such written notice also shall be sufficient and shall be deemed given at the time of confirmed delivery to the applicant.

As part of any approval, the Reviewer may require that construction in accordance with approved plans commence within a specified time period. If construction does not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All construction work shall be completed within one year of commencement unless otherwise specified in the notice of approval or the Architectural Guidelines, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action by the Association or Declarant.

Declarant or the Board, with Declarant's consent, by resolution, may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution. For example, Builders may submit and receive pre-approval of landscaping or other plans for general application. Such pre-approved plans shall not require resubmission prior to use on a particular Lot.

4.4. No Waiver of Future Approvals.

Each Owner acknowledges that the people reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, at which time, it may or may not be unreasonable to require that such objectionable features be changed. However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval of similar applications, plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances.

The Reviewer may authorize variances from compliance with the Architectural Guidelines and any procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the Reviewer from denying a variance in other circumstances. A variance requires Declarant's written consent for so long as Declarant or any Affiliate of Declarant owns any portion of the Community or has the unilateral right to annex property and, thereafter, requires the Board's written consent.

4.6. Limitation of Liability.

This Article establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of St. Johns Golf & Country Club. The standards and procedures do not create any duty to any Person. Review and approval of any application pursuant to this Article may be based on purely aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

Declarant, Declarant's Affiliates, the Association, its officers, the Board, the ARC, the Association's management agent, any committee, or any member of any of the foregoing shall not be held liable for the approval of, disapproval of, or failure to approve or disapprove any plans; soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a Builder in the Community; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Association shall defend and indemnify the Board, the ARC, the members of each, and the Association officers as provided in Section 7.6.

4.7. Certificate of Compliance.

Any Owner may request in writing that the Reviewer issue a certificate of architectural compliance certifying that there are no known violations of this Article or the Architectural Guidelines. The Association shall either grant or deny such written request within 30 days after receipt and may charge a reasonable administrative fee. The issuance of a certificate of architectural compliance shall prevent the Association from taking enforcement action against an Owner for any condition known to the Association on the date of the certificate.

4.8. Enforcement.

Any construction, alteration, or other work done in violation of this Article or the Architectural Guidelines is subject to enforcement action. Upon written request from the Association or Declarant, an Owner shall, at his/her own cost and expense, and within a reasonable time frame identified in the request, cure the violation or restore the Lot to substantially the same condition as existed before the violation occurred. Should an Owner fail to cure the problem or otherwise restore the property as required, the Association, Declarant, or their designees shall have the right to enter the property, remove the violation, and restore the property. All costs, together with interest at the rate the Board establishes (not to exceed the maximum rate then allowed by law), may be assessed against the benefited Lot and collected as a Benefited Assessment.

Any approvals granted under this Article are conditioned upon completion of all elements of the approved work, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work by the deadline imposed, Declarant or the Association may, after notifying the Owner and allowing an opportunity to be heard in accordance with the By-Laws, enter upon

the Lot and remove or complete any incomplete work and assess all costs incurred against the Lot and its Owner as a Benefited Assessment.

Any act of any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Architectural Guidelines may be excluded from the Community, and subject to the notice and hearing procedures contained in the By-Laws. Declarant, any Affiliate of Declarant, or the Association, and their respective officers and directors, shall not be held liable to any Person for exercising the rights granted by this paragraph.

The Association shall be primarily responsible for enforcing this Article. If, however, in Declarant's discretion, the Association fails to take appropriate enforcement action within a reasonable time period, Declarant, for so long as it or any Affiliate of Declarant owns any portion of the Community or has the unilateral right to annex property, may, but shall not be obligated to, exercise the enforcement rights set forth above. In such event, Declarant may assess and collect Benefited Assessments against the violating Owner and assert the Association's lien rights pursuant to Article VIII. The Association hereby assigns to Declarant such rights and authority, including the right to all funds collected, and no further assignments shall be required.

In addition to the foregoing, the Association and Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the Reviewer's decisions. If the Association or Declarant prevails, they shall be entitled to recover all costs including, without limitation, attorneys' fees and costs at all tribunal levels, reasonably incurred in such action. The alternative dispute resolution provisions set out in Article XIII shall not apply to actions by Declarant or the Association to enforce the provisions of this Article or the Reviewer's decisions.

4.9. Permanent Vegetative Natural Buffers.

Except as permitted by the District or St. Johns County, there shall be 15-foot permanent vegetative natural buffers ("Buffers") surrounding all wetlands areas within the Community. The Buffers are a part of the Surface Water and Stormwater Management System and are regulated by both the District and St. Johns County. The following activities are prohibited within the Buffers: filling or excavation; planting, sodding or removing vegetation; irrigation; or construction of fences which impede the flow of surface water.

No alteration of any portion of a Buffer shall be authorized without the District's prior written approval. Any damage to any Buffer, whether caused by natural or human-induced phenomena, shall be repaired and the Buffer returned to its former condition as soon as possible by the Owner(s) of the Lot(s) upon which the Buffer is located.

Article V Maintenance and Repair

5.1. Maintenance of Lots.

Each Owner must maintain his or her Lot, including all structures, landscaping, and other improvements comprising the Lot, in a manner consistent with the Governing Documents, the Community-Wide Standard, and any other applicable covenants, unless such maintenance responsibility is otherwise assumed by the Association or assigned to (and accepted by, if appropriate) the Association or the CDD under this Declaration, any Supplemental Declaration, or additional covenants applicable to such Lot.

Each Owner must maintain the sidewalk and landscaping located in the public right-of-way adjacent to his or her Lot unless the Association or the CDD assumes all or part of such maintenance responsibility.

5.2. Responsibility for Repair and Replacement.

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance includes responsibility for repair and replacement as necessary to maintain the property to a level consistent with the Community-Wide Standard.

Each Owner shall carry property insurance for the full replacement cost of all insurable improvements on his or her Lot, less a reasonable deductible. In the event of damage to or destruction of a structure on a Lot, the Owner shall promptly repair or reconstruct the structure in a manner consistent with the original construction or other plans and specifications approved in accordance with Article IV. Alternatively, the Owner shall clear the Lot and maintain it in a neat and attractive condition consistent with the Community-Wide Standard. The Owner shall pay any costs insurance proceeds do not cover.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

This Declaration establishes the Association as a way for each Owner to participate in the governance and administration of St. Johns Golf & Country Club. While the Board of Directors has responsibility for the Association's day-to-day management and operation, some decisions are considered of such importance that they are reserved for the Association's membership -- the Lot Owners.

Article VI The Association and its Members

6.1. Function of Association.

The Association has primary responsibility for administering and enforcing the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Florida law. The Board is appointed or elected as provided in the By-Laws and shall be responsible for the Association's management and may contract with a property manager for such purposes.

The Association also is the entity responsible for management, maintenance, operation, and control of the Common Maintenance Areas; provided, the Association is not responsible

for, and has no control over, those properties which are owned and operated by the Community Development District. The Community Development District will provide for the management, maintenance, operation, and control of public facilities within or associated with St. Johns Golf & Country Club including, without limitation, streets and recreational facilities (but not including the Golf Club) serving the Community.

6.2. Membership.

Every Owner is a Member of the Association; provided, there is only one membership per Lot. If a Lot is owned by more than one Person, each co-Owner shares the privileges of the membership, subject to reasonable Board regulation and the voting restrictions described below and in the By-Laws. Co-Owners are jointly and severally obligated to perform the responsibilities of a Member. The membership rights of an Owner which is not an individual (*e.g.*, a corporation) may be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in a written instrument provided to the Association's Secretary.

The Association shall have two classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member and, during the period of Class "B" membership any Affiliate of Declarant.

(b) Class "B". The Class "B" Member shall be, collectively, Declarant and any Affiliate of Declarant owning a Lot. The Class "B" membership terminates upon the earlier of: (i) when 95% of the Lots permitted under the Master Plan are issued certificates of occupancy and are owned by Class "A" Members other than Builders; or (ii) when, in its discretion, Declarant declares in a Recorded instrument.

6.3. Voting.

(a) Class "A". Class "A" Members have one equal vote for each Lot they own, except that there is only one vote per Lot. No vote shall be exercised for any property which is exempt from assessment under Section 8.8.

In any situation where there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

(b) Class "B". The Class "B" Member shall not vote, but may appoint a majority of the Board members during the Class "B" Control Period, as specified in the By-Laws, and may exercise the additional rights specified throughout the Governing Documents. Unless Declarant delegates such authority, Declarant shall act as, and on behalf of, the Class "B" Member on all matters. Upon termination of the Class "B" membership, Declarant and Declarant's Affiliates shall be Class "A" Members entitled to one Class "A" vote for each Lot they own.

6.4. Neighborhoods.

Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, as long as it or any Affiliate of Declarant owns property described in Exhibit "A" or "B," to establish separate "Neighborhoods" within the Community, and to designate particular portions of the Common Area as being reserved for the exclusive use of one or more, but less than all such Neighborhoods. The Lots within a designated Neighborhood may be subjected to additional covenants, conditions, restrictions, and additional assessments for services provided to Lots within such designated Neighborhood.

Any Neighborhood may request that the Association provide a higher level of service than that which the Association generally provides to other portions of the Community, or may request that the Association provide special services for the benefit of Lots in such Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of a majority of the Lots within the Neighborhood, the Association shall provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Lot to all Neighborhoods receiving the same service), shall be assessed against just the Lots within such Neighborhood as a "Neighborhood Assessment."

Article VII Association Powers and Responsibilities

7.1. Acceptance and Control of Association Property.

(a) The Association may acquire, hold, mortgage or otherwise encumber, lease (as landlord or tenant), operate, and dispose of tangible and intangible personal property and real property. The Association may enter into leases, licenses, or operating agreements, for payment or no payment, as the Board deems appropriate, permitting use of portions of the Common Area by others.

(b) Declarant, Affiliates of Declarant, or their designees may transfer to the Association, and the Association shall accept, personal property and/or fee title or other property interests in any improved or unimproved real property included within the property described in Exhibit "A" or "B." Upon Declarant's written request, the Association shall transfer back to Declarant any unimproved real property originally conveyed to the Association for no payment, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

In addition to the above, the Community Development District may transfer to the Association, and the Association shall accept, title to real or personal property serving the Community.

(c) The Association is responsible for management, operation, and control of any Common Area, subject to any covenants, easements, or restrictions set forth in the deed or other instrument transferring the property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate. The Association may enter into a property management agreement with any Person, including Declarant or any Affiliate of Declarant.

