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FALCON TRACE PARTNERS LIMITED PARTNERSHIP
C/o Atlantic Gulf Communities
200 S. Orange Avenue, Suite 2150
Orlando, Florida 32801

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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
FALCON TRACE**

THIS DECLARATION is made this 7th day of July 1997, by **FALCON TRACE PARTNERS LIMITED PARTNERSHIP**, a Delaware limited partnership, hereinafter referred to as "Developer," who recites and provides:

RECITALS:

A. Developer is the owner of parcel of land located in Orange County, Florida, located within a community commonly referred to as "Southchase West". The parcel of land owned by Developer will be known as "Falcon Trace". Falcon Trace will be developed in phases and may be improved with residences of different size and types. Developer desires to maintain the integrity and beauty of Falcon Trace to assure high quality standards for the enjoyment of Falcon Trace.

B. Developer intends to develop Falcon Trace for the purpose of constructing single family dwellings thereon, which dwellings will share certain Common Property (as hereinafter defined) and which will be occupied and maintained as a residential development for the mutual and common advantage of all owners and occupants thereof, who shall own and occupy Falcon Trace subject to the provisions of this Declaration and all other rules and regulations applicable to Falcon Trace.

C. To provide for the preservation, enhancement and maintenance of Falcon Trace and the improvements thereon, Developer desires to subject the portions of Falcon Trace, as they are developed and improved, to the protective covenants, conditions, restrictions, easements, charges and liens of this Declaration, each and all of which are for the benefit of Falcon Trace and of each Owner of a portion thereof.

D. To provide for the efficient management of Falcon Trace, Developer deems it desirable to create a non-profit corporation with the power and duty of administering and enforcing the protective covenants, conditions, restrictions and easements, charges and liens hereinafter set forth, including, without limitation, the maintenance and administration of the Common Property and the collection and disbursement of the Assessments hereinafter created, and to this end, Developer has created or will create Falcon Trace Property Owners' Association, Inc., a Florida not-for-profit corporation, whose membership shall include all

owners of, all or any part, of Falcon Trace.

OR Bk 5308 Pg 992
Orange Co FL 1997-0292485

E. Access to the Property is over and across a public roadway which may serve a multi-family apartment complex and a commercial area, neither of which shall be subject to the term's and conditions of this Declaration, but which may share certain utility or drainage facilities on or in the terms more fully set forth herein.

F. In addition to the terms and conditions hereof, Falcon Trace is also subject to the Master Declaration of Covenants, Conditions, Easements and Restrictions for Southchase West recorded in Official Records Book 4448, page 744 of the public records of Orange County, Florida, as such Declaration has been amended and supplemented (collectively, "Master Declaration"). The Master Declaration governs the operation and maintenance of the common master stormwater/water quality management system which has been permitted by the South Florida Water Management District ("SFWMD") and the Master Declaration delegates the operation and maintenance duties to the Southchase-West Property Association, Inc. ("Master Association").

DECLARATION

NOW, THEREFORE, Developer declares that the Property (as hereinafter defined) shall be held, sold, occupied, and conveyed subject to the following covenants, conditions, restrictions, easements, and limitations, which are for the purpose of protecting the value and desirability of the Property, shall run with the title to the Property, and shall be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, legal representatives, successors and assigns, and shall inure to the benefit of each owner thereof and Developer.

I. DEFINITIONS

A. Defined Terms. The following definitions shall apply wherever these capitalized terms appear in this Declaration:

1. "ACC" means the Architectural Control Committee of the Association.
2. "Additional Property" means any land that is adjacent to or contiguous with the Property, including, without limitation, the land more fully described on Exhibit B attached hereto and made a part hereof, which land is located such that if the land is annexed to the Declaration by the Developer and its successors or assigns, it shall form an integrated community with the Property. Developer or the Association may annex Additional Property to the terms and conditions of this Declaration in the manner hereinafter set forth.
3. "Annexation" means the addition of all or any part of the Additional Property to the development community created herein and the subjecting of such

property to the terms and conditions set forth in this Declaration and such additional terms and conditions as may be permitted in accordance with Article XI.

OR Bk 5308 Pg 993
Orange Co FL 1997-0292485
OR Bk 5308 Pg 993
Orange Co FL 1997-0292485

4. "Articles" means the Articles of Incorporation for the Association, as amended from time to time, a copy of which is attached hereto and made a part hereof as Exhibit C.
5. "Assessment" means the amount of money which may be assessed against an Owner for the payment of the Owner's share of the costs and expenses arising under this Declaration, including, without limitation, Annual Assessments, Special Assessments, Emergency Assessments, and Lot Assessments (as hereinafter defined).
6. "Assessment Charge" means all Assessments currently owed by each Owner, together with any late fees, interest, and costs of collection (including reasonable attorney's fees) when delinquent.
7. "Association" means Falcon Trace Property Owners' Association, Inc., a Florida nonprofit corporation, its successors and assigns, which is responsible for the management and operation of the Property.
8. "Board of Directors" means the Board of Directors of the Association.
9. "Bylaws" means the Bylaws of the Association, as amended from time to time, a copy of which is attached hereto and made a part hereof as Exhibit D.
10. "Common Property" means all of the Property, except the Lots and those portions of the Property which are dedicated to the public, together with any improvements thereon and all personal property intended for the common use and enjoyment of the Owners and any areas within the Property which the Association is obligated to maintain, notwithstanding that it may not own fee simple title to such areas. The Common Property to be maintained by the Association may specifically include, without limitation, rights of way of any publicly dedicated roads, (excluding the paved surfaces) signs, fencing, landscaped entry features (including entry sign, lighting, irrigation, and landscaping), any landscaping not located within a Lot, parks, open areas, conservation areas, nature preserves, and recreational facilities, provided that the foregoing list shall not be deemed to be a representation or warranty that any of the foregoing types of Common Property will be provided. Common Property may also include all personal property owned or leased by the Association and intended for use by the Association for the common use and enjoyment of the Owners.
11. "County" means Orange County, Florida.

12. "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements, as it may hereafter be amended and supplemented from time to time.
13. "Development Order" means and refers to Eighth Amended Development Order for Southchase Development of Regional Impact recorded in Official Records Book 5194, page 3757 of the public records of Orange County, Florida, as such may be amended from time to time.
14. "Developer" means Falcon Trace Partners Limited Partnership, a Delaware limited partnership authorized to do business in Florida, its successors and assigns, or any successor or assign of all or substantially all of its interests in the development of the Property all as more fully set forth in paragraph XIV(N). Reference in this Declaration to Falcon Trace Partners Limited Partnership as the Developer under this Declaration is not intended and shall not be construed to impose upon Falcon Trace Partners Limited Partnership, any obligations, legal or otherwise, for the acts or omissions of third parties who purchase Lots within the Property from Falcon Trace Partners Limited Partnership, and develop and resell the same. Developer may also be an Owner, for so long as Developer shall be the record owner of any Lot.
15. "Initial Improvements" means the initial, original construction of Residences and related improvements and the initial landscaping upon the Lots constructed by Developer or those builders specified by Developer.
16. "Lot" means any plot of land intended as a site for a Residence and shown upon any duly recorded subdivision plat of the Property or a parcel of land which is permitted to be improved with a Residence. References herein to "Lot" shall also include the Residence and all improvements constructed on a Lot, unless specifically set forth to the contrary. In the event that Developer conveys a Lot together with all or part of an adjacent Lot or additional unplatted lands (such combination of Lots and lands being hereafter referred to as a "Reconfigured Lot") to one Owner who constructs only one Residence thereon and who landscapes all the land within the Reconfigured Lot so that it appears to be a single building plot, such Reconfigured Lot shall be deemed to be one Lot subject to one Assessment and entitled to one vote, and except as specifically set forth herein, all references to Lots shall include Reconfigured Lots. Provided, however, if such a Reconfigured Lot is subsequently developed with an additional Residence, it shall be deemed to constitute two Lots, shall be entitled to two votes, and shall be liable for payment of two Assessments.

OR Bk 5308 Pg 994
Orange Co FL 1997-0292485

17. "Master Association" means Southchase-West Property Owners' Association, Inc., a Florida corporation not for profit, its successors and assigns.
18. "Master Declaration" means the Master Declaration of Covenants, Conditions, Easements and Restrictions for Southchase-West recorded in Official Records Book 4448, page 744 of the public records of Orange County, Florida, as it may be amended or supplemented from time to time.
19. "Member" means a person entitled to membership in the Association, as provided in the Declaration and the Articles.
20. "Mortgage" means any bona fide first mortgage encumbering a Lot as security for the repayment of a debt obligation.
21. "Mortgagee" means any bank, savings and loan association, or other recognized institutional lender, any insurer or guarantor of Mortgages and any holder of Mortgages in the secondary market (including, without limitation, the Veteran's Administration, the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association), holding a Mortgage now or hereafter placed upon any Lot, including Developer.
22. "Neighborhood" means a group of Lots or portion of the Property which is developed as a separate residential community as specified from time to time by the Developer in a Supplemental Declaration, in which the Owners of the property comprising the Neighborhood have a common interest, separate from the interest of the all the Owners. Such Lots and the improvements thereon may require a higher or lower level of maintenance or may have as an appurtenance certain recreational or other facilities which serve only the Owners of such Lots. Lots in a specified Neighborhood may be obligated to pay a Neighborhood Assessment for the additional maintenance of the Lots or Neighborhood Common Property, all as more fully hereinafter described and as set forth in Supplemental Declaration subjecting the Neighborhood to the terms and conditions of this Declaration. In the event that the Developer elects to develop a portion of Falcon Trace under condominium ownership, such condominium shall constitute a Neighborhood and Owners of such condominium units shall be subject to the terms and conditions of this Declaration as well as the applicable declaration of condominium.
23. "Neighborhood Common Property" means the Common Property which is restricted to the common use and enjoyment of the Owners of one or more Neighborhoods. All covenants, conditions, restrictions and easements affecting Common Property shall apply to Neighborhood Common Property except that the use and benefit of the Neighborhood Common Property and the cost of maintenance shall be restricted to the Owners in the Neighborhood.