7.2. Maintenance of Common Maintenance Areas.

(a) Generally. The Association shall maintain any Common Maintenance Areas in accordance with the Community-Wide Standard. The Common Maintenance Areas shall include the Common Area, including landscaping, structures, facilities, and other improvements, and may include, but need not be limited to:

(i) landscaping within public rights-of-way within or abutting St. Johns Golf & Country Club, but not including any such areas, improvements, or equipment maintained by St. Johns County, the Community Development District, or any other governmental or quasi governmental body; and

(ii) any additional property as may be dictated by Declarant, this Declaration, any Supplemental Declaration, any Plat, or any contract, covenant, or agreement for maintenance entered into by, or for the benefit of, the Association.

The Association may maintain other property which it does not own, including property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and the property owner consents. The Common Maintenance Areas shall not include CDD-owned property, unless the CDD's maintenance responsibility is specifically assigned to, and accepted by, the Association.

The Association shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been negligent in performing its maintenance responsibilities.

(b) Continuous Operation. The Association shall maintain any facilities and equipment within the Common Maintenance Areas for which it has responsibility in continuous operation, except for any periods necessary, as determined by the Board, to perform required maintenance or repairs, unless Members representing at least 75% of the Class "A" votes in the Association agree in writing to discontinue such operation (which may include closing and/or demolishing such facilities or equipment). Notwithstanding the above, the Common Maintenance Areas may not be reduced, nor shall operation of its facilities and equipment be discontinued, without Declarant's prior written approval as long as Declarant or any Affiliate of Declarant owns any property described in Exhibit "A" or "B" to this Declaration.

(c) Cost of Maintenance. The costs associated with maintenance, repair, and replacement of the Common Maintenance Areas shall be a Common Expense. However, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Common Maintenance Areas pursuant to this Declaration, a Supplemental Declaration, or other Recorded covenants or agreements.

Unless Declarant expressly agrees in writing with the Association to pay the costs of maintaining any portion of the Common Maintenance Areas, Declarant shall have no such obligation, regardless of any inferences which may be drawn from promotional or other materials.

(d) Maintenance of Surface Water or Stormwater Management System. The Sampson Creek Community Development District has been created to, own, operate, and

maintain, among other things, the Surface Water or Stormwater Management System serving the Community, including associated improvements and equipment. The Association shall be responsible for maintaining only such portions of the Surface Water or Stormwater Management System, if any, which the CDD is not obligated to maintain. In any event, Owners of Lots which extend into lakes or other water bodies shall be responsible for maintaining such portion of the lake banks that lie within the boundaries of their Lot.

Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance, or other surface water or stormwater management capabilities as the District permits. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted or, if modified, as otherwise approved by the District. The operation, maintenance, and management of the Surface Water or Stormwater Management System shall be consistent with the District permit requirements, and applicable District rules.

(e) Assumption of Declarant Obligations. Except to the extent assigned to or assumed by the Community Development District, the Association shall assume Declarant's obligations to St. Johns County, other governmental or quasi-governmental entities, any state and federal agencies, and similar entities of any kind with respect to the Common Area and the Surface Water or Stormwater Management System, and shall indemnify and hold Declarant and its Affiliates harmless with respect thereto.

7.3. Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within other portions of the Common Maintenance Areas to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All Association property insurance policies shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Common Maintenance Areas, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence and in the aggregate with respect to bodily injury, personal injury, and property damage;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage; and

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment, but not less than an amount equal to one-quarter of the annual Regular Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

In the exercise of its business judgment, the Board may obtain additional insurance coverage and higher limits.

Unless otherwise provided in a Supplemental Declaration, premiums for Common Maintenance Area insurance shall be a Common Expense.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the St. Johns County area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or tenants, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Benefited Assessment.

To the extent available upon reasonable cost and terms, all insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in Florida which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members;

(iii) not be brought into contribution with insurance purchased by individual Owners, their Mortgagees, or any occupants of a Lot;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area as a Member in the

Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

(vii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(viii) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners (as a class) as additional insureds and provide:

(i) a waiver of subrogation as to any claims against Declarant, Declarant's Affiliate, the Association, or their respective directors, officers, employees, and agents, and the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed if insurance proceeds (less any deductible) are available, unless Members representing at least 80% of the total Class "A" votes in the Association and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period may be extended for a reasonable period until such funds or information are available. If insurance proceeds are unavailable, the Board may decide, in the exercise of its

business judgment, not to restore the damaged Common Area improvements. No Mortgagees shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

The Association shall retain in a reserve fund for capital items any insurance proceeds remaining after paying the costs of repair or reconstruction, or after an agreed-upon settlement, for the benefit of the Members. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds and reserves are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the applicable insurance coverage premiums.

7.4. Compliance and Enforcement.

(a) The Board may impose sanctions for Governing Document violations, which sanctions include those listed below and any others described elsewhere in the Governing Documents. The Board may establish a range of penalties for different violations, with violations of the Declaration, unsafe conduct, and harassment or intentionally malicious conduct treated more severely than other violations. The following sanctions require prior notice and an opportunity for a hearing in accordance with the By-Laws (provided only a single notice and hearing is required for continuing violations):

(i) imposing reasonable monetary fines of up to \$100.00 per violation or per day (in the case of a continuing violation), which shall constitute a lien upon the violator's Lot (fines may be imposed within a graduated range). The aggregate amount of any fine for a continuing violation shall not exceed \$2,500.00;

(ii) suspending an Owner's right to vote (except that no notice or hearing is required if the Owner is more than 90 days delinquent in paying any Regular Assessment);

(iii) suspending any Person's right to use Common Area amenities (except that no notice or hearing is required if the Owner is more than 30 days delinquent in paying any assessment or other charge owed the Association); provided, nothing shall authorize the Board to impair an Owner or occupant's access to his or her Lot;

(iv) suspending any services provided by the Association (except that no notice or hearing is required if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association);

(v) exercising self-help or taking action to abate any violation of the Governing Documents occurring on a Lot in a non-emergency situation (including removing personal property that violates the Governing Documents); and

(vi) levying Benefited Assessments to cover costs incurred by the Association to bring a Lot into compliance with the Governing Documents.

In addition, the Board may take the following enforcement actions to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in the By-Laws:

(i) exercising self-help or taking action to abate a violation on a Lot in an emergency situation (including towing vehicles that are in violation of parking rules and regulations);

(ii) exercising self-help or taking action to abate a violation on the Common Area under any circumstances; or

(iii) bringing suit at law for monetary damages or in equity to stop or prevent any violation, or both.

In addition to any other enforcement rights, if an Owner fails to perform properly his or her maintenance responsibility, the Association may Record a notice of violation or perform the required maintenance and assess its costs against the Lot and the Owner as a Benefited Assessment. Except in an emergency situation, the Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action. Moreover, if an Owner is legally responsible for damage inflicted on any portion of the Common Maintenance Area, the Association may direct such Owner to repair such damage or the Association may make the repairs and recover damages from the responsible Owner.

The above sanctions shall not apply to Declarant or any Affiliate of Declarant or to any Lot owned by Declarant or any of its Affiliates. All sanctions and remedies set forth in the Governing Documents are in addition to any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party may recover all of its costs incurred in the action, including, without limitation, attorneys' fees and costs at all tribunal levels.

(b) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

By contract or other agreement, the Association may enforce applicable city and county ordinances. In addition, St. Johns County may enforce its ordinances within the Community.

7.5. Implied Rights; Board Authority.

The Association may exercise any right or privilege given to it expressly or by reasonable implication by the Governing Documents, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents or by law, all of the Association's rights and powers may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Maintenance Areas, enforcement of the Governing Documents, or any other civil claim or action. However, the Board has no legal duty to institute litigation on behalf of or in the name of the Association or the Members.

In exercising the Association's rights and powers, making decisions on the Association's behalf, including, without limitation, deciding whether to file a lawsuit under any circumstances, and conducting the Association's affairs, Board members and the Association's officers are subject to, and their actions shall be judged in accordance with, the standards set forth in the By-Laws.

7.6. Indemnification of Officers, Directors, and Others.

The officers, directors, and committee members, acting in such capacity, shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability for any contract or other commitment made or action taken in good faith on the Association's behalf.

Subject to Florida law, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section.

This right to indemnification shall not be exclusive of any other rights which any present or former officer, director, or committee member may have. The Association shall, as

a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.7. Provision of Services.

The Association may provide, or provide for, services and facilities for all or any of the Members and their Lots, and may enter into contracts or agreements with other entities, including Declarant or its Affiliates, to provide such services and facilities. The Board may charge use or service fees for any such services and facilities, or may include the costs in the Association's budget as a Common Expense and assess it as part of the Regular Assessment, if provided to all Lots. By way of example, such services and facilities might include landscape maintenance; pest control service; cable television service; telephone; internet access; security monitoring; caretaker; transportation; fire protection; utilities; trash collection and recycling; recreational and social activities or programs; educational programs; cultural, artistic, and environmental programs; charter clubs; and similar services and facilities.

Nothing in this Section shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, subject to the contract terms, the Board may modify or cancel existing contracts for services in its discretion, unless the services are otherwise required by the Governing Documents. Non-use of services provided to all Owners or Lots as a Common Expense shall not exempt any Owner from the obligation to pay assessments for such services.

7.8. Relationships with Other Properties.

The Association may enter into contractual agreements or covenants to share costs with any neighboring properties or the Golf Club to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Common Area maintenance.

7.9. Facilities and Services Open to the Public.

Property owned by the CDD, and certain Common Maintenance Areas, including facilities, may be open for public use and enjoyment. Such facilities and areas may include, for example: greenbelts, trails and paths, parks, areas conducive to gathering and interaction, roads, sidewalks, and medians. During the Class "B" Control Period, Declarant may designate Common Maintenance Areas and facilities as open to the public. Thereafter, the Board may designate such facilities and areas as open for public use.

7.10. Relationship with Governmental and Tax-Exempt Organizations.

The Association may enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to, state or local governments, public utility providers, the Community Development District, and non-profit, tax-exempt organizations for the benefit of the Community, the Association, and the Members. The Association may contribute money, real property (including Common Area), personal property, or services to any such entity. Any such contribution shall be a Common Expense and included as a line item in the Association's annual budget.

For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

7.11. Right To Designate Sites for Governmental and Public Interests.

For so long as Declarant or any Affiliate of Declarant owns any property described in Exhibit "A" or "B," Declarant may, but is not obligated to, designate sites within the Community for government, education, or religious activities and interests, including without limitation, fire, police, and utility facilities, schools and educational facilities, houses of worship, parks, and other public facilities. The sites may include Common Area, in which case the Association shall take whatever action is required to permit such use, including dedication or conveyance of the site, if so directed by Declarant.

7.12. Education and Training.

The Association may provide education and training activities as a tool for fostering Owner and resident awareness of St. Johns Golf & Country Club's governance, operations, and concerns.

7.13. Use of Technology.

In recognition of the opportunities offered through computers and continuing advancements in the high technology fields, the Association may, as a Common Expense, provide for or offer services that make use of computers and other technological opportunities. For example, to the extent Florida law permits, and unless otherwise specifically prohibited in the Governing Documents, the Association may send required notices by electronic means; hold Board or Association meetings and permit attendance and voting by electronic means; send and collect assessment and other invoices over the computer; sponsor a community cable television channel; create and maintain a community intranet or Internet home page offering interactive participation opportunities for users; maintain an "online" newsletter or bulletin board; make the Governing Documents available electronically; and provide funding for any of the above purposes.

7.14. Bulk Rate Service Agreements.

The Association may enter into contracts, including bulk rate service agreements, with providers of Community Systems components and other utilities and with other Persons for the maintenance, management, administration, upgrading, modification, and operation of the Systems and utilities. The Association's expenses in connection with any such bulk rate contracts shall be a Common Expense to be included in the Regular Assessment; provided, if particular or additional services or benefits are provided to particular Lots, the benefited Owner(s) shall pay the service provider directly for such services, or the Association may assess the costs as a Benefited Assessment.

The terms of any Association contract for Community Systems or other utilities may obligate individual Owners or occupants to execute subscription agreements or other contracts directly with the Persons providing components or services prior to gaining access to the System or utility, or in the alternative, the Association may execute a subscription agreement

or contract on behalf of all Owners. Such subscription agreements or other contracts may contain terms and conditions relating to use and access to the Community System or utility which, if violated by the Owner or occupant of a Lot, may result in services to such Owner or occupant's Lot being terminated by the System or utility provider or by the Association. The termination of service for such a violation shall not relieve the Owner of the continuing obligation to pay that portion of assessments or other Association charges pertaining to the Community Systems or common utilities.

The Association shall have no obligation to utilize any particular provider or providers; provided, except for cause (as defined under a written agreement with the provider), the Association may not, without Declarant's consent, terminate or refuse to renew any contract entered into during the Class "B" Control Period.

Article VIII Association Finances

8.1. Budgeting and Allocating Common Expenses.

The Association is authorized to levy Regular Assessments equally against all Lots subject to assessment under Section 8.5 to fund the Common Expenses. Before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall reflect the sources and estimated amounts of funds to cover such expenses, including any prior year's surplus or deficit, any non-assessment income, and anticipated assessment income. The budget also shall separately reflect all fees for recreational amenities in accordance with Florida law.

To the extent the Association is responsible for maintaining any portion of the Surface Water or Stormwater Management System, the budget also shall include the estimated cost of such maintenance and repair, including but not limited to, work within retention areas, drainage structures, and drainage easements.

In determining the Regular Assessment, the Board may consider any assessment income expected to be generated from any property reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a summary of the proposed budget and notice of the Regular Assessment to be levied pursuant to such budget to each Owner not less than 10 nor more than 60 days prior to the effective date of the budget. The budget and assessment shall automatically take effect on such date unless disapproved at a meeting by Members representing 75% of the total Class "A" votes and by the Class "B" Member, if any. There shall be no obligation to call a meeting of the Members for the purpose of considering the budget except upon petition of the Members as provided in the By-Laws for special meetings. Any such petition must be presented to the Board in writing within 14 days after the mailing of the budget and notice of the Regular Assessment.

If any proposed budget is disapproved, or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Regular Assessment from time to time during the year, subject to the notice requirements set forth above and in Florida law.

Declarant may, but shall not be obligated to, reduce the Regular Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.6(b)) which may be either a contribution, an advance against future assessments due from Declarant, or a loan to the Association, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate Declarant to continue paying a subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

8.2. Budgeting for Reserves.

The Board may include in the Common Expense budget, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period. Reserve budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. So long as the Board acts in good faith and exercises business judgment in determining the amount or necessity of the reserve fund, if any, the amount shall be considered adequate, regardless of any calculation or estimation errors.

The Board may adopt resolutions regarding the expenditure of any reserve funds, including policies designating the nature of assets for which reserve funds may be expended. So long as Declarant or any Affiliate of Declarant owns any property described in Exhibit "A" or "B," neither the Association nor the Board shall adopt, modify, limit, or expand such policies without Declarant's prior written consent.

The Board may enter into agreements with Declarant, on negotiated terms, under which Declarant may obligate itself to provide or contribute to reserve funds as needed on a "cash basis" in lieu of funding reserves on an accrual basis. The Board has no duty to fund reserves during any period that Declarant is funding Association budget deficits. In addition, the Association is not required to fund reserves for property or facilities the Community Development District owns or maintains.

8.3. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise specifically provided in this Declaration or any Supplemental Declaration, any Special Assessment shall require the affirmative vote or written consent of Members representing at least a majority of the total Class "A" votes in the Association, and the affirmative vote or written consent of the Class "B" Member, if any. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4. Benefited Assessments.

The Association may levy Benefited Assessments against one or more particular Lots as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Lots upon request of an Owner pursuant to any menu of special services which the Association may offer (which might include the items identified in Section 7.7) or pursuant to a Supplemental Declaration. Benefited Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing a Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Benefited Assessment under this subsection.

Lots which Declarant or any Affiliate of Declarant owns are exempt from Benefited Assessments.

8.5. Commencement of Assessment Obligation; Time of Payment.

The obligation to pay assessments commences as to each Lot on the first day of the month following: (a) the month in which the Lot is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Regular Assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

Owners shall pay assessments in the manner and on the dates the Board establishes. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and may impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid annually or in quarterly, monthly, or semi-annual installments. Unless the Board otherwise provides, the Regular Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require that the outstanding balance on all assessments be paid in full immediately.

8.6. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any Lot, covenants and agrees to pay all assessments authorized in the Governing Documents for each Lot owned. All assessments, together with interest (computed from the assessment's due date at a rate of 18% per annum), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board's failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Regular Assessments on the same basis as during the last year for which an assessment was

made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner is exempt from liability for assessments by non-use of Common Area, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant by each Owner. No reduction or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some required function, or for inconvenience or discomfort arising from making repairs or improvements, or for any other reason.

Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Option to Fund Budget Deficits. To the extent permitted by Florida law, during the Class "B" Control Period, Declarant may satisfy the obligation for assessments on Lots which it or any Affiliate of Declarant owns either by paying assessments in the same manner as any other Owner or by funding the budget deficit. The budget deficit is the difference between the amount of assessments levied on Class "A" Member-owned Lots, plus any other income received during the fiscal year, and the amount of the Association's actual expenditures during the fiscal year, excluding expenses exclusively for capital improvement costs and reserves. Unless Declarant otherwise notifies the Board in writing within 60 days before or after the beginning of the fiscal year, Declarant shall continue paying on the same basis as during the previous fiscal year.

Regardless of Declarant's election, Declarant's assessment obligations may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Class "B" Control Period, except with respect to Benefited Assessments, Declarant shall pay assessments on Lots which it or its Affiliates own in the same manner as any other Owner.

8.7. Lien for Assessments.

The Association may Record a lien against any Lot, including Declarant's Lots, to secure payment of assessments that remain unpaid for a period of 30 days or longer after becoming due. For purposes of this Section, assessments shall include interest, late charges (subject to Florida law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all real estate taxes and other governmental assessments and charges against the Lot, (b) the lien or charge of any Recorded first Mortgage (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value, and (c) other Recorded liens or encumbrances in which by law would be superior. The Association's lien may be enforced by suit, judgment, and judicial or nonjudicial foreclosure, in the same manner as liens are foreclosed under Florida Construction Lien Laws.

Notwithstanding the above, and subject to Florida law, any lien for Association assessments or charges levied solely for the purpose of acquisition, development, or construction of infrastructure or capital improvements serving the Community (or to pay the

cost to underwrite, service, and repay any debt incurred to finance any such acquisition, development, or construction) may be designated by the Board as a "Capital Improvement Assessment" which shall be superior to (a) the Association's lien for other Common Expenses, and (b) all other liens except those deemed superior under Florida law and which may not be made subordinate by this provision.

At a foreclosure sale, the Association may bid for the Lot and acquire, hold, lease, mortgage, and convey the Lot. The Association may sue for unpaid assessments and other charges without foreclosing or waiving its assessment lien.

Sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure by the first Mortgagee extinguishes the lien relating to any amounts due prior to the Mortgagee's foreclosure. The purchaser of a foreclosed Lot shall not be personally liable for assessments on such Lot due prior to the foreclosure sale. Such unpaid assessments shall be a Common Expense collectible from Owners of all Lots subject to assessment under Section 8.6, including such purchaser, its successors and assigns.

Notwithstanding the above, while the Association owns a Lot: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association.

8.8. Exempt Property.

The following property shall be exempt from payment of Regular Assessments and Special Assessments:

- (a) All Common Area and other portions of the Community which are not Lots;
- (b) Any property dedicated to and accepted by St. Johns County or any other governmental or quasi-governmental authority or public utility; and
- (c) Property the Community Development District owns.

In addition, Lots owned by Declarant or its Affiliates are exempt to the extent Declarant opts to fund budget deficits pursuant to Section 8.6(b). Further, both Declarant and the Association shall have the right, but not the obligation, to grant exemptions to schools, houses of worship, hospitals, or Lots owned by and used by Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code. Exemptions granted by Declarant shall be binding on the Association.

8.9. Use and Consumption Fees: Licenses and Royalties.

The Board may charge use and consumption fees to any Person using Association services or facilities and may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (*e.g.*, Owners and non-Owners).

As set forth in Section 10.7, the Association may enter into license agreements with Declarant or other parties which permit the Association's use of trade names or service marks

(e.g., use of the name St. Johns Golf & Country Club). To the extent permitted by such license agreements, the Board may enter into sub-license agreements, under negotiated terms, which permit others within the Community to use such trade names and/or service marks. The Association may charge fees and collect royalties in connection with such sub-license agreements; provided, Declarant and any Affiliate of Declarant shall be exempt from payment of such license fees.

PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to the developer in order to facilitate the smooth and orderly development of St. Johns Golf & Country Club and to accommodate changes in the Master Plan which inevitably occur as a community the size of St. Johns Golf & Country Club grows and matures.

Article IX Expansion of the Community

9.1. Annexation by Declarant.

Declarant may, from time to time, subject to this Declaration all or any portion of the property described in Exhibit "B" by a Recorded Supplemental Declaration which describes the property being subjected. A Supplemental Declaration Recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

Declarant's right to annex property pursuant to this Section expires when all property described in Exhibit "B" has been subjected to this Declaration or 15 years after this Declaration is Recorded, whichever is earlier. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "B." Any such transfer shall be memorialized in a Recorded instrument executed by Declarant.