24. "Neighborhood Committee" means the persons elected by the Owners within the Neighborhood, if any, for the purpose of consulting with the Board in certain matters concerning the Neighborhood.
25. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including the buyer under a contract for deed. Owners shall not include those having such interest merely as security for the payment or repayment of a debt obligation.
26. "Permits" means any permits, easement or other approvals secured from various governmental agencies and regulatory bodies which govern the development of the Property, including without limitation the Permits issued by the Florida Department of Environmental Protection, Florida Department of Natural Resources, the South Florida Water Management District, the Army Corps of Engineers and the Florida Department of Transportation.
27. "Property" means that certain real property more fully described in Exhibit A attached hereto and made a part hereof and all such portions of the Additional Property which may, from time to time, be subjected to the terms hereof in accordance with the terms of Article XI. Property shall exclude any portion of the land which is dedicated to the public or for the exclusive use by a utility company.
28. "Residence" means any single family residential dwelling constructed or to be constructed on or within any Lot together with any appurtenant improvements, including, without limitation, driveways, detached buildings, patios, sidewalks, and recreational facilities.
29. "Stormwater Management System" means a system which is designed, 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 to otherwise affect the quality and quantity of discharge from the system, as permitted pursuant to Chapter 40C-4, 40C-40 or 40C-42, Florida Administrative Code.

II. ASSOCIATION

A. Members. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to each Lot. Membership shall be transferred automatically by conveyance of the title to any Lot, whereupon the membership of the previous Owner shall automatically terminate. Persons or entities which have an interest in any Lot merely as security for the performance of an obligation shall not be Members of the Association, and in such case the beneficial Owner shall retain the membership in the Association. Provided further that, for so long as Developer owns any portion of the Additional Property, the Developer shall also be a member of the Association.

B. Voting Rights. The Association shall have two classes of voting Members:

1. Class A. Class A Members shall be all Owners, with the exception of Developer while the Class B Membership exists. Class A Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they shall determine among themselves, but in no event shall more than one vote be cast with respect to any Lot. Notwithstanding the foregoing, if title to any Lot is held by a husband and wife, either spouse may cast the vote for such Lot unless and until a written voting authorization is filed with the Association. When title to a Lot is in a corporation, partnership, association, trust, or other entity (with the exception of Developer), such entity shall be subject to the applicable rules and regulations contained in the Articles and Bylaws. Provided, however, if an Owner owns a Reconfigured Lot, for so long as such Reconfigured Lot is used consistent with the definition of a Reconfigured Lot, the Owner thereof shall have only one vote in Association matters.
2. Class B. The Class B Member shall be Developer and shall be entitled to the sole right to vote in Association matters until the occurrence of the earlier of the following events ("Turnover"):
 - a. Three (3) months after seventy-five percent (75%) of the Lots in the Property that will ultimately be operated by the Association have been conveyed to Class A Members.
 - b. Such earlier date as Developer, in its sole discretion, may determine in writing.

After Turnover, the Class A Members may vote to elect the majority of the members of the Board. For the purposes of this Article, builders, contractors or others who purchase a Lot for the purpose of constructing improvements

thereon for resale shall not be deemed to be Class A Members. After Turnover, for so long as Developer owns at least five (5%) percent of the Lots within the Property, the Developer may appoint the minority members of the Board, or not less than one (1) Director. After Turnover, the Developer shall be a Class A Member with respect to the Lots which it owns, and shall have all the rights and obligations of the Class A Members, except that it may not cast its votes for the purpose of reacquiring control of the Association or selecting the majority of the members of the Board.

C. Actions Requiring Membership Approval. In addition to the election of directors after Turnover, the Members shall vote with respect to certain matters all as more fully set forth in the Articles. Otherwise, the operation and management of the Association shall be vested in the Board.

D. Transfer Fees. The Association reserves the right to establish a transfer fee to be paid by the Owners or grantees upon transfer of their Lot or Residence. The policies and procedures for such transfer shall be established by the Board from time to time.

OR Bk 5308 Pg 998
Orange Co FL 1997-0292485

III.

OWNER'S RIGHTS AND DUTIES

A. Easement of Enjoyment. Subject to the limitations provided elsewhere in this Declaration, every Owner is granted a nonexclusive right and perpetual easement of enjoyment in and to the Common Property, which easement is appurtenant to and shall pass with the title to every Lot, subject to the following:

1. The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure.
2. The right of Developer or the Association to grant easements and rights of way as may be appropriate for the proper development and maintenance of the Property, including, without limitation, Developer's right to reserve easements for itself, its successors and assigns for ingress, egress, maintenance, drainage and utilities over all Common Property.
3. All provisions of this Declaration, any plat of any part of the Property, and the Articles and Bylaws of the Association.
4. The rules and regulations governing the use and enjoyment of the Common Property adopted by the Association.
5. All easements and restrictions of record affecting any part of the Common Property.

Provided however, to the extent that any Common Property is Neighborhood Common Property, as designated in the deed to convey such Neighborhood Common Property to the

Association, the use and enjoyment of such Neighborhood Common Property shall be restricted to those Owners specified in the deed of conveyance and the expenses of owning and maintaining the same shall be assessed solely against the Owners with designated use rights as a Neighborhood Assessment.

B. Delegation of Use. Each Owner may delegate, subject to the Articles, Bylaws, and the Declaration, his right of enjoyment of the Common Property and facilities to the members of his family, his tenants, his guests, licensees, domestic servants, or contract purchasers who occupy the Lot.

OR Bk 5308 Pg 999
Orange Co FL 1997-0292485

C. Damage or Destruction. In the event any Common Property, facilities, or personal property of the Association or Developer are damaged or destroyed by an Owner or any of his guests, tenants, invitees, agents, employees, or family members as a result of negligence or misuse, the Association shall repair the damaged area or property in a good and workman like manner, in accordance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association. The cost of such repairs shall be the responsibility of that Owner and shall be a Lot Assessment, payable by the responsible Owner immediately upon receipt of a written invoice or statement.

D. Maintenance. Each Owner shall, at the Owner's cost and expense, keep all parts of his Lot, including the Residence, clean and free of debris, and in good order and repair. Such duties shall include, without limitation, repair or replacement of the roof, windows and doors (including glass or screens), and exterior of the Residence. Each Owner shall also maintain all landscaping on his Lot including any portion of the right of way which is bounded by his front Lot line, the continuation of his side Lot lines, and the paved portion of any road adjacent to his Lot and any land lying between the Owner's Lot line and the water's edge of any body of water, natural or man-made. The foregoing obligations shall include all maintenance, repair or replacement required because of the occurrence of any fire, wind, vandalism, theft or other casualty. All maintenance and repair shall be performed by each Owner at regular intervals as shall be necessary to keep the Lot and the Residence in an attractive condition and in substantially the same condition and appearance as existed at the time of completion of construction; subject to normal wear and tear that can not be avoided. If an Owner fails to (1) maintain his Lot (including landscaping), (2) his Residence, (3) the adjacent road right-of-way area between the Lot and the paved road in good order and in a clean and attractive manner, and (4) the portion of the Property lying between the Lot Owner's boundaries and the water's edge of any body of water, the Association, after ten (10) days written notice to the Owner and with the approval of the majority of the Board of Directors, shall have the right, in addition to all other rights and remedies granted under this Declaration, to enter upon such Lot to correct, repair, restore, paint, maintain, and landscape any part of such Lot or Residence, the adjacent portion of the road right-of-way at the area between the Lot and the paved road or the adjacent portion of the land lying between the Lot and the water's edge. The cost of such repairs or maintenance shall be a Lot Assessment, payable by the responsible Owner immediately upon receipt of a written invoice or statement therefor.

E. Community Development District. Developer reserves the right, but not the obligation, to create a Community Development District pursuant to Chapter 190, Florida

Statutes for the purposes of funding the construction and/or maintenance of both on site and offsite improvements for Falcon Trace as may be approved by applicable governmental entities. All Owners of Property within Falcon Trace shall be required to be a part of Community Development District. By acceptance of a deed for any land within Falcon Trace which is designated as a part of the Community Development District, the Owner thereof consents to the creation of the Community Development District. This consent is a covenant running with the land and shall be in effect until a Community Development District is formed or three (3) years from the date hereof, whichever first occurs. Upon expiration of the three (3) year period, if no Community Development District has been formed, the consent shall automatically expire. The Lot and Owner's rights in connection with Owner's use, operation and maintenance of its Lot shall be subject to the documents creating and governing the Community Development District.

OR Bk 5308 Pg 1000
Orange Co FL 1997-0292485

IV.