Nothing in this Declaration shall require Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

9.2. Annexation by the Association.

The Association also may annex property to the provisions of this Declaration by a Recorded Supplemental Declaration which describes the additional property. Annexation by the Association shall require the affirmative vote or written consent of Members representing more than 50% of the Class "A" votes and the consent of the property owner. In addition, so long as Declarant or any Affiliate of Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, Declarant's consent is required. The President and Secretary of the Association, the owner of the property, and Declarant, if Declarant's consent is required, shall sign the Supplemental Declaration.

9.3. Additional Covenants and Easements.

By Supplemental Declaration, Declarant may impose additional covenants and easements on portions of the Community, including covenants obligating the Association to

maintain and insure specific property and authorizing the Association to recover its costs through Benefited Assessments or through "Neighborhood Assessments," as provided in Section 6.4. If someone other than Declarant owns the property, then such owner's consent and execution of the Supplemental Declaration is required. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4. Effect of Filing Supplemental Declaration.

Unless otherwise specified, a Supplemental Declaration shall be effective upon the earlier of (a) notice to the Persons affected thereby, or (b) Recording. The Lots subjected to this Declaration by Supplemental Declaration shall have equal voting rights in the Association and equal pro rata liability for Regular Assessments with all other Lots.

Article X Additional Rights Reserved to Declarant

10.1. Withdrawal of Property.

So long as it has a right to annex property pursuant to Section 9.1, Declarant may withdraw any unimproved portion of St. Johns Golf & Country Club from the coverage of this Declaration. "Unimproved" means that no permanent structure has yet been built on the property. Such withdrawal shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant. Except as provided in Section 7.1(b), if the property is Common Area, the Association's consent is required for such withdrawal.

The withdrawal of any portion of the Community which was required to be included by any governmental or quasi-governmental entity (including, without limitation, St. Johns County and the District), whether specifically or by standards set forth in applicable codes and regulations, shall require the written consent of such entity.

10.2. Marketing and Sales Activities.

Notwithstanding anything in the Governing Documents to the contrary, Declarant and its Affiliates, and their respective assigns, and Builders may construct and maintain upon portions of the Common Area and other property they own, including Lots and homes, such facilities, activities, and things as, in Declarant's opinion, may reasonably be required, convenient, or incidental to the construction or sale of Lots. Such permitted facilities, activities, and things shall include business offices, construction offices, signs, flags (whether hung from flag poles or attached to a structure), model homes, sales offices, holding or sponsoring special events, and exterior lighting features or displays. In addition, if reasonably required, convenient, or incidental to construction or sales activities, Declarant, Declarant's Affiliates, their assigns, and Builders, may park vehicles in areas other than garages or driveways, including on streets. Builders' rights under this Section are subject to Declarant's approval.

10.3. Right to Develop.

Declarant and its Affiliates and their respective employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the

purpose of making, constructing, and installing such improvements to the Common Area, and to the Exhibit "B" property, as it deems appropriate in its sole discretion.

10.4. Right to Approve Changes in St. Johns Golf & Country Club Standards.

No amendment to or modification of any Use Restrictions, rules, or the Architectural Guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant or any Affiliate of Declarant owns any portion of the Community or has a unilateral right to annex property in accordance with Section 9.1.

10.5. Right to Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a Recorded instrument signed by Declarant. Declarant may allow other Persons to exercise, on a one-time or limited basis, any Declarant right without transferring the entire right. In such case, a Recorded instrument is not required.

10.6. Community Systems.

Declarant reserves for itself, its Affiliates, successors, and assigns, a perpetual right and easement to install and operate within St. Johns Golf & Country Club such Community Systems as Declarant, in its discretion, deems appropriate to service the buildings and the structures within any Lot or other portion of the Community. Such right shall include, without limitation, Declarant's right to select and contract with companies licensed to provide telecommunications, cable television, and other Community Systems services in the region, and to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable.

Notwithstanding the above, there is no guarantee or representation that any particular Community System will be made available.

10.7. Rights To Use Names; License Agreements.

The names "Arvida[®]," "St. Joe," "St. Johns Golf & Country Club," "St. Joe Residential Acquisitions, Inc.," and all similar or derivative names, along with all logos associated therewith, are the proprietary trade names and service marks of St. Joe Residential Acquisitions, Inc. or its Affiliates. No Person shall use such trade names or service marks for advertising or any other purpose in any promotional material, whether printed, audio, video, or otherwise, in any signage, or in any logo or depiction without the prior written consent of the Person who owns such mark. In addition, due to the integrated nature of St. Johns Golf & Country Club as a planned community, and the public identification of the Lots with St. Johns Golf & Country Club, any name or "logo" to be used in connection with or displayed on any Lot, and any sales or other materials or documentation related to the use of the Lot, shall be subject to Declarant's prior written consent. Such approval may be given or withheld in Declarant's discretion and may be subject to such terms and conditions as Declarant deems appropriate.

Notwithstanding the above, Owners may use the name "St. Johns Golf & Country Club" where such term is used solely to specify that particular property is located within St. Johns Golf & Country Club (subject, however, to such terms and conditions as Declarant may impose in order to protect its registered trade names and service marks).

10.8. Right To Use Common Area for Special Events.

As long as Declarant or any Affiliate of Declarant owns any property described in Exhibit "A" or "B," Declarant may use the Common Area to sponsor special events for charitable, philanthropic, political, or marketing purposes, subject to the following conditions:

- (a) the availability of the facilities at the time requested;
- (b) Declarant shall pay all costs and expenses incurred and shall indemnify the Association against any loss or damage resulting from the special event; and
- (c) Declarant shall return the facilities and personal property used in conjunction with the special event to the Association in the same condition as existed prior to the special events.

Declarant shall have the right to assign its rights to charitable organizations or foundations selected by Declarant. Declarant's right to use the Common Area for special events shall be enforceable by injunction, by any other remedy in law or equity, and by the terms of this Declaration.

10.9. Easement to Inspect and Right to Correct.

Declarant reserves for itself and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of St. Johns Golf & Country Club, including Lots, and a nonexclusive easement of access throughout the Community to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a dwelling or other structure on a Lot shall be permitted without the Owner's consent, which consent shall not unreasonably be withheld, conditioned, or delayed. The failure or refusal to permit reasonable access to the Lot for the purposes contemplated under this paragraph shall excuse Declarant or its designee from responsibility for repairs or damages relating to defective workmanship or materials. The Person exercising this easement shall promptly repair, and pay for, any resulting damage.

10.10. Right to Notice of Design or Construction Claims.

No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within St. Johns Golf & Country Club in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant and any Builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the property Owner and conduct an inspection.

10.11. Termination of Rights.

Rights granted under this Article shall terminate upon the earlier of (a) the period specified in the particular Section; (b) 25 years from the date this Declaration is Recorded; or (c) Declarant's Recording of a statement that all sales activity has ceased. Thereafter, Declarant and its Affiliates may continue to use the Common Areas for the purposes stated in this Article only pursuant to a rental or lease agreement with the Association which provides for rental payments based on the fair market rental value of any such portion of the Common Areas. Notwithstanding the above, Declarant reserves for itself and its Affiliates a perpetual, non-exclusive easement of access to and use of the Common Areas in connection with the marketing and sale of other properties in order to show the Community as an example of Declarant's, or its Affiliates', projects. This Article shall not be amended without Declarant's written consent.

10.12. Exclusion of Declarant's Other Properties.

By accepting a deed to a Lot, each Owner, specifically acknowledges that nothing contained in this Declaration shall in any way, either expressly or by implication, restrict, limit, or otherwise affect the use or disposition by Declarant or any Affiliate of Declarant of any property either of them owns, whether contained within or contiguous to St. Johns Golf & Country Club. Declarant and its Affiliates shall have full, free, and unrestricted use of its other lands, notwithstanding any incompatibility of such use with restrictions this Declaration imposes upon the Lots. By accepting a deed to a Lot, each Owner, specifically and expressly disclaims any reciprocal negative easement in any property Declarant owns.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community, with its wide array of properties and development types and its ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, the Association, and others within or adjacent to the Community.

Article XI Easements

11.1. Easements in Common Area.

Declarant grants to each Owner a right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying the property to the Association;
- (c) The Board's right to:
 - (i) adopt rules regulating Common Area use, including rules limiting the number of guests who may use the Common Area, and charge use fees for such use;

(ii) suspend the right of an Owner to use any Common Area amenity (A) for any period during which any assessment or other charge against the Owner's Lot remains delinquent, and (B) for a period not to exceed 30 days for a single violation, or for a longer period in the case of any continuing violation, of the Governing Documents;

(iii) dedicate or transfer all or any part of the Common Area, subject to any approval requirements set forth in this Declaration;

(iv) rent any portion of any clubhouse or other Common Area recreational facilities on an exclusive or non-exclusive short-term basis to any Person;

(v) permit use by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Board's discretion; and

(vi) mortgage, pledge, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred.

Any Owner may extend his or her right to use the Common Area to the members of his or her family, tenants, and social invitees, as applicable, subject to reasonable Board regulation. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the tenants of such Lot for the lease term.

11.2. Easements of Encroachment.

Declarant grants easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area. A permitted encroachment is a structure or fixture which extends unintentionally on to another's property, a distance of less than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3. Easements for Utilities, Etc.

(a) Installation and Maintenance. Declarant reserves for itself and its Affiliates, so long as Declarant or any Affiliate of Declarant owns any property described in Exhibit "A" or "B," and grants to the Association, the CDD, and utility providers, perpetual, non-exclusive easements throughout St. Johns Golf & Country Club (but not through a structure) to the extent reasonably necessary to:

(i) install utilities and infrastructure to serve St. Johns Golf & Country Club, cable and other systems for sending and receiving data and/or other electronic signals, drainage systems, and security and similar systems;

(ii) install walkways, pathways and trails, street lights, and signage on property which Declarant, its Affiliates, or the Association owns or within public rights-of-way or easements reserved for such purpose on a Plat;

(iii) inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described above; and

- (iv) access and read utility meters.

Notwithstanding the above, Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and Record such specific easements as may be necessary, in Declarant's sole discretion, to develop the property described in Exhibits "A" and "B." The location of the easement shall be subject to the written approval of the burdened property Owner, which approval shall not unreasonably be withheld, delayed, or conditioned.

(c) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

11.4. Easements to Serve Additional Property.

Declarant reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities.