COMMON PROPERTY AND EASEMENTS

A. Common Property.

1. Title. Developer shall retain title to the Common Property until such time as Developer conveys such Common Property or any portion thereof to the Association by recorded instrument. All remaining Common Property not deeded to the Association shall be deemed conveyed to the Association, without further act or deed by Developer at such time as Developer no longer owns any of the Property. Notwithstanding the foregoing, once Common Property has been conveyed to the Association, no part may be conveyed to any party by the Association, dedicated to the public (other than the roads and easements as shown on the plat of the Property or as otherwise necessary or convenient for the development of the Property), mortgaged, or otherwise encumbered without (a) the written consent or vote of the Class A Members as provided in the Articles of Incorporation and (b) until Turnover, the prior written consent of the FHA or VA in accordance with HUD regulations, if the FHA or VA is the insurer of any Mortgage encumbering a Lot.
2. Maintenance. It shall be the duty of the Association to manage and maintain the Common Property in a clean, attractive, sanitary and serviceable condition, and in good order and repair. The Association's duties shall commence upon the completion of any improvements upon the Common Property, irrespective of which entity holds title thereto, and shall include the management, operation, maintenance, repair, servicing, replacement, and renewal of all improvements, equipment, and tangible personal property installed by Developer as a part of the Common Property. The Association shall keep the improvements located on the Common Property, including fixtures and personal property of the Association, insured for the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors. The Association shall also maintain all landscaping on the Common Property, provided, however, that neither Developer nor the Association shall be deemed a guarantor of such

landscaping.

B. Utility Easements.

1. **Blanket Easement.** Developer reserves for itself, its successors and assigns, a nonexclusive, alienable blanket easement and right for the benefit of the Property and the Additional Property upon, across, over, through, and under the Property for ingress, egress, installation, replacement, repair, use and maintenance of all utility and service lines and service systems, public and private, including, but not limited to, water, sewer, drainage, irrigation systems, telephones, electricity, television cable or communication lines and systems, and police powers and services supplied by the local, state and federal governments. This easement shall in no way affect any other recorded easements on the Property. Upon construction of a Residence on a Lot, the blanket easement reserved herein shall be automatically vacated without further action with respect to the portion of the Lot on which the Residence and other approved improvements are located.

OR Bk 5308 Pg 1001
Orange Co FL 1997-0292485

2. **Lot Easements.** Developer reserves for itself, its successors, assigns and designees, a ten foot (10') perpetual nonexclusive easement over, under, and across the front of each Lot for the installation, repair and maintenance of utilities, including without limitation water, sewer, and irrigation lines and for drainage. In the event that the Owner shall construct any Improvements within any easement area specifically reserved on a Lot, and in connection with the exercise of the Developer's rights hereunder, the Developer is required to remove such improvements, the repair, replacement or restoration of such improvements shall be at the cost and expense of the Owner.
3. **Cable Television Easements.** Developer reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, exclusive, alienable easement and right for the installation, maintenance, and supply of radio and television cables over, under and across the rights of way and easement areas on any recorded plat of the Property. The Developer or the Association shall have the right to enter into a "bulk rate contract" for cable television, and if such contract is entered into, the Association shall pay the contractual charges for all Lots within the Property as a common expense of the Association.

C. **Stormwater Management System.** The operation and maintenance of the Stormwater System shall be performed by the Master Association in compliance with the Master Declaration, the terms and conditions of which are adopted herein. Orange County, Florida will be responsible for all maintenance and repair of the conveyance portion of the Stormwater Management System, including all pipes and related drainage structures. The Master Association will be responsible for all above ground maintenance, dredging or other activities necessary to maintain the System in a manner consistent with the approved design.

1. Maintenance. The Owners of Lots adjacent to the Stormwater Management System shall remove and dispose of trash which may accumulate in the Stormwater Management System, shall maintain all shoreline vegetation and the grade and contour of all embankments to the water's edge (as it may rise and fall from time to time), shall keep the grass, plantings, and other lateral support of the embankments in a clean and safe manner so as to prevent erosion. It is the Owner's responsibility not to remove native vegetation (including cat tails) that become established within the wet retention and detention ponds abutting or within such Owner's Lot. Removal includes dredging, the application of herbicide and cutting. Owners should address any questions regarding authorized activities within the wet retention and detention ponds to the SFWMD. It shall further be the responsibility of each Owner within the Property at the time of construction of a building, Residence or structure, to comply with the construction plans for surface water management system pursuant to Chapter 40C-4, F.A.C., as approved and on file with SFWMD.

OR Bk 5308 Pg 1002
Orange Co FL 1997-0292485

2. LIABILITY. NEITHER DEVELOPER, THE ASSOCIATION, THE MASTER ASSOCIATION NOR ANY MAINTENANCE ENTITY SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN CONNECTION WITH THE RETENTION AND DETENTION LAKES AND DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DEVELOPER, AND THE ASSOCIATION, THE MASTER ASSOCIATION AND ANY MAINTENANCE ENTITY FROM ANY LIABILITY IN CONNECTION THEREWITH.

NEITHER DEVELOPER, THE ASSOCIATION, MASTER ASSOCIATION, MAINTENANCE ENTITY, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AND DETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED

PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES CONTAINED WITHIN OR ADJACENT TO THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

OR Bk 5308 Pg 1003
Orange Co FL 1997-0292485

ALL PERSONS ARE HEREBY NOTIFIED THAT LAKE BANKS AND SLOPES WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY THEIR ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT WITHIN THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY LAKE BANKS, SLOPES, OR BOTTOMS.

3. Wetlands and Jurisdictional Land. This Declaration is subject to the rights of the State of Florida over portions of the Property which may be considered wetlands, marshes, sovereignty or jurisdictional lands, and every Owner shall obtain any permit necessary prior to undertaking any dredging, filling, improving, landscaping, or removal of plant life existing on his Lot. Further, in the event berms are constructed within Lots which are contiguous to any jurisdictional lands, the Owners thereof shall not remove or modify the berms without the consent of the applicable governmental entities.

D. Developer's Rights. Developer, its successors and assigns shall have the unrestricted right, without approval or joinder of any other person or entity: (i) to designate the use of, alienate, release, or otherwise assign the easements shown in the plat of the Property or described herein, (ii) to plat or replat all or any part of the Property owned by Developer, and (iii) to widen or extend any right of way shown on any plat of the Property or convert a Lot to use as a right of way, provided that Developer owns the lands affected by such change. Owners of Lots subject to easements shown on any plat of the Property shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under the easement area. The Owners of Lots subject to any easements shall not construct any improvements on the easement areas, alter the flow or drainage, or landscape such areas with hedges, trees, or other landscape items that might interfere with the exercise of the easement rights. Any Owner who constructs any improvements or landscaping on such easement areas shall remove the improvements or landscape items upon written request of Developer, the Association, or the grantee of the easement.

V.
UTILITIES

A. Water System. The central water system which is operated and maintained by Orange County provides for water service to the Property and shall be used as the sole source of potable water for all water spigots and outlets located within or on all buildings and improvements located on each Lot. Each Owner shall pay water meter charges established or approved by the supplier thereof, and shall maintain and repair all portions of such water lines located within the boundaries of his Lot. No individual water supply system or well for consumptive purposes shall be permitted on any Lot.

B. Sewage System. The central sewage system which is operated and maintained by Orange County provides for service to the Property and shall be used as the sole sewage system for each Lot. Each Owner shall maintain and repair all portions of such sewer improvements and lines located within the boundaries of his Lot, and shall pay when due the periodic charges or rates for the furnishing of such sewage collection and disposal services made by the operator thereof. No sewage shall be discharged into the open ground or in to any marsh, lake, pond, park, ravine, drainage ditch, canal or roadway.

VI.
COVENANTS FOR MAINTENANCE ASSESSMENTS

A. Annual Assessments. For each Lot within the Property, Developer covenants, and Owner, by acceptance of a deed or other conveyance, agrees to pay Annual Assessments levied by the Association for the improvement, maintenance, and operation of the Common Property, including, without limitation, the management and administration of the Association, and the furnishing of services as set forth in this Declaration and all general activities and expenses of the Association incurred into administration of owners and duties granted under this Declaration. In addition, the Association may enter into agreements with any community development district to fund certain maintenance and operation of the community development district facilities on such terms and conditions as the community development district and the Association may, from time to time, determine and the cost of such funding shall also be a part of the Association budget.

As further hereinafter described, the Board of Directors, by majority vote, shall set the Annual Assessments at a level sufficient to meet the Association's obligations, including any contingencies and reserves it deems necessary or convenient. The Board of Directors shall set the date or dates such Annual Assessments shall become due and may provide for collection of Assessments to be payable annually or in monthly, quarterly or semi-annual installments; provided, however, that upon default in the payment of any one or more installments, the entire balance of such Annual Assessment may be accelerated, at the option of the Board of Directors, and be declared due and payable in full. Reconfigured Lots, for so long as only one single family Residence is located thereon, shall be subject to a single Annual Assessment.

B. Special Assessments. In addition to the Annual Assessments, the Association may levy, by majority vote of the Board of Directors, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto, provided any such Special Assessment shall have the consent of Owners as provided in paragraph II(B)(C) hereof.

OR Bk 5308 Pg 1005
Orange Co FL 1997-0292485

C. Emergency Assessments. The Association may also levy an Emergency Assessment at any time by a majority vote of the Board of Directors, for the purpose of defraying, in whole or in part, the cost of any extraordinary or emergency matters that affect all the Common Property or Members of the Association, including, after depletion of any applicable reserves, any unexpected expenditures not provided for by the Budget or unanticipated increases in the amounts budgeted. Any Emergency Assessment shall be due and payable at the time and in the manner specified by the Board of Directors.

D. Lot Assessments. In addition to the Annual and Special Assessments authorized above, the Board of Directors, by majority vote, may from time to time levy a Lot Assessment against a particular Lot and the Owner thereof for the purpose of defraying, in whole or in part, the cost of any repair, maintenance or restoration as provided herein; for the construction, reconstruction, repair, or replacement of a capital improvement upon or serving the specific Lot, including any additional special services to such Lot, the cost of which is not included in the Annual Assessment if the Association levies a fine in the manner set forth in paragraph XII (b), such fine shall also be deemed a Lot Assessment enforceable in accordance herewith; or to reimburse the Association for any costs it incurs as a result of the Owner's failure to comply with this Declaration or any damage to the Common Property.