If the above easement grants permanent access to any property which is not submitted to this Declaration, Declarant, or its successors or assigns, shall enter into a reasonable agreement with the Association to share the cost of maintenance that the Association provides for the benefit of the easement holder. The shared maintenance costs may include maintenance to or along any roadway providing access to the benefited property.

11.5. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to the Association and to the Community Development District easements over the Community as necessary to fulfill their respective maintenance responsibilities. The Association shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with and enforcing the Governing Documents. Any member of the Board, and its duly authorized agents and assignees, including committee members, and all emergency personnel in the performance of their duties may exercise such right. Except in an emergency situation, entry on to a Lot shall only be during reasonable hours and after notice to the Owner.

Declarant grants to the Association, subject to any required notice, an easement and right to enter a Lot to abate a Governing Document violation and/or to remove any structure,

thing, or condition that violates the Governing Documents. Any costs incurred, including reasonable attorneys' fees and costs at all tribunal levels, shall be assessed against the Lot Owner as a Benefited Assessment.

11.6. Easements for Lake and Pond Maintenance.

Declarant reserves for itself, the Association, the Community Development District, the Golf Club owner, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Community to (a) install, operate, maintain, and replace pumps, lines, and other equipment to supply irrigation water to the Common Maintenance Areas and/or the Golf Club and to use water for such irrigation purposes; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Declarant, the Association, the Community Development District, the District, the Golf Club owner, and their successors, assigns, and designees shall have an access easement over and across any portion of the Community, including Lots (but not inside a dwelling or other structure), which abuts or contains bodies of water or wetlands to the extent reasonably necessary to exercise their rights under this Section.

Anyone exercising these easements shall use reasonable care in and repair any damage resulting from their intentional exercise of the easements. Nothing herein shall be construed to obligate Declarant or the Association to maintain property which is the maintenance responsibility of the Community Development District, the Golf Club, Owners, or others, or make Declarant or any other Person liable for damage resulting from flooding due to natural occurrences or other occurrences not reasonably foreseeable or under the control of Declarant or such other Person.

11.7. Easements for Cross-Drainage.

All portions of the Community shall be burdened with easements for natural drainage of stormwater runoff from other portions of the Community; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of stormwater onto adjacent portions of the Community without the consent of the Owner(s) of the affected property, the Board, and Declarant as long as it or any Affiliate of Declarant owns any property described in Exhibit "A" or "B" to the Declaration.

11.8. Rights to Stormwater Runoff, Effluent, and Water Reclamation.

Declarant reserves for itself and its designees all rights to ground water, surface water, stormwater runoff, and effluent located or produced within the Community, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Community for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. This Section may not be amended without Declarant's consent, and the rights created in this Section shall survive termination of this Declaration.

The Community Development District has been created to, among other things, own and maintain the Surface Water or Stormwater Management System, and shall have a perpetual, non-exclusive right and easement of access over the Community to operate, maintain, or repair the System. Notwithstanding the above, to the extent the Association owns

or assumes maintenance responsibility for all or any portion of the Surface Water or Stormwater Management System, the Association also shall have such right and easement with respect to such portions of the System. By this easement, the Community Development District and the Association shall have the right to enter upon any portion of any Lot which is a part of the Surface Water or Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain, or repair the System as required by the District permit.

Notwithstanding the above and Section 11.6, the Association's rights, obligations, and easements with respect to the Surface Water or Stormwater Management System are limited by and subject to the rights of the Community Development District with authority over such system.

Article XII Party Walls and Other Shared Structures

12.1. General Rules of Law to Apply.

Each wall, fence, driveway, or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to party structures. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XIII.

12.2. Maintenance; Damage and Destruction.

Unless otherwise specifically provided in additional covenants relating to such Lots, the Owners sharing the party structure shall share equally in the cost of necessary or appropriate party structure repairs and maintenance.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner sharing the structure may restore it and be entitled to contribution for the restoration cost in equal proportions from other sharing owners. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of St. Johns Golf & Country Club as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and with our neighbors, and protection of the rights of others who have an interest in the community.

Article XIII Dispute Resolution

13.1. Agreement to Encourage Resolution of Disputes Without Litigation.

(a) Declarant, the Association and its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties"), agree to attempt to resolve disputes involving St. Johns Golf & Country Club without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to, directly or indirectly, file a law suit for a Claim described in subsection (b), without first submitting the Claim to the alternative dispute resolution procedures described in Section 13.2.

(b) As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations, and duties of any Bound Party under the Governing Documents;

(iii) the design or construction of improvements within the Community, other than matters of aesthetic judgment under Article IV, which shall not be subject to review; or

(iv) trespass, nuisance, property damage, or enforcement of laws, codes, or ordinances within St. Johns Golf & Country Club.

The following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 13.2:

(i) any Association action to collect assessments or other amounts due from any Owner;

(ii) any Association action to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two of this Declaration (relating to creation and maintenance of community standards);

(iii) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(iv) any suit in which any indispensable party is not a Bound Party; and

(v) any suit as to which the applicable statute of limitations would expire within 180 days of giving the Notice required by Section 13.2(a), unless the party or parties against whom the Claim is made agree to toll, or extend, the Claim's statute of limitations to comply with this Article.

13.2. Dispute Resolution Procedures.

(a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent, and to the Board, stating plainly and concisely:

- (i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;
- (ii) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);
- (iii) the Claimant's proposed resolution or remedy; and
- (iv) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) Mediation. If the Bound Parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within such other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the St. Johns County area. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the Bound Parties do not settle the Claim within 30 days after submitting the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Except as provided in Section 13.2(e), the Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Bound Parties. If any Bound Party thereafter fails to abide by the terms of such agreement, then any other Bound Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the Bound Party taking action to enforce

the agreement shall, upon prevailing, be entitled to recover from the non-complying Bound Party (or each one in equal proportions) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and costs at all tribunal levels.

(e) Actions Involving Declarant – Final and Binding Arbitration. Except for (i) claims seeking recovery of amounts within the jurisdictional limits of the St. Johns County Court, and (ii) disputes in which a party other than an Owner or the Association is an indispensable party, all disputes, including any Claim described above, between an Owner or the Association and Declarant or any Affiliate of Declarant shall be resolved by final and binding arbitration in accordance with this subsection (e) and, except as specifically provided, shall not be submitted as a lawsuit or other proceeding in any Florida state court or federal court. This subsection (e) is an agreement to arbitrate and is specifically enforceable under Florida law. Any arbitration award shall be subject only to review by the Florida or federal appellate courts in the same manner as are trial court judgments. Judgment may be entered upon the arbitration award in any court of competent jurisdiction to the fullest extent permitted under Florida law.

Prior to commencing arbitration under this subsection, the parties shall engage in negotiation and mediation in accordance with Sections 13.2(a)-(c), regardless of whether such matter is a Claim under Section 13.1. If negotiation and mediation are unsuccessful in resolving the dispute, the Owner or the Association, as applicable, shall have until expiration of the applicable statute of limitations under Florida law (as would apply to the same claim being brought in a Florida or federal court) to submit the dispute to the American Arbitration Association for arbitration in St. Johns County. The American Arbitration Association shall appoint three arbitrators, including one attorney, to conduct the arbitration in accordance with its rules. The arbitrators shall render a written judgment accompanied by findings of fact and conclusions of law.

If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and the Respondent shall be released and discharged from any and all liability to the Claimant arising out of the dispute. The parties shall share equally the costs of conducting the arbitration until a prevailing party is determined; provided, the prevailing party shall be entitled to recover all of its costs incurred in the action, including, without limitation, reasonable attorneys' fees.

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Lot or the Owner or occupant which is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any Association insurance policy;

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders; or

(e) If the U.S. Department of Housing and Urban Development is insuring or the U.S. Department of Veterans Affairs is guaranteeing the Mortgage on any Lot, material amendment to the Governing Documents or extraordinary action of the Association, as defined under VA Pamphlet 26-7.

14.2. No Priority.

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

14.3. Notice to Association.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering the Owner's Lot.

14.4. Failure of Mortgagee to Respond.

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Article XV The Golf Club

15.1. Right to Use the Golf Club.

Neither membership in the Association nor ownership or occupancy of a Lot shall automatically confer any right to use the Golf Club. Rights to use the Golf Club, and the terms and conditions of use, are determined only by the Golf Club owner. The Golf Club owner shall have the right, from time to time in its sole and absolute discretion and without notice, to cease operations or to amend or waive the terms and conditions relating use of the Golf Club, including, without limitation, eligibility for and duration of use rights, categories of use, extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written membership agreements or

documents. Use rights in or membership in the Golf Club may be available to the general public, as determined in the Golf Club owner's sole and absolute discretion.

15.2. Operations; Conveyance of the Golf Club.

All Persons, including all Owners, are advised that no representations or warranties have been or are authorized by Declarant, any Affiliate of Declarant, the Association, any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership, operation, use, management, or membership structure of the Golf Club. No purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the Record owner of the Golf Club.

The ownership, operation, use, or management of the Golf Club (or any portion of a Golf Club) may change at any time by virtue of, without limitation, (a) the sale to or assumption of operations or management by an independent Person; (b) establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the Golf Club members or an entity owned or controlled by its members become the Golf Club owner(s) and/or operator(s); (c) the conveyance of the Golf Club to one or more of Declarant's Affiliates, shareholders, employees, or independent contractors; or (d) the operation of the Golf Club as a commercial enterprise open to the public. Consent of the Association or any Owner shall **not** be required to effectuate any change in ownership or operation of the Golf Club, for or without consideration and subject to or free of any mortgage, covenant, lien, or other encumbrance.

15.3. Rights of Access and Parking.

There is established for the benefit of the Golf Club and its members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and non-exclusive easement of access and use over all roadways and golf cart paths, if any, located within the Community reasonably necessary to travel between an entrance to the Community and the Golf Club and over those portions of the Community (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Golf Club. Without limiting the generality of the foregoing, Golf Club members, guests, and invitees shall have the right to park their vehicles on roads located within the Community at reasonable times before, during, and after tournaments and other member or public functions held by or at the Golf Club to the extent that the Golf Club has insufficient parking to accommodate such vehicles.

15.4. Golf Balls; Irrigation Overspray.

(a) The Community is burdened with an easement permitting golf balls unintentionally to travel over and come upon areas adjacent to a golf course, and for golfers at reasonable times and in a reasonable manner to come upon the Common Area and the exterior portions of any Lot to retrieve errant golf balls; provided, if any Lot is fenced or walled, entry on the Lot shall require the Lot Owner's permission. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

Under no circumstances shall any of the following Persons be held liable for any property damage, nuisance, personal injury, or death resulting from errant golf balls or

the exercise of this easement: Declarant; Declarant's Affiliates; the Association or its Members (in their capacities as such); the owner, operator, or lessee of any golf course, or their assigns; any Builder or contractor (in their capacities as such); any employee, officer, director, or partner of any of the foregoing, or any employee, officer, or director of any partner.