E. Neighborhood Assessments. The Board of Directors may levy, from time to time, a Neighborhood Assessment, which sums shall be used for the purposes of:

1. Improvement, maintenance, and operation of the Neighborhood Common Property, including all cost thereof for operation, repair and replacement, including without limitation, any up grade or non-standard entrance signage or features, within the Neighborhood, lighting, irrigation, landscaping, recreational or decorative facilities and any improvements, designated for the sole use of the Owners within the Neighborhood;
2. Upgraded maintenance or upgraded services to Owners within the Neighborhood, for example, landscape services, painting or maintenance of housing exteriors;
3. For such other purposes as are set forth in the Supplemental Declaration establishing the Neighborhood.

F. Commencement of Annual and Neighborhood Assessments. The Annual and any Neighborhood Assessments provided for herein shall commence with respect to each Lot on the date of conveyance of the Lot to an Owner who intends to dwell in the Residence, other than

Developer or a builder constructing the Initial Improvements thereon. The initial Annual Assessment on any Lot subject to Assessment shall be collected at the time title to such Lot is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the pro rata share of the Annual or Neighborhood Assessment charged to each Lot, prorated from the day of closing to the end of the calendar year on a per diem basis.

G. Nonpayment of Assessments: Remedies of the Association.

1. Creation of Lien. The Assessment Charge is a charge and continuing lien upon each Lot subject to this Declaration. The lien provided for in this paragraph shall be perfected by the filing of a notice of lien in the public records of the County, in favor of the Association.
2. Owner's Acceptance. The Assessment Charge is also the personal obligation of the person or entity which was the Owner of such Lot at the time when the Assessment was levied, and of each subsequent Owner thereof. Each Owner of a Lot, by acceptance of a deed or other transfer document therefor, whether or not it shall be so expressed in such deed or transfer document, is deemed to covenant and agree to pay to the Association the Assessments established or described in this Article. Each Owner, by his acceptance of title to a Lot, expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of such Assessment Charge as a debt and to enforce the aforesaid by all methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage lien on real property, and such Owner is deemed to have granted to the Association a power of sale in connection with such lien. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of his Lot or waiver of the use of the Common Property.
3. Late Fees, Interest. Any Assessments not paid within ten (10) days after the due date shall be subject to a late fee as determined from time to time by the Board of Directors, and may, upon resolution of the Board of Directors, bear interest at a percentage rate determined by such Directors.
4. Remedies. The Association may bring an action at law against the Owner or Owners personally obligated to pay an Assessment Charge, except the Developer, or may foreclose the lien against the Lot upon which the Assessment Charge is made in the manner provided below. The Association shall not have a lien on any Property owned by the Developer, nor shall the Association have the right to collect interest or late fees for any assessments owed by the Developer. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Lot at such foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

OR Bk 5308 Pg 1006
Orange Co FL 1997-0292485

H. Subordination of the Lien to Mortgages. The lien of the Assessment Charge shall be inferior and subordinate to the lien of any Mortgagee, but only to the extent of the Mortgage balance outstanding as of the date the notice of an Assessment Charge was first recorded against the Lot, plus interest and reasonable costs of collection accruing thereafter. The sale or transfer of any Lot shall not affect the Assessment Charge; however, the sale or transfer of any Lot pursuant to foreclosure of a Mortgage or deed in lieu thereof shall extinguish the lien of an Assessment Charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve the transferee of such Lot from liability for any Assessments thereafter becoming due or from the lien thereof, nor the Owner responsible for such payments from such Owner's personal liability as provided herein. Mortgagees shall in no event be responsible or liable for the collection of any Assessments. The failure to pay any Assessments shall in no event be deemed to constitute a default under any Mortgage by reason of anything contained in this Declaration, unless otherwise expressly provided in the Mortgage.

I. Budget.

OR Bk 5308 Pg 1007
Orange Co FL 1997-0292485

1. Fiscal Year. The fiscal year of the Association shall consist of the twelve (12) month period commencing on January 1 of each year.
2. Initial Budget. Developer shall establish the budget for the fiscal year in which a Lot is first conveyed to an Owner other than Developer or Builder.
3. Preparation and Approval of Annual Budget. Commencing December 1st of the year in which a Lot is first conveyed to an Owner other than Developer, and on or before December 1 of each year thereafter, the Board of Directors shall adopt a budget for the coming year containing an estimate of the total amount which it considers necessary to pay the cost of all expenses to be incurred by the Association to carry out its responsibilities and obligations, including, without limitation, the cost of wages, materials, insurance premiums, services, supplies, and other expenses for the rendering to the Owners of all services required or permitted hereunder. Such budget may also include such reasonable amounts as the Board of Directors considers necessary to provide working capital for the Association, and to provide for a general operating reserve and reserves for contingencies and replacements. The Board of Directors shall send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Annual Assessments payable by each Owner, on or before December 15 preceding the fiscal year to which the budget applies.
4. Basis and Maximum Annual Assessment. Upon establishing the annual budget, the Board shall establish the per Lot Annual Assessment which shall in no event be greater than the Maximum Annual Assessment as hereinafter defined. To calculate the Annual Assessment, the Board shall calculate the number of assessment units for all Lots within the Property as of the commencement of the fiscal year and may consider any Additional Property or Lots anticipated to be added during the fiscal year. The total estimated

expenses for the fiscal year shall be divided by the total assessment units. Provided however, the Maximum Annual Assessments as calculated above (excluding any Neighborhood Assessments) shall not exceed Three Hundred and Fifty and 00/100 Dollars (\$350.00) per annum for calendar year 1997. From and after January 1, 1998, the Maximum Annual Assessment may be increased by the Board but such increase in any year may not be more than fifteen percent (15%) above the Maximum Annual Assessment for the previous year unless approved by a majority of all votes cast, in person or by proxy in the manner more fully set forth in the Articles. The Board may determine the applicable annual assessment at an amount which is equal to or less than the Maximum Annual Assessment.

OR Bk 5308 Pg 1008
Orange Co FL 1997-0292485

5. Neighborhood Assessments. The Board of Directors shall establish, from time to time, any Neighborhood Assessments to be calculated as set forth in the Supplemental Declaration for such Neighborhood. Each year, prior to establishing the Neighborhood Assessments, the Neighborhood Committee, if appointed, may submit a proposed budget for the Neighborhood Assessment to the Board. The Board shall review the budget proposed by the Neighborhood Committee and, if it deems it reasonable, shall adopt the budget so proposed and levy the Neighborhood Assessment in accordance therewith, or may make such modifications thereto as it deems reasonable and necessary.
6. Reserves. The Association may, in its discretion, maintain such reserves as it deems reasonable or necessary for (i) working capital, (ii) contingencies, (iii) replacements, and (iv) the performance of such other coordinating or discretionary functions not contrary to the terms of this Declaration which the Board of Directors may from time to time approve. The amount and manner of collection of reserves shall be as determined by the Board of Directors, in its sole discretion. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved as a Minor Amendment as described in the Articles. If the reserves are inadequate for any reason, including nonpayment of any Owner's Assessment, the Board of Directors may, at any time, levy a Special Assessment in accordance with the provisions of this Article, which may be payable in a lump sum or in installments as the Board of Directors may determine. In the event there is a balance of reserves at the end of any fiscal year and the Board of Directors so determines, any excess reserves may be taken into account in establishing the next year's budget and may be applied to defray general expenses incurred thereunder.

During the period of time that the Developer is funding any defect in the budget, the Developer shall not be required to fund any reserves regardless of whether such reserve amounts are shown in the budget.

7. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt an annual budget or adjusted budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his Assessments, as herein provided, whenever the same shall be determined. In the absence of any annual Association budget or adjusted budget, each Owner shall continue to pay the Annual Assessment at the then existing rate established for the previous fiscal period, in the manner such payment was previously due, until notified otherwise.
8. Accounts. Except as otherwise provided herein, all sums collected by the Board of Directors with respect to Assessments against the Owners may be commingled in a single fund.

OR Bk 5308 Pg 1009
Orange Co FL 1997-0292485

J. Exempt Property. The following properties subject to this Declaration shall be exempted from the Assessments, Assessment Charges, and liens created herein: (a) all properties dedicated to and accepted by a governmental body, agency or authority; and (b) all Common Property. All Lots, Property or Additional Property owned by Developer (including, without limitation, any Lot used or leased by Developer, by a builder constructing a Residence thereon for sale to third parties, or by the Developer or Builder as a model home, construction facility, or other use) shall be exempt from payment of Assessments for so long as Developer funds any deficit in the annual budget. Developer shall fund such expenses only as they are actually incurred by the Association during the period that Developer is funding the deficit. Developer's obligation to fund any deficits shall terminate at such time as Developer, in its sole discretion, elects to pay the Assessment for each Lot owned by it which has been subjected to the Declaration, or after Turnover, whichever shall first occur. Developer may, but is not obligated to, assign this exemption right to any entity it may determine, including without limitation any builder owning Lots solely for the purpose of constructing Residences intended to be sold to ultimate purchasers. Any such assignment of Developer's exemption shall have no effect on Developer's exemption hereunder.

K. Real Estate Taxes. In the event the Common Property is taxed separately from the Lots, the Association shall include such taxes as part of the Annual Assessment. In the event the Common Property is taxed as a component of the value of the Lot owned by each Owner, it shall be the obligation of such Owner to promptly pay such taxes prior to their becoming a lien on the Property.