(b) Any portion of the Community immediately adjacent to a golf course is burdened with a non-exclusive easement for overspray of water from the golf course's irrigation system. **Under no circumstances shall Declarant or its Affiliates, the Association, or the golf course owner or operator be held liable for any damage or injury resulting from such overspray or the exercise of this easement.**

15.5. Assumption of Risk and Indemnification.

By purchasing a Lot in the vicinity of a golf course or other Golf Club facilities, each Owner expressly assumes the risk of noise, personal injury, death, or property damage caused by maintenance and operation of such facilities, including, without limitation: (a) noise from maintenance equipment (it being specifically understood that maintenance typically takes place during early morning hours or late afternoon and early evening hours); (b) noise caused by golfers and other Golf Club users; (c) use of pesticides, herbicides, and fertilizers; (d) use of effluent in irrigation; (e) reduction in privacy caused by traffic to or from the Golf Club, golf traffic on the golf course, or the removal or pruning of shrubbery or trees on the golf course; (f) errant golf balls and golf clubs; and (g) design or redesign of the golf course.

Each Owner agrees that Declarant, the Association, the Golf Club owner(s), and any of Declarant's Affiliates or agents shall not be liable to any Owner or any other Person claiming any loss or damage, including, without limitation, indirect, special, or consequential loss or damage arising from personal injury, death, destruction of property, trespass, loss of enjoyment, or any other alleged wrong or entitlement to remedy based upon, due to, arising from, or otherwise related to the proximity of Owner's Lot to the golf course or other Golf Club facility, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, any of Declarant's Affiliates or agents, or the Association. The Owner agrees to indemnify and hold harmless Declarant, Declarant's Affiliates and agents, and the Association against any and all such claims by Owner's visitors, tenants, and others upon such Owner's Lot.

15.6. Limitations on Amendments.

In recognition of the fact that the provisions of this Article are for the benefit of the Golf Club, no amendment to this Article, and no amendment in derogation of any other provisions of this Declaration benefiting the Golf Club, may be made without the Golf Club owner's written approval. The foregoing shall not apply, however, to amendments made by Declarant.

15.7. Jurisdiction and Cooperation.

Declarant intends that the Association and the Golf Club shall cooperate to the maximum extent possible in the operation of the Community and the Golf Club. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Architectural Guidelines. The Association shall have no power to

promulgate Use Restrictions affecting activities on or use of the Golf Club without the Golf Club owner's prior written consent.

Article XVI Disclosures and Waivers.

16.1. Changes in the Master Plan.

Each Owner acknowledges that St. Johns Golf & Country Club is a master planned community, the development of which is likely to extend over many years, and agrees and consents to all changes in (a) uses or density of Lots or dwellings within St. Johns Golf & Country Club, or (b) changes in the Master Plan.

Each Owner acknowledges and agrees that the present plans and themes for St. Johns Golf & Country Club development may change and that it has not relied on any representation, warranty, or assurance by any Person (a) that any Lots, or other property or facilities will be added, modified, or eliminated within St. Johns Golf & Country Club; or (b) as to the financial or other impact of such action on any Owner. Each Owner acknowledges and agrees that it is not entitled to rely upon and has not received or relied upon any representations, warranties, or guarantees whatsoever as to: (a) the design, construction, completion, development, use, benefits, or value of St. Johns Golf & Country Club; or (b) the number, types, sizes, prices, or designs of any residential or non-residential structures or improvements built or to be built in any part of St. Johns Golf & Country Club.

16.2. No Liability For Third Party Acts.

Owners and occupants of Lots, and their respective guests and invitees, are responsible for their own personal safety and for their property in St. Johns Golf & Country Club. The Association may, but is not obligated to, maintain or support certain activities within the Community which promote or enhance safety or security within the Community. However, the Association, and Declarant shall not in any way be considered insurers or guarantors of safety or security within the Community, nor shall they be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including fire protection, burglar alarm, or other security monitoring systems, or any mechanism or system for limiting access to the Community, cannot be compromised or circumvented, nor that any such systems or measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all occupants of its Lot that the Association, the Board and its committees, and Declarant are not insurers or guarantors of security or safety and that each Person within St. Johns Golf & Country Club assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

16.3. View Impairment.

Neither Declarant nor the Association guarantee or represent that any view over and across the Lots, any open space within the Community, or any golf course or other Golf Club facility will be preserved without impairment. Neither Declarant nor the Association shall be obligated to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate covenant or agreement. The Association (with respect to the Common Area) and Golf Club owners have the right to add structures, trees, and other landscaping from time to time subject to applicable law and homes or other structures may be constructed on adjacent Lots, subject to approval in accordance with Article IV. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

16.4. Notices and Disclaimers as to Community Systems.

Any Community System and its providers, managers, and operators may be subject to federal, state, or municipal regulations, laws, and ordinances. Such regulations, laws, and ordinances may have a significant impact on certain aspects of the system including, but not limited to, the fees charged, the method of delivery, the rights of the system users, as well as the rights of the system providers or operators. These regulations and their impact are beyond the Association's control.

In recognition of the fact that interruptions in cable television and other Community Systems services will occur from time to time, neither Declarant nor any of Declarant's Affiliates, successors, or assigns shall in any manner be liable for, and no Community System user shall be entitled to refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

Each Owner acknowledges and agrees that the Association, by virtue of contractual relationships with Community Systems providers, may gain access to information relating to individual use of the Community Systems, including account and content information. In recognition of this fact, each Owner waives any privacy rights he or she may have in such information and any claims against the Association, the Board, Declarant, and Declarant's Affiliates relating to the acquisition of such information. Further, each Owner acknowledges and agrees that the acquisition of such information by the Association shall not create any duty on the part of the Association, Declarant, or Declarant's Affiliates to any Person to act in any manner with respect to such information.

Notwithstanding the above, or any other provisions in this Declaration, there is no guarantee or representation that any particular Community System will be made available.

16.5. Construction Activities.

All Owners, occupants, and users of Lots are hereby placed on notice that Declarant, any Affiliate of Declarant, Builders and/or their agents, contractors,

subcontractors, licensees, and other designees, successors, or assigns shall, from time to time, conduct construction activities within the Community. By acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of a Lot or the Community, the Owners and all occupants and users of Lots acknowledge, stipulate, and agree (a) such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other Persons under their control or direction to enter upon, (regardless of whether such entry is a trespass or otherwise), any property where such activities are being conducted (even if not being actively conducted at the time of entry); (c) that Declarant, any Affiliate of Declarant, and their agents, contractors, subcontractors, licensees, and other designees, successors, and assigns, shall not be liable but, rather, shall be held harmless for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgement and agreement is a material inducement to Declarant or its Affiliates to sell, convey, lease, and/or allow the use of Lots.

16.6. Water Management.

Each Owner acknowledges that Declarant and its Affiliates are not related to District, the U.S. Army Corps of Engineers, or any other local permitting authority for surface water permits. Each Owner further acknowledges and agrees that any lakes or wetlands within St. Johns Golf & Country Club are designed as water management areas and are not designed as aesthetic features. Due to fluctuations in ground water elevations within the immediate area, the use of lakes for irrigation purposes by the Golf Course owner, the CDD, and/or others, and other factors, the water level of lakes will rise and fall and Declarant has no control over such elevations. Therefore, each Owner agrees to release and discharge Declarant and its Affiliates from and against any and all losses, claims, demands, damages, costs, and expenses of whatever nature or kind, including reasonable attorneys' fees and costs at all tribunal levels, related to or arising out of any claims relating to such fluctuations in the water elevations.

Owners shall not alter, modify, expand, or fill any lakes or wetlands located within or in the vicinity of St. Johns Golf & Country Club without the prior written approval of the local permitting authority, Declarant, the District, the U.S. Army Corps of Engineers, and such other local, state, and federal authorities as may have relevant jurisdiction over such matters.

16.7. U.S. Corps of Engineers/St. Johns River Water Management District - Permits

(a) Permits and Restrictions. The requirements of permit number 1998 05831 (IP-DS) issued by the U.S. Army Corps of Engineers ("Corps"), and permit numbers 4-109-0200C-ERP (01/12/99) and 4-109-0201-ERP (01/12/99) issued by the District, as such permits may be supplemented and/or amended from time to time, apply to the development of St. Johns Golf & Country Club. The Association shall own such permits and the Association has the obligation to assure that all terms and conditions of such permits are enforced. The Association shall have the right to bring an action, at law or in equity, against any Owner violating such permits.

Notwithstanding the above, any Owner owning a Lot which contains or is adjacent to jurisdictional wetlands or conservation areas as established by the Corps or the District shall, by acceptance of title to the Lot, be deemed to have assumed the obligation to comply with all such permit requirements relating to his or her Lot.

Except as required or permitted by the Corps or District permits, no Owner shall alter, fill, dredge, place sod, excavate, or perform similar activities on any portion of their Lot, unless and until such activity is authorized by or made exempt from the Corps' and the District's requirements. In the event that an Owner violates the terms and conditions of such permits and for any reason Declarant or the Association is cited therefore, the Owner agrees to indemnify and hold harmless Declarant, Affiliates of Declarant, and the Association from all costs arising in connection therewith, including reasonable attorneys' fees and costs at all tribunal levels, and the costs of curing such violation.

(b) **Enforcement.** Notwithstanding any other provisions contained elsewhere in this Declaration, the Corps and the District shall have the rights and powers enumerated in this paragraph. The Corps and the 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 Surface Water or Stormwater Management System and/or jurisdictional lands subject to Corps or District regulation. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted or, if modified, as approved by the District. Any amendment to this Declaration which alters the Surface Water or Stormwater Management System beyond maintenance in its original condition, including the water management portions of the Common Area, must have the District's prior written approval. Any amendment to this Declaration which amends the responsibilities or obligations of the parties with respect to the Corps permit, must have the Corps' prior written approval. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the Surface Water or Stormwater Management System and Corps or District permits must be assigned to and accepted by an entity approved by the Corps and the District.

16.8. Liability for Association Operations.

The Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Declarant (including its Affiliates, successors, and assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, reasonable attorneys' fees and costs at all tribunal levels and whether or not suit is instituted, including those incurred in establishing the right to be indemnified, defended, and held harmless pursuant hereto), which relate to or arise out of Association management and operations, including, without limitation, improvement, maintenance, and operation of amenities and other portions of the Common Maintenance Areas and the collection of assessments.

PART SEVEN: CHANGES IN THE COMMUNITY

Communities such as St. Johns Golf & Country Club are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the residents age and change over time, and as the surrounding community changes. St. Johns Golf & Country Club and its Governing Documents must be able to adapt to these changes while protecting the things that make St. Johns Golf & Country Club unique.

Article XVII Changes in Ownership of Lots

Any Owner, other than Declarant or any Affiliate of Declarant, desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least 14 days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Lot Owner, including assessment obligations, until the date upon which the Board, notwithstanding the transfer of title, receives such notice.

Article XVIII Changes in Common Area

18.1. Condemnation.

Whenever any part of the Common Area is taken or conveyed under threat of condemnation by any authority having the power of eminent domain, the Board shall determine, in the exercise of its business judgment, whether each Owner is entitled to notice.

The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent practicable, unless, within 60 days after such taking, Declarant, so long as Declarant owns any property described in Exhibit "A" or "B" of this Declaration, and at least 75% of the total Class "A" votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans the Board approves. The provisions of Section 7.3 regarding funds for the repair of damage or destruction shall apply.

If the taking does not involve any Common Area improvements, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

18.2. Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action for partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

18.3. Transfer or Dedication of Common Area.

The Association may convey, dedicate, or otherwise transfer portions of the Common Area to St. Johns County or to any other local, state, or federal governmental or quasi-governmental entity.

Article XIX Amendment of Declaration

19.1. By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration, during the Class "B" Control Period, Declarant may unilaterally amend this Declaration for any purpose.

Thereafter, subject to any limitations which Florida law imposes, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD, or VA, to make, purchase, insure, or guarantee mortgage loans on the Lots; or (d) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent in writing.

19.2. By the Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least 75% of the Association's total Class "A" votes. In addition, so long as Declarant or any Affiliate of Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, Declarant's written consent is required for any amendment.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

19.3. Approval by the St. Johns River Water Management District.

Any amendment to this Declaration which alters any provision relating to Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Areas, must have the District's prior written approval.

19.4. Approval by the U.S. Army Corps of Engineers.

Any amendment to this Declaration which alters any provision relating to a permit issued by the U.S. Army Corps of Engineers which modifies the responsibilities and/or

obligations of the parties with respect to such permit, and must have the U.S. Army Corps of Engineers' prior written approval.

19.5. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon the earliest of (a) actual notice; (b) Recording; or (c) later effective date specified in the amendment. Any procedural challenge to an amendment must be made within one year of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

19.6. Exhibits.

Exhibits "A" and "B" attached to this Declaration are incorporated by this reference and this Article shall govern amendment of such exhibits. Exhibit "C" is incorporated by reference and may be amended as provided in Article III or pursuant to Sections 19.1 and 19.2. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

DECLARANT: ST. JOE RESIDENTIAL ACQUISITIONS, INC.,
a Florida corporation

By: St. Joe/Arvida Company, L.P., a Delaware
limited partnership, as its authorized agent
By: St. Joe/Arvida Company, Inc., a Florida
corporation, as its general partner

Witnessed By:
By: _____
Print Name: _____

By: _____
Print Name: _____

By: _____
Name: _____
Its: _____

State of Florida)
)
County of St. Johns)

The foregoing instrument was acknowledged before me this __ day of _____, 2000, by _____, _____ of St. Joe/Arvida Company, Inc., a Florida

corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification and did (did not) take an oath.

By: _____

Name: _____

Title: Notary Public [NOTARIAL SEAL]

Serial Number, if any:

My Commission Expires:

5297/St. Johns Golf & Country Club/CA Docs

EXHIBIT "A"

Land Initially Submitted

EXHIBIT "B"

Land Subject to Annexation

Any or all of the real property now or hereafter encompassed by or otherwise made a part of the Master Plan, as it may be amended and supplemented from time to time.

EXHIBIT "C"

Initial Use Restrictions

The purpose of Architectural Guidelines and Use Restrictions is not to anticipate all acceptable or unacceptable behavior in advance and eliminate all improvements or activities which fall outside of "the norm." In fact, it is expressly intended that the Reviewer under Article IV, and the Board, as appropriate, have discretion to approve or disapprove items, or to enforce or not enforce technical violations of the Governing Documents, based upon aesthetic or other considerations consistent with the established guidelines. As such, while something may be approved or permitted for one Lot under one set of circumstances, the same thing may be disapproved for another Lot under a different set of circumstances. The exercise of discretion in approving or enforcement shall not be construed as a waiver of approval or enforcement rights, nor shall it estop the Board from taking enforcement action in any appropriate circumstances.

Subject to the above, the following restrictions shall apply to all of St. Johns Golf & Country Club until such time as they are amended, modified, repealed, or limited pursuant to the Declaration.

(a) Animals and Pets. No animals of any kind, including livestock and poultry, shall be raised, bred, or kept on any portion of the Community, except that no more than three dogs and three cats, and a reasonable number of other usual and common household pets, as determined in the Board's discretion, may be kept on a Lot. Upon the Board's request, an Owner, at his or her expense, shall remove or confine indoors any pet which is permitted to roam free, or, in the Board's sole discretion, endangers health, makes objectionable noise, or constitutes a nuisance or inconvenience to other Owners or residents of any portion of the Community. Barking dogs shall be deemed a nuisance and shall be confined indoors. If the Owner fails to honor the Board's request or otherwise keep the pet properly confined, the Board may cause the pet to be removed at the Owner's expense. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside a structure.

(b) Wildlife. Capturing, killing, or trapping wildlife is prohibited within the Community, except in circumstances imposing an imminent threat to the safety of Persons or pets.

(c) Firearms; Fireworks. The use and discharge of firearms within the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The use and discharge of fireworks is prohibited except by license granted by the Association.

(d) Nuisances. No Owner shall engage in any activity which constitutes a nuisance (meaning offensive or detrimental activity, as determined by the Board), or which materially disturbs or destroys the vegetation, wildlife, or air quality within the Community, or which results in unreasonable levels of sound or light pollution.

(e) Garages. Garage doors shall remain closed at all times except when entering, and exiting, or otherwise actively using the garage. A garage or carport may not be converted

to finished space for use as an apartment, an integral part of the Lot's living area, or for purposes other than parking vehicles and ancillary storage, without prior approval pursuant to Article IV.

(f) Exterior Lighting. Excessive exterior lighting on any Lot is prohibited. The Board in its sole discretion shall determine whether any exterior lighting is excessive.

(g) Storage of Goods. Storage (except in approved structures or containers) of furniture, fixtures, appliances, machinery, equipment, or other goods and chattels on the Common Area (except by the Association), or, if not in active use, any portion of a Lot which is visible from outside the Lot is prohibited.

(h) Prohibited Conditions. The following conditions, structures, or activities are prohibited on any Lot:

(i) Dogs runs and animal pens of any kind, unless properly screened and approved in accordance with Article IV;

(ii) Shacks or other structures of a temporary nature on any Lot except as may be authorized by Declarant during the initial construction of improvements within the Community. Temporary structures used during the construction or repair of a dwelling or other improvements shall be removed immediately after the completion of construction or repair;

(iii) Freestanding flagpoles; provided, flags may be displayed using a bracket or other approved device mounted to a dwelling so long as the size of the flag displayed does not exceed a standard size (as set forth in the Architectural Guidelines or determined in the Board's discretion and set forth in a Board rule; and

(iv) Outdoor athletic and recreational facilities such as playscapes, swing sets, and sport courts unless properly screened and approved in advance in accordance with Article IV.

In any event, and notwithstanding the above list of prohibited conditions, any structure, improvement, or thing proposed for construction, erection, installation, or placement on a Lot requires prior Reviewer approval in accordance with Article IV, unless specifically made exempt under the Architectural Guidelines.

(i) Quiet Enjoyment. Nothing shall be done or maintained on any part of a Lot which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort, or serenity of the occupants and invitees of other Lots.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Community which, in the Board's reasonable determination, tends to cause embarrassment, discomfort, annoyance, or nuisance to others.

(j) Signs. No sign shall be erected within the Community, except those required by law, including posters, circulars, and billboards; provided, the following types of signs may be erected on a Lot without the Board's written consent: (i) residential identification signs for

identification of the occupant and its address, in a style designated by the Architectural Guidelines or approved by the Reviewer; and (iii) security signs in a style and location designated by the Architectural Guidelines or approved by the Reviewer. This restriction shall not apply to entry, directional, and marketing signs installed by or with the consent of Declarant. The Association, with the Board's approval, shall have the right to erect signs on the Common Area.

(k) Holiday Decorations. Owners may display holiday decorations on their Lots if the decorations are of the kinds normally displayed in single family residential neighborhoods, are of reasonable size and scope, and do not disturb other Owners and residents by excessive light or sound emission or by causing an unreasonable amount of spectator traffic. Permitted decorations may be displayed for such periods surrounding holidays as are normal and customary for comparable residential communities, as the Board determines.

(l) Antennas and Satellite Dishes. No antenna, satellite dish, or other device for the transmission or reception of television or radio (including amateur or ham radios) signals is permitted outside the dwelling on a Lot, except those devices whose installation and use is protected under federal law or regulations (generally, certain antennae under one meter in diameter). Notwithstanding such protection, an application for such an antenna or other device must be submitted to the Reviewer for approval and approval will be granted only if:

(i) First, the antenna or other device is designed for minimal visual intrusion (*i.e.*, is located in a manner that minimizes visibility from the street or an adjacent Lot and is consistent with the Community-Wide Standard); and

(ii) Second, the antenna or other device complies to the maximum extent feasible with the Architectural Guidelines within the confines of applicable federal regulations (*i.e.*, without precluding reception of a quality signal or unreasonably increasing the cost of the antenna or device).

The Reviewer shall consider any such application on an expedited basis.

Notwithstanding the above, Declarant and/or the Association may erect an antenna, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of St. Johns Golf & Country Club, should any master system or systems be used by the Association and require such exterior apparatus.

(m) Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size and style which are pre-approved by the Reviewer or specifically permitted under the Architectural Guidelines, or as required by the applicable governing jurisdiction. Such containers shall be screened from view outside of the Lot except when they are being made available for collection and then only for the shortest time reasonably necessary to effect such collection. Rubbish, trash, and garbage must be removed from the Lots and may not accumulate on any Lot. Outdoor incinerators may not be kept or maintained on any Lot.

(n) Pool Equipment. All pool equipment stored on any Lot shall be screened from view from outside the Lot with landscaping, walls and other visual barriers approved in accordance with Article IV.