L. Certificate of Payment. The Treasurer of the Association, or the management company authorized by the Board of Directors, upon demand of any Owner liable for an Assessment, shall furnish to such Owner a certificate in writing setting forth whether such Assessment has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge for the services involved in preparing such certificate may be assessed by the Association or management company, as applicable.

VII.
ARCHITECTURAL CONTROL

A. Purpose. Except for the Initial Improvements, the Association, through the ACC, shall have the right to exercise architectural control over all improvements constructed, erected, or placed upon any part of the Property, to assist in making the Property a community of high standards and aesthetic beauty. Such architectural control may include all architectural aspects of any such improvement including, without limitation, size, height, site planning, setbacks, exterior design, materials, colors, open space, landscaping, waterscaping, and aesthetic criteria. For so long as Developer owns any Lot, Developer shall have the sole right to appoint the members of the ACC. Thereafter, the members of the ACC shall be appointed by the Board of Directors as designated in the Bylaws. If the Board of Directors fails to so appoint the ACC, then the Board of Directors shall constitute the ACC. The Developer shall have the sole right to approve the Initial Improvements on the Property and the rights granted to the ACC with respect to the Property shall only be in effect for a Lot only after the Residence has been completed on such Lot.

DR Bk 5308 Pg 1010
Orange Co FL 1997-0292485

B. Construction Subject to Architectural Control.

1. ACC Approval. Except for the Initial Improvements, no construction, modification, alteration, or improvement of any nature whatsoever, except for interior alterations not affecting the external structure or appearance of any Residence, shall be undertaken on any Lot unless and until a plan of such construction, modification, alteration, or improvement shall have been approved in writing by the ACC. No Initial Improvements shall be commenced, erected, placed, or maintained upon any Lot unless and until the same shall have been submitted to and approved in writing by Developer.
2. Improvements Subject to Approval. Construction, modifications and improvements subject to approval by the ACC or Developer, as applicable, specifically include, but are not limited to, painting or other alteration of the exterior appearance of a Residence (including doors, windows and roof); installation of antennae, satellite dishes or receivers, solar panels or other devices; construction of docks, fountains, screened enclosures, swimming pools, whirlpools, or other pools; construction of privacy walls or other fences; addition of awnings, signs (whether located on the Lot or in windows of the Residence), gates, flower boxes, shelves, statues, or other outdoor ornamentation, patterned or brightly colored window coverings; alteration of the landscaping or topography of the Property, including, without limitation, any cutting or removal of trees, planting or removal of plants, and creation or alteration of lakes or similar features of the Property; and all other modifications, alterations, or improvements visible from any road or other Lots. All of the foregoing (excluding Initial Improvements) are jointly referred to herein as "Proposed Improvements".

3. Procedures.

- a. Application. It shall be the responsibility of each Owner to supply two (2) sets of the documents described herein together with a review fee, if any, as may be established from time to time, to the ACC, or to Developer as to the Initial Improvements. The ACC or Developer, as applicable, shall approve or disapprove the documents properly submitted to it in writing within thirty (30) days of such submission. Any requests shall be deemed approved if the ACC or Developer, as applicable, fails to issue a written approval or disapproval within thirty (30) days of their proper submission. The documents, materials and items to be submitted for approval shall include two (2) sets of the following: (i) the construction plans and specifications, if any, including a detailed landscape plan; (ii) an elevation or rendering of all Proposed Improvements, if any, (iii) samples of materials or paint colors and (iv) such other items as the ACC or Developer may deem appropriate.
- b. Basis for Decision. Approval shall be granted or denied by the ACC or Developer based upon compliance with the provisions of this Declaration and any guidelines established pursuant thereto, the quality of workmanship and materials, the harmony of external design with its surroundings, the effect of the construction on the appearance from surrounding Lots, and all other factors, guidelines and standards promulgated from time to time, including purely aesthetic considerations, which, in the sole opinion of the ACC or Developer, will affect the desirability or suitability of the construction. OR Bk 5308 Pg 1011
Orange Co FL 1997-0292485

In connection with its approval or disapproval of an application, the ACC or Developer shall evaluate each application for total effect. The evaluation relates to matters of judgment and taste which cannot be reduced to a simple list of measurable criteria. It is possible, therefore, that an application may meet individual criteria and still not receive approval, if in the sole judgment of the ACC or Developer, its overall aesthetic impact is unacceptable. The approval of an application shall not be construed as creating any obligation on the part of the ACC or Developer to approve applications involving similar designs for different Lots.

- c. Uniform Procedures. The ACC may establish uniform procedures for the review of applications, including the assessment of review costs and fees, if any, to be paid by the applicant, and the requirement of a security deposit, the time and place of meetings, and the posting of a compliance bond to ensure the full and timely compliance by the applicant with the conditions imposed by the ACC. No submission for approval shall be considered by the ACC unless and until such submission, in compliance with the provisions of this Article, has been

accepted by the ACC. Developer may establish separate guidelines and procedures for the submission of the plans and specifications for Initial Improvements.

- d. Notification. Approval or disapproval of applications to the ACC shall be given to the applicant in writing within thirty (30) days of receipt thereof, by the ACC in accordance with the procedures adopted by the ACC. The ACC shall indicate its approval by stamping the plans with its seal and the date of approval. If the ACC disapproves the requested Proposed Improvement, it shall provide written notice of such disapproval to the Owner. Disapproval by the ACC may be appealed to the Board of Directors of the Association, and the determinations of the Board of Directors shall be dispositive. If the ACC does not act within the thirty (30) day period (unless an extension is agreed to) from receipt of the plans and specifications in acceptable form, the plans and specifications for the Proposed Improvements shall be deemed to have been approved. No construction (other than Initial Improvements) on any Lot or within the Property shall be commenced, and no Residence shall be modified, except in accordance with such approved plans and specifications. The Developer shall give its notice of approval or disapproval within thirty (30) days from the date the Developer receives all the required information. The determination of the Developer with respect to the Initial Improvements shall be dispositive.
4. Enforcement. The Board of Directors shall have the authority and standing on behalf of the Association to enforce, in courts of competent jurisdiction, the decisions of the ACC. The Developer shall also have the authority and standing in courts of competent jurisdiction to enforce its decisions hereunder.

Without limiting the foregoing, the landscaping of the Lot shall be completed in accordance with the landscaping plan prior to the initial occupancy of the Residence or in the case of a Proposed Improvement, which require additional landscaping, constructed after the Initial Improvements, the landscaping must be completed within thirty (30) days from completion of the Proposed Improvement. In the event that the landscaping is not completed as provided herein, the Association or the Developer shall have the right to enter upon the Lot and complete the landscaping in accordance with the approved plans, in the same manner as exterior maintenance may be performed by the Association or Developer in accordance with paragraph III(D).

5. Remedy for Violations. In the event any Proposed Improvement is constructed without first obtaining the approval of the ACC or Developer, as applicable, or is not constructed in strict compliance with any approval given or deemed given by the ACC or Developer, as applicable, or the provisions of this Article are otherwise violated, the ACC, as the authorized representative of the Association or the Developer, shall have the specific right to injunctive

relief to require the Owner to stop, remove, and alter any improvements in order to comply with the requirements hereof, or the ACC or Developer may pursue any other remedy available to it, including without limitation, the right to assess a fine. In connection with this enforcement paragraph, the ACC and Developer shall have the right to enter into any Lot or Residence and make any inspection necessary to determine that the provisions of this Declaration have been complied with. The failure of the ACC or Developer to object to any Proposed Improvement prior to its completion shall not constitute a waiver of the ACC's or Developer's right to enforce this Article. The foregoing rights shall be in addition to any other remedy set forth herein for violations of this Declaration.

OR Bk 5308 Pg 1013
Orange Co FL 1997-0292485

6. Variances. The ACC or Developer, as applicable, may authorize a variance from compliance with any of the architectural provisions of this Declaration when circumstances such as topography, natural obstructions, hardships, or aesthetic or environmental consideration require the same. A variance shall be evidenced by a document signed by the chairman of the ACC, if it involves a Proposed Improvement, or by Developer, if it involves Initial Improvements. If such a variance is granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions this Declaration for any purpose except as to the particular Lot and the particular provisions of this Declaration covered by the variance, nor shall it affect in any way the Owners' obligation to comply with all governmental laws and regulations, including, but not limited to, zoning ordinances and set back lines or requirements imposed by any governmental or municipal authority.
7. Reservation of Right to Release Restrictions. In each instance where a structure has been erected, or construction thereof has substantially advanced, in such a manner that some portion of the structure encroaches on any Lot line, setback line, or easement area, Developer reserves for itself, its successors, assigns and designees, the right to release such Lot from the encroachment and to grant a variance to permit the encroachment without the consent or joinder of any person, irrespective of who owns the burdened Lot or easement areas, so long as Developer, in the exercise of its sole discretion, determines that the release or a variance will not materially or adversely affect the value of the adjacent Lot and the overall appearance of the Property. This reserved right shall automatically pass to the Association when Developer no longer owns any portion of the Property. Upon granting of an exception to an Owner, the exception shall be binding upon all subsequent Owners of the affected Lots. Any such grant shall also be subject to any requirements of governmental entities.

8. No Liability. Notwithstanding anything contained herein to the contrary, the ACC and Developer shall merely have the right, but not the obligation, to exercise architectural control, and shall not be liable to any Owner, its successors, assigns, personal representatives, or heirs, due to the exercise or non-exercise of such control or the approval or disapproval of any Proposed Improvement. Furthermore, the approval of any plans and specifications or any Proposed Improvements shall not be deemed to be a determination or warranty that such plans and specifications or Proposed Improvements are complete, do not contain defects, or in fact meet any standards, guidelines, or criteria of the ACC or Developer, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and neither the ACC, the Association, nor Developer shall be liable for any defect or deficiency in such plans and specifications or Proposed Improvements, or any injury to persons or property resulting therefrom.

OR Bk 5308 Pg 1014
Orange Co FL 1997-0292485

VIII.

PROTECTIVE COVENANTS

A. Protective Covenants. In order to keep the Property a desirable place to live for all Owners, the following protective covenants are made a part of the Declaration. Without limiting any of the provisions or requirements hereof, the specific references to Developer or ACC approval set forth in this paragraph or elsewhere in the Declaration shall not be construed as a limitation on the requirements of Article VII of the Declaration or in any Supplemental Declaration. The Association reserves the right to waive any of the protective covenants as set forth herein and the Developer reserves the right to waive any of the protective covenants with respect to the Initial Improvements, as either party shall deem necessary or reasonable.

1. Lot Resubdivision. No Lot shall be further subdivided, replatted, or separated into smaller Lots by any Owner. Provided however, this restriction shall not prohibit corrective deeds or similar corrective instruments. Developer shall have the right to reconfigure Lots or modify subdivision plats of the Property if Developer owns all the Lots within the legal description of the Property to be subjected to the replat, or if all Owners of Lots which are included within the portion of the plat so modified consent to such modification, which consent shall not be unreasonably withheld or delayed.
2. Residential Use. Each Lot shall be used, improved and devoted exclusively to single family residential use, and for no commercial purpose. No time share ownership of Lots shall be permitted without Developer's approval. Nothing herein shall be deemed to prevent any Owner from leasing a Residence, subject to all of the provisions of the Declaration, Articles, and Bylaws, nor to prevent Developer from converting the use of a platted lot to a road for ingress and egress from an adjacent Lot or land. The foregoing restriction shall not operate to prevent Developer or its designees from using one or more Residences as model homes or sales centers during the development and sale of the Property. No other business or commercial use may be made of any

part of the Property. Provided, however, an occupant of a Residence who maintains a personal or professional library, keeps personal or professional books or accounts, conducts personal business (provided that such use does not involve customers, clients, employees, licenses or invitees regularly visiting the Residence), or makes professional telephone calls or correspondence in or from a Residence is engaging in a residential use and shall not be deemed to be in violation of this paragraph by reason thereof.

3. Nuisances: Other Improper Use. No nuisance shall be permitted to exist on any Lot or Common Property so as to be detrimental to any other Lot in the vicinity thereof or its occupants, or to the Common Property. Any activity on a Lot which interferes with television, cable, or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. No immoral, offensive, or unlawful use shall be made of the Property or any part thereof. All laws, zoning ordinances, orders, rules, regulations, and requirements of any governmental agency having jurisdiction relating to any portion of the Property shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property. No waste will be committed upon the Common Property. Owners hereby acknowledge that construction activity on or about the Property during daylight hours shall not be deemed to be a nuisance. The determination of the Board of Directors as to what may be or become a nuisance shall be conclusive.

OR Bk 5308 Pg 1015
Orange Co FL 1997-0292485

4. Insurance. Nothing shall be done or kept in any Residence, Lot, or in the Common Property which will increase the rate of insurance for the Property or any other Lot, or the contents thereof, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his Residence, on his Lot, or in the Common Property which will result in the cancellation of insurance on the Property or any other Lot, or the contents thereof, or which would be in violation of any law.
5. Access. Owners shall allow the Board of Directors or the agents and employees of the Association to enter any Lot for the purpose of maintenance, inspection, repair, replacement of the improvements within the Lot, or in case of emergency, for any lawful purpose, or to determine compliance with this Declaration.
6. Pets. No animals, livestock, or poultry shall be raised, bred, or kept anywhere within the Property, except that not more than two dogs, cats, or caged birds (or any combination thereof, not exceeding two animals, may be kept by an Owner or occupant of a Lot, but only if such permitted pets do not constitute a nuisance on the Property. All pets must be held or kept leashed or otherwise appropriately restrained at all times they are on the Common Property, and all owners of pets shall be held strictly responsible to immediately collect and properly dispose of the wastes and litter of their pets.

The Association reserves the right to designate specific areas within the Common Property where pets may be walked on leashes by their Owners. The Association further reserves the right to demand that an Owner permanently remove from the Property all pets which create disturbances or annoyances that constitute nuisances, in the sole determination of the Board of Directors. The decision of the Board of Directors in such matters is conclusive and shall be enforced by the Association.

7. Signs. No sign of any kind shall be displayed to public view on any Lot except one sign of not more than two (2) square feet advertising such Lot for sale or rent. The foregoing restriction shall not apply to the Developer or any designee of the Developer during the period of time that the Developer or its designees are constructing improvements or marketing within Falcon Trace.
8. Recreational Vehicles. No travel trailer, mobile home, boat, tent, storage building, garage, barn or outbuilding shall be, at any time, used as a residence temporarily, or permanently; provided, however, that recreational vehicles such as travel trailers, mobile homes, motor homes, tents, trailers, boats, etc., not exceeding ten feet in height and thirty two feet in length, may be stored on a Lot at the rear of the Residence situated thereon upon the following conditions:

OR Bk 5308 Pg 1016
Orange Co FL 1997-0292485

 - a. All such vehicles shall bear current registration or inspection tag.
 - b. No such vehicle shall be permitted anywhere within the yard of any Lot which is adjacent to a lake.
 - c. All such vehicles must be screened from view, and all screening material shall be subject to review and approval by the ACC.
9. Motor Vehicles and Parking. Except as specifically set forth in paragraph 8, no vehicles, except four wheeled passenger automobiles or standard sized pick up trucks not exceeding one-ton capacity, with no lettering or signage thereon, shall be placed, parked or stored upon any Lot, unless totally contained within a garage or appropriately screened from view of the neighboring Owners and from the street or unless being utilized in the construction of a Residence on the Lot. The sufficiency of such screening shall be determined solely in the discretion of the ACC. No maintenance or repair of the type of vehicles permitted hereunder, which necessitates putting the vehicle on blocks or otherwise extends for a period of greater than three daylight hours may be performed upon any such vehicle on any Lot unless with the written approval of the ACC, except within a garage, totally isolated from public view.
10. Offstreet Motor Vehicles. No motorized vehicles including, without limitation, two, three and four wheel all terrain vehicles or "dirt bikes" may be operated off of paved roadways and drives except as specifically approved

in writing by the ACC or if utilized for the purpose of maintenance, construction, security or other similar purposes.

11. Visibility at Street Intersections. No hedge, shrub, or planting which obstructs the site lines and elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and the line connecting them at points twenty five (25') feet from the intersection of the street lines or in the case of a rounded property corner from the intersection of the street lines as extended. The same site line limitation shall apply to any Lot within ten (10') feet from an intersection of street property lines with the edge of a driveway or alley pavement. No tree shall be permitted to remain within the above described limits of the intersections unless the foliage line is maintained at or above six feet (6') feet above the roadway intersection elevation to prevent the obstruction of sight lines.

DR Bk 5308 Pg 1017
Orange Co FL 1997-0292485

12. Garbage and Trash Containers. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste must be kept in sanitary containers and placed in trash enclosures and further disposed of in accordance with the applicable rules of the County in its collection procedures.
13. Temporary Structures. Unless first approved in writing by the ACC, no structures of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently, except that the Developer or its designees, may install a sales trailer or other approved temporary structure on a Lot for use as a sales office or construction office during any development within Falcon Trace.
14. Oil and Mining Operations. No oil drilling, oil development, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or on the Property.
15. Hazardous Materials. No hazardous or toxic materials or pollutants shall be discharged, maintained, stored, released or disposed of in or under the Property, except in strict compliance with applicable rules and regulations. Flammable, combustible or explosive fluids, materials or substances for ordinary household use may be stored or used on the Property, subject to strict safety codes and shall be stored in containers specifically designed for such purposes.
16. Tree Preservation. No trees measuring four inches (4") or more in diameter at a point which is three (3') feet above ground level may be removed without

the written approval of the Developer, unless located within ten (10') feet of the Residence or accessory building or within ten (10') feet of the approved site for such building. No tree shall be removed from any Lot without the consent of the Developer until the Owner shall be ready to commence construction.

17. Personal Services. The employees of the Association shall not be required to attend to any personal matters or business of Owners, nor shall they be permitted to leave the Property on any private business of Owners. The uses and functions of such employees shall be governed by the Board of Directors. In the event personal services are provided to Owners by any employees of the Association, the Association will not assume any responsibility or be liable for, in any manner, the quality of such services or work provided, nor shall it warrant such services or work. In addition, the Association shall not be liable for any injury to persons or damage to property resulting from any act or omission by those performing such personal work or services for Owners.
18. Soliciting. No soliciting will be allowed at any time within the Property.

OR Bk 5308 Pg 1018
Orange Co FL 1997-0292485

IX. INSURANCE

A. Types of Coverage.

1. Insurance of Common Property. The Board of Directors shall obtain liability insurance on the Common Property and, to the extent the Board of Directors deems reasonable or necessary, may obtain casualty insurance and increase the amounts of liability insurance, all as is consistent with prudent business judgment, including the following:
 - a. Hazard insurance on the Common Property and any improvements constructed thereon, with extended coverage, vandalism, malicious mischief and windstorm endorsements in an amount not less than that necessary to comply with the coinsurance percentage stipulated in the policy, and in any event not less than 80% of the insurable value (based upon replacement cost) of the improvements constructed on the Common Property.
 - b. Public liability insurance in such limits as the Board of Directors may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Common Property or adjoining the Property. Such insurance shall be issued on a comprehensive liability basis and shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board of Directors, or other Owners. The Board of Directors shall review such limits once each year.