(o) Unsightly or Unkempt Conditions. All portions of a Lot outside enclosed structures shall be kept in a clean and tidy condition at all times. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot in a manner which is unsanitary, unsightly, offensive, or detrimental to any other portion of the Community, as the Board may determine.

Woodpiles or other material shall be properly screened and stored in a such a manner so as not to attract rodents, snakes, and other animals and or create a fire hazard, as the Board determines. No activities shall be conducted upon or adjacent to any Lot or within any structure on a Lot which are or might be unsafe or hazardous to any Person or property. Open fires are prohibited within the Community, except in a contained outdoor fireplace or barbecue unit while attended and in use for cooking purposes.

(p) Vehicles and Parking. As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

No vehicle may be left upon any portion of the Community except in a garage, driveway, or other area the Board designates. No person shall park any pick-up truck with a camper top or other raised enclosure or commercial lettering or logos, or any recreational vehicle, mobile home, trailer, camper, stored vehicle, commercial vehicle (including all vehicles with commercial lettering or logos), or any unlicensed or inoperable vehicle within the Community other than in an enclosed garage. "Sports utility vehicles" and "mini-vans" (as such vehicles are commonly referred to, as determined in the Board's discretion) and pick-up trucks without raised enclosures or commercial writing or logos shall be treated as automobiles and may be parked in driveways outside of enclosed garages. Boats or other watercraft may be kept or stored on a Lot only so long as they are screened from view from outside of the Lot. This Section shall not apply to emergency vehicle repairs or to construction, service, and delivery vehicles for periods necessary to perform the services or make a delivery.

Notwithstanding the above, for purposes of cleaning, loading, unloading, and short-term and visitor parking, any vehicle may be parked outside of an enclosed garage temporarily, and irregularly, to accommodate such use. The Board, in its discretion, may enact rules governing such temporary, irregular use or, in the absence of specific rules, shall have discretion in determining what constitutes permissible use.

(q) Wetlands, Lakes, and Other Water Bodies. Wetlands, lakes, ponds, and streams within the Community, if any, are part of the Community's Surface Water or Stormwater Management System, and no active use of lakes, ponds, streams, or other bodies of water within the Community is permitted; provided, the Association, the Declarant, the CDD, and the Golf Club owner may draw upon such sources for irrigation purposes. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, streams, or other bodies of water within or adjacent to the Community.

(r) Solar Equipment. No solar heating equipment or device is permitted outside the dwelling or other structures on the Lot except such devices whose installation and use is protected by federal or Florida law. Notwithstanding such protection, an application for such

equipment or device must be submitted for approval under Article IV prior to installation and approval will be granted only if:

(i) First, such equipment or device is designed for minimal visual intrusion when installed (*i.e.*, is located in a manner which minimizes visibility from the street or an adjacent Lot and is consistent with the Community-Wide Standard); and

(ii) Second, the equipment or device complies to the maximum extent feasible with the Architectural Guidelines within the confines of the applicable governmental regulations.

(s) Basketball Goals. Permanent basketball goals with black poles, clear fiberglass backboards, and orange rims are permitted in locations approved in accordance with Article IV. Approval under Article IV is required prior to the installation of any such basketball apparatus. Portable basketball goals may be used on a Lot without prior approval, but must be stored so as not to be visible from any street or Common Area overnight or otherwise when not in use.

(t) Fences. Fences must be approved in accordance with Article IV. In the event a fence is approved for construction along the property line separating two Lots, any subsequent fences along such property line shall attach to, and not run unattached along, the existing approved fence.

EXHIBIT "D"

By-Laws of St. Johns Golf & Country Club Community Association, Inc.

Upon recording, please return to:

**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS**

FOR

ST. JOHNS GOLF & COUNTRY CLUB

**HYATT & STUBBLEFIELD, P.C.
Attorneys and Counselors
225 Peachtree Street, N.E.
1200 Peachtree Center South Tower
Atlanta, Georgia 30303**

TABLE OF CONTENTS

	<u>PAGE</u>
PART ONE: INTRODUCTION TO THE COMMUNITY	1
Article I Creation of the Community	1
1.1. Purpose and Intent.....	1
1.2. Binding Effect.....	1
1.3. Governing Documents.....	2
Article II Concepts and Definitions	3
PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS.	7
Article III Use and Conduct.....	7
3.1. Restrictions on Use, Occupancy, and Alienation.....	7
3.2. Framework for Regulation.....	8
3.3. Owners' Acknowledgment and Notice to Purchasers.....	9
3.4. Rule Making Authority.....	9
3.5. Protection of Owners and Others.....	10
Article IV Architecture and Landscaping.....	11
4.1. General.....	11
4.2. Architectural Review.....	11
4.3. Guidelines and Procedures.....	12
4.4. No Waiver of Future Approvals.....	14
4.5. Variances.....	14
4.6. Limitation of Liability.....	15
4.7. Certificate of Compliance.....	15
4.8. Enforcement.....	15
4.9. Permanent Vegetative Natural Buffers.....	16
Article V Maintenance and Repair	17
5.1. Maintenance of Lots.....	17
5.2. Responsibility for Repair and Replacement.....	17
PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION.....	17
Article VI The Association and its Members.....	17
6.1. Function of Association.....	17
6.2. Membership.....	18
6.3. Voting.....	18
6.4. Neighborhoods.....	19
Article VII Association Powers and Responsibilities	19
7.1. Acceptance and Control of Association Property.....	19
7.2. Maintenance of Common Maintenance Areas.....	20
7.3. Insurance.....	21
7.4. Compliance and Enforcement.....	24
7.5. Implied Rights; Board Authority.....	26

7.6.	Indemnification of Officers, Directors, and Others.....	26
7.7.	Provision of Services.....	27
7.8.	Relationships with Other Properties.....	27
7.9.	Facilities and Services Open to the Public.....	27
7.10.	Relationship with Governmental and Tax-Exempt Organizations.....	27
7.11.	Right To Designate Sites for Governmental and Public Interests.....	28
7.12.	Education and Training.....	28
7.13.	Use of Technology.....	28
7.14.	Bulk Rate Service Agreements.....	28
Article VIII Association Finances.....		29
8.1.	Budgeting and Allocating Common Expenses.....	29
8.2.	Budgeting for Reserves.....	30
8.3.	Special Assessments.....	30
8.4.	Benefited Assessments.....	30
8.5.	Commencement of Assessment Obligation; Time of Payment.....	31
8.6.	Obligation for Assessments.....	31
8.7.	Lien for Assessments.....	32
8.8.	Exempt Property.....	33
8.9.	Use and Consumption Fees: Licenses and Royalties.....	33
PART FOUR: COMMUNITY DEVELOPMENT.....		34
Article IX Expansion of the Community.....		34
9.1.	Annexation by Declarant.....	34
9.2.	Annexation by the Association.....	34
9.3.	Additional Covenants and Easements.....	34
9.4.	Effect of Filing Supplemental Declaration.....	35
Article X Additional Rights Reserved to Declarant.....		35
10.1.	Withdrawal of Property.....	35
10.2.	Marketing and Sales Activities.....	35
10.3.	Right to Develop.....	35
10.4.	Right to Approve Changes in St. Johns Golf & Country Club Standards.....	36
10.5.	Right to Transfer or Assign Declarant Rights.....	36
10.6.	Community Systems.....	36
10.7.	Rights To Use Names; License Agreements.....	36
10.8.	Right To Use Common Area for Special Events.....	37
10.9.	Easement to Inspect and Right to Correct.....	37
10.10.	Right to Notice of Design or Construction Claims.....	37
10.11.	Termination of Rights.....	38
10.12.	Exclusion of Declarant's Other Properties.....	38
PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY.....		38
Article XI Easements.....		38
11.1.	Easements in Common Area.....	38
11.2.	Easements of Encroachment.....	39
11.3.	Easements for Utilities, Etc.....	39
11.4.	Easements to Serve Additional Property.....	40
11.5.	Easements for Maintenance, Emergency, and Enforcement.....	40

11.6.	Easements for Lake and Pond Maintenance.....	41
11.7.	Easements for Cross-Drainage.....	41
11.8.	Rights to Stormwater Runoff, Effluent, and Water Reclamation.....	41
Article XII Party Walls and Other Shared Structures.....		42
12.1.	General Rules of Law to Apply.....	42
12.2.	Maintenance; Damage and Destruction.....	42
PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY		42
Article XIII Dispute Resolution		43
13.1.	Agreement to Encourage Resolution of Disputes Without Litigation.	43
13.2.	Dispute Resolution Procedures.....	44
13.3.	Initiation of Litigation by Association.....	46
Article XIV Mortgagee Provisions.....		46
14.1.	Notices of Action.....	46
14.2.	No Priority.....	47
14.3.	Notice to Association.	47
14.4.	Failure of Mortgagee to Respond.	47
Article XV The Golf Club		47
15.1.	Right to Use the Golf Club.	47
15.2.	Operations; Conveyance of the Golf Club.....	48
15.3.	Rights of Access and Parking.....	48
15.4.	Golf Balls; Irrigation Overspray.....	48
15.5.	Assumption of Risk and Indemnification.	49
15.6.	Limitations on Amendments.....	49
15.7.	Jurisdiction and Cooperation.....	49
Article XVI Disclosures and Waivers.....		50
16.1.	Changes in the Master Plan.	50
16.2.	No Liability For Third Party Acts.....	50
16.3.	View Impairment.	51
16.4.	Notices and Disclaimers as to Community Systems.....	51
16.5.	Construction Activities.	51
16.6.	Water Management.	52
16.7.	U.S. Corps of Engineers/St. Johns River Water Management District - Permits...52	
PART SEVEN: CHANGES IN THE COMMUNITY.....		54
Article XVII Changes in Ownership of Lots.....		54
Article XVIII Changes in Common Area.....		54
18.1.	Condemnation.....	54
18.2.	Partition.....	54
18.3.	Transfer or Dedication of Common Area.....	55
Article XIX Amendment of Declaration.....		55
19.1.	By Declarant.....	55
19.2.	By the Members.....	55

19.3.	Approval by the St. Johns River Water Management District.	55
19.4.	Approval by the U.S. Army Corps of Engineers.....	55
19.5.	Validity and Effective Date.	56
19.6.	Exhibits.	56

- TABLE OF EXHIBITS -

Exhibit	Subject Matter	Page First Mentioned
"A"	Land Initially Submitted	1
"B"	Land Subject to Annexation	3
"C"	Initial Use Restrictions	2
"D"	By-Laws of St. Johns Golf & Country Club Community Association, Inc.	4