2. Insurance of the Lots. It shall be the responsibility of each Owner to obtain, at his own expense, liability insurance with respect to the ownership and use of his Lot, including his Residence, and the Association shall not be responsible for obtaining such insurance or have any liability whatsoever in connection therewith. It shall be the responsibility of each Owner to obtain and maintain hazard insurance and insurance against the perils customarily covered by an extended coverage endorsement in an amount equal to not less than the full replacement cost of the Residence and shall submit evidence of such insurance coverage together with evidence of payment of the most recent premium therefor to the Association upon request.
3. Director and Officer Liability Insurance. The Board of Directors may obtain, as a matter of common expense payable from the Annual Assessments, liability insurance against personal loss for actions taken by members of the Board of Directors and officers of the Association in the performance of their duties. Such insurance shall be of the type and amount determined by the Board of Directors, in its discretion.
4. Other Coverage. The Board of Directors shall obtain and maintain worker's compensation insurance, if and to the extent necessary to meet the requirements of law, and such other insurance as the Board of Directors may determine or as may be requested from time to time by a majority of the Owners. The Board of Directors may from time to time increase or decrease the types and amounts of insurance coverage, as may be necessary or convenient to comply with requirements of Mortgagees or based upon the cost and availability of such coverage.

DR Bk 5308 Pg 1019
Orange Co FL 1997-0292485

B. Repair and Reconstruction After Casualty.

1. Common Property. In the event of damage to or destruction of all or any the improvements on the Common Property as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of such improvements substantially in accordance with the plans and specifications under which the improvements were originally constructed, or any modification thereof approved by Developer or the ACC. The Board of Directors shall proceed towards reconstruction of such improvements as quickly as practicable under the circumstances, and shall obtain funds for such reconstruction from the insurance proceeds and any Special Assessments that may be necessary after exhaustion of reserves for the repair and replacement of such improvements. Nothing contained herein shall impose absolute liability for damages to the Common Property on the Owners.
2. Residences. Any Owner whose Residence is destroyed or damaged by fire or other casualty shall immediately proceed to rebuild and restore his Residence to the conditions existing immediately prior to such damage or destruction,

unless other plans are approved in accordance with the provisions of Article VIII above. Provided, however, if the damage is so extensive that the Owner determines not to rebuild the Residence, the Owner may remove all remaining improvements and debris and sod the Lot. In such event, all obligations for landscaping on the part of Owner shall remain in effect.

X.
ASSOCIATION LIABILITY

OR Bk 5308 Pg 1020
Orange Co FL 1997-0292485

A. **Disclaimer of Liability.** Notwithstanding anything contained in this Declaration, in the Articles or Bylaws, or in any other document governing or binding the Association (collectively, "Association Documents"), neither Developer nor the Association shall be liable or responsible for, or shall be deemed in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant, or user of any portion of the Property, including, without limitation, Owners, occupants, tenants, and their families, guests, invitees, agents, servants, contractors or subcontractors, nor for any property of such persons.

B. **Specific Provisions.** Without limiting the generality of the foregoing:

1. It is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern and regulate the use of the Property have been written and are to be interpreted and enforced for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof.
2. Neither Developer nor the Association is empowered, nor have they have been created, to act as an entity which enforces or insures compliance with the laws of the United States of America, the State of Florida, the County, or any other jurisdiction, or prevents tortious or criminal activities.
3. The provisions of the Association Documents setting forth the uses of Assessments which may relate to health, safety, or welfare shall be attributed and implied only as limitations on the usage of such funds, and not as creating an obligation of the Association or Developer to protect the health, safety or welfare of any persons.

C. **Owner Covenant.** Each Owner, for himself and his heirs, legal representatives, successors and assigns (by virtue of his acceptance of title of his Lot), and every other person or entity having an interest in or a lien upon, or making use of, any portion of the Property (by virtue of accepting such interest or lien or making use thereof), shall be bound by this Article and shall be deemed to automatically waive all rights, claims, demands, and causes of action against the Association or Developer arising from or connected with any act or omission for which the liability of the Association or Developer has been described in this Article.

XI.
PROPERTY SUBJECT TO THIS
DECLARATION AND ANNEXATIONS THERETO

A. **Existing Property.** The Property as defined in paragraph I(A)(27) is the land which is initially subject to this Declaration. Contemporaneously with the recording of this Declaration, a Supplemental Declaration is being recorded which specifically govern the occupation and use of Cumberland Meadows, Phase 1, Falcon Trace.

OR Bk 5308 Pg 1021
Orange Co FL 1997-0292485

B. **Annexation.**

1. **By Developer.** Developer shall have the right, but not the obligation, from time to time and within its sole discretion, without the consent of any Owner or Institutional Mortgagee, to annex all or any portion of the Additional Property or other parcels now or hereafter acquired by it, as well as parcels of land owned by others, with their consent and joinder.
2. **By Association.** Alternatively, any portion of Falcon Trace which may from time to time be owned by the Association may be annexed to the Property by recording a Supplemental Declaration executed by the President of the Association and the Owner of the land to be annexed.

C. **Supplemental Declaration.** Any such additions shall be made by the filing of record of one or more Supplemental Declarations with respect to the portion of the lands to be annexed. A Supplemental Declaration may contain any additions to or modifications of the provisions hereof applicable to the property to be annexed as may be necessary, in Developer's judgment, to reflect the different character, if any, of such land that is the subject of the Supplemental Declaration, including, without limitation, any differences in the method or level of Assessments to be levied upon such property, taking into account the different nature or amount of services to be rendered to its Owners by the Association and any Neighborhood Common Property. A Supplemental Declaration shall become effective upon being recorded in the public records of the County.

D. **Effect of Annexation.** In the event that any portion of the Additional Property is annexed to the Property pursuant to the provisions of this Article XI, upon recording of the Supplemental Declaration, (a) such Additional Property shall be considered within the definition of the term "Property" for all purposes of this Declaration, and (b) all voting of each class of membership of the Association and all voting by the Owners hereunder shall be aggregated. Provided further, until any land is subjected to the terms of this Declaration by recording a Supplemental Declaration all such land may be conveyed, transferred, held, occupied and mortgaged free and clear of the terms and conditions hereof.

E. Withdrawal of Property. At any time Developer may determine in its sole discretion to withdraw any portion of the Property owned by it from the terms and conditions of this Declaration by recording a Declaration of Withdrawal, executed by the Developer and no further consent of any Owners or Mortgagees shall be required.

DR Bk 5308 Pg 1022
Orange Co FL 1997-0292485

XII. DEVELOPMENT ORDER

A. In General. Falcon Trace is a development within a "Development of Regional Impact" (as that term is defined in Chapter 380, Florida Statutes, on the date hereof) intended to be developed incrementally in accordance with the Development Order which governs its overall development.

B. Scope and Affect. No portion of the Property shall be used for any purpose or in any manner inconsistent with the Development Order. Any violation of the Development Order shall be a violation hereof and the Developer shall have the right to enforce the provision hereof regarding the Development Order against any person in violation thereof. That notwithstanding, no provision of this Declaration is intended to impose any requirement on the Developer or to enlarge the scope of any provision of the Development Order or create any right in any person to enforce the provisions of the Development Order except as may be specifically provided herein or otherwise created by applicable law.

C. Dedication of Lands. The Developer hereby reserves the right, in addition to any other right reserved by the Developer anywhere herein, to dedicate or cause the Association to dedicate any portion of the Property to an appropriate governmental or quasi-governmental agency for such purposes as may be provided by the Development Order. That notwithstanding, the provisions of this Article are not intended to require, declare, dedicate or to cause the Association to dedicate any portion of the Property to any governmental or quasi-governmental agency, except as the Developer deems appropriate.

D. Changes to Development Order. Developer reserves the absolute right, power and authority, in addition to any other right reserved by the Developer herein, to inaugurate and implement any variations from, modifications to, or amendments of the Development Order in any manner and for any purpose Developer deems appropriate for the development of the Property or the Additional Property. That notwithstanding, no provision of the Development Order may be modified or amended by the Developer without the County's prior written consent. Further, no other person shall have the right to inaugurate or implement any such variations, modifications or amendments of the Development Order without the prior written consent of the Developer and the County.

E. Responsibilities Under the Development Order. Developer hereby reserves the right to the extent permitted by the Development Order to delegate or to contract concerning any or all of its responsibilities thereunder, including without limitation, maintenance of Common Property

and monitoring of environmental or other conditions to or with the Association or any Community Development District or any other person, exclusively or non-exclusively, and on a permanent or temporary basis, which delegation may be subject to such terms and conditions as may be acceptable to Developer and the Community Development District. Developer shall have the right, at any time, to terminate such delegation and perform such functions itself or delegate the same to another person. The Association, Community Development District or any other person having responsibilities regarding any portion of the Property which arise directly under the Development Order by delegation from another person having such responsibilities shall cooperate fully with each other and all persons having responsibilities under the Development Order to ensure such responsibilities are carried out to the full extent required thereunder. Further, Developer and the Association shall have the right, but not the obligation, to perform any functions required of any person by delegation or directly under the Development Order upon such person's failure to properly perform such functions.

F. Conflicts. In the event of any conflict between the provisions of this Declaration and the Development Order, the provisions of the Development Order shall apply.

OR Bk 5308 Pg 1023
Orange Co FL 1997-0292485

XIII.

MASTER ASSOCIATION

A. Master Association. The Master Association performs certain duties and obligations with respect the Stormwater Management System on the Property and its members are those persons designated in the Articles of Incorporation and Bylaws of the Master Association. The Master Association acting through its Board of Directors shall have the powers, rights and duties with respect to this Property and to the Southchase-West Property which are set forth in the Articles of Incorporation and Bylaws of the Master Association and the Master Declaration.

B. Assessments. The Master Association is entitled to a lien upon a Lot for any unpaid assessment for expenses incurred or to be incurred by the Master Association in fulfillment of its maintenance operation and management with responsibilities pursuant to the Master Declaration.

C. Limitations on Amendments. Notwithstanding anything herein to the contrary, this Declaration shall not be amended in any manner so as to affect the rights of the Master Association without the written approval of the Board of Directors of the Master Association. Any such approval shall be evidenced by a recordable instrument executed by the president and attested by the secretary of the Master Association.

XIV.
GENERAL TERMS

A. Duration. This Declaration, as amended and supplemented from time to time, shall run with and bind the Property, and shall inure to the benefit of and be binding upon Developer, the Association, the Owners, and their respective legal representatives, heirs, successors or assigns, for a term of forty (40) years from the date of this Declaration is recorded in the public records of the County, after which time all of said provisions shall be extended automatically for successive periods of ten (10) years each, unless an instrument or instruments signed by the then Owners of seventy five percent (75%) of the Lots subject to this Declaration is recorded in the public records of the County, agreeing to terminate all of said provisions as of a specified date. Unless this Declaration is terminated as provided above, the Association shall rerecord this Declaration or other notice of its terms at intervals necessary under Florida law to preserve its effect.

OR Bk 5308 Pg 1024
Orange Co FL 1997-0292485

B. Condemnation. In the event all or part of the Common Property owned by the Association shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board of Directors shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such Property. The damages from such condemnation shall be applied to repair and reconstruction of the improvements. If the improvements can not be repaired or restored the damages shall be deposited in Association account and be used as approved by the Board.

C. Notices. Any notice required to be sent to the Owner of any Lot under the provisions of this Declaration shall be deemed to have been properly sent when hand delivered or mailed, postage prepaid, to the Lot and to the last known address of the person who appears as Owner of such Lot on the records of the Association at the time of such mailing, if different.

D. Enforcement of Covenants. If any person, firm, corporation, trust, or other entity shall violate or attempt to violate any of the covenants or restrictions set forth in this Declaration, it shall be lawful for Developer, the Association, or any Owner: (a) to prosecute proceedings for the recovery of damages against those so violating or attempting to violate any such covenant or restriction; or (b) to maintain a proceeding in any court of competent jurisdiction against those so violating or attempting to violate any such covenant or restriction for the purpose of preventing or enjoining all or any such violations or attempted violations. In addition to all other remedies, the Board of Directors shall have the authority, in its sole discretion, to impose a fine or fines upon any Owner for failure of the Owner, his family, guests, invitees, tenants, or occupants (excluding the Developer), to comply with any covenant, restriction, rule, or regulation contained in this Declaration, the Articles, or the Bylaws, which fines shall be deemed to be a Lot Assessment, provided the following procedures are adhered to:

1. The Association shall notify the Owner or occupant of the infraction(s) and the date and time of a meeting which shall be at least fourteen (14) days from the date of notice. The Owner shall meet with a committee appointed by the Board which committee is composed of three (3) Owners who are not officers,

directors or employees of the Association.

2. At such meeting, the committee shall be presented with the infraction(s) and shall give the Owner or occupant the opportunity to present reasons why penalties should not be imposed. A written decision of the committee shall be provided to the Owner or occupant within twenty one (21) days after the date of the meeting.

DR Bk 5308 Pg 1025
Orange Co FL 1997-0292485

3. If approved by the committee, the Board of Directors may impose fines against the applicable Lot of up to Fifty Dollars (\$50.00) per incident. The maximum permitted fine may be increased from time to time by the Board of Directors, as permitted by applicable statutes.
4. Each incident which is grounds for a fine shall be the basis for a separate fine. In case of continuing violations, each continuation after notice is given shall be deemed a separate incident.
5. Fines shall be paid within thirty (30) days after the receipt of notice of their imposition.
6. All monies received from fines shall be allocated as directed by the Board of Directors.
7. The imposition of a fine shall not be an exclusive remedy and shall exist in addition to all other rights and remedies to which the Association may otherwise be entitled, including without limitation the right to impose a Lot Assessment; however, any fine paid by the Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner or occupant. The limitations on fines in this paragraph does not apply to suspensions or fines arising from failure to pay Assessments.
8. In no event shall the Association be permitted to assess a fine against the Developer. The remedies contained in this paragraph shall be construed as cumulative of all other remedies now or hereafter provided by law. The failure of Developer, the Association, or any Owner, or their respective successors or assigns, to enforce any covenant, restriction, obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall not be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation occurring prior or subsequent thereto. Further, the failure by Developer or Association to bring an action to enforce any provisions of this Declaration shall in no event give rise to claim or cause of action by any Owner or any other party against the Developer or Association.

E. Interpretation. Unless the context expressly requires otherwise, the use of the singular includes the plural and vice versa; the use of all genders includes all genders; the use of the terms "including" or "include" is without limitation; and the use of the terms "will", "must",

and "should" shall have the same effect as the use of the term "shall". Wherever any time period is expressed in days, if such time period ends on a Saturday, Sunday, or legal holiday, it shall be extended to the next succeeding calendar day that is not a Saturday, Sunday, or legal holiday. The terms "Lot" and "Property" mean all or any portion applicable to the context, and include all improvements, fixtures, trees, vegetation, and other property from time to time situated thereon, and the benefit of all appurtenant easements. The terms of this Declaration shall be liberally construed in favor of the party seeking to enforce its provisions to effectuate their purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a uniform and consistent plan for the development and enjoyment thereof. Headings and other textual divisions are for convenience only and are not to be used to interpret, construe, apply, or enforce any substantive provisions. The provisions of this subparagraph apply also to the interpretation, construction, application, and enforcement of all the Association Documents.

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

OR Bk 5308 Pg 1026
Orange Co FL 1997-0292485

G. Rules and Regulations. All Owners shall comply with the rules and regulations adopted and amended from time to time by the Board of Directors, the ACC and this Declaration. Such rules and regulations shall be for the purpose of elaboration and administration of the provisions of this Declaration and shall relate to the overall development of the Property, and shall not in any way diminish the powers of self-government of the Association.

H. Litigation. No judicial or administrative proceedings shall be commenced or prosecuted by the Association unless the same is approved by a vote or written consent of the Owners of seventy five percent (75%) of the Lots subject to this Declaration. This paragraph shall not apply, however, to: (a) actions brought by the Association to enforce and provisions of this Declaration (including, without limitation, foreclosure of lien), (b) imposition of Assessments as provided herein, (c) proceedings involving challenges, to any taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. Notwithstanding the provisions of this Paragraph, this Paragraph shall not be amended unless such Amendment is approved by Developer or is approved by the percentage vote pursuant to the same procedures as are necessary to institute proceedings and provided above.

I. Amendment. This Declaration may be amended at any time by an instrument signed by the President or Vice President and the Secretary or Assistant Secretary of the Association, certifying that such amendment has been adopted in accordance with paragraph II(B)(C). The amendment shall become effective upon its filing in the public records of the County. Provided, however, that:

1. As long as Developer is an Owner of any Lot, no amendment shall become effective without the written consent of Developer.
2. Until Turnover, any amendments to this Declaration (including, without limitation, any amendment which results in the annexation of additional lands

into the Property, the merger or consolidation of the Association with any other property Owners' Association, the dedication of any part of the Common Property for public use, and the conveyance, mortgaging, or encumbrance of any part of the Common Property) must have prior written approval of the FHA or VA in accordance with HUD regulations, if the FHA or VA is the insurer of any Mortgage encumbering a Lot.

3. Developer specifically reserves the absolute and unconditional right (subject only to FHA or VA approval as set forth above, if required), so long as it owns any of the Property, to amend this Declaration without the consent or joinder of any party: (i) to conform to the requirements of any holder of a Mortgage; (ii) to conform to the requirements of title insurance companies; (iii) to conform to the requirements of any governmental entity having control or jurisdiction over the Property; (iv) to clarify the provisions of this Declaration; or (v) in such other manner as Developer may deem necessary or convenient.

OR Bk 5308 Pg 1027
Orange Co FL 1997-0292485

J. Rights of Mortgagees. All Mortgagees shall have the following rights:

1. During normal business hours, and upon reasonable notice and in a reasonable manner, to inspect current copies of the Association Documents and the books, records and financial statements of the Association.
2. Upon written request to the Secretary of the Association, to receive copies of the annual financial statements for the immediately preceding fiscal year of the Association, provided, however, the Association may make a reasonable, uniform charge to defray its costs incurred in providing such copies.
3. To designate a representative to attend all meetings of the Members of the Association, who shall be entitled to a reasonable opportunity to be heard in connection with any business brought before such meeting, but in no event shall be entitled to vote thereon.
4. By written notice to the Secretary of the Association, and upon payment to the Association of any reasonable, uniform annual fee established from time to time by the Association to defray its costs, to receive: (i) any notice that is required to be given to the Class A Members under any provision of the Association Documents; (ii) written notice of any condemnation or casualty loss affecting a material portion of the Property or any Lot encumbered by its Mortgage; (iii) any sixty (60) day delinquency in the payment of Assessment Charges imposed upon any Lot encumbered by its Mortgage; (iv) the lapse, cancellation, or material modification of any insurance coverage or fidelity bond maintained by the Association; and (v) any proposed action requiring the consent of a specified percentage of Mortgagees.

K. Legal Fees and Costs. The prevailing party in any dispute arising out of the subject matter of this Declaration or its subsequent performance shall be entitled to reimbursement of its costs and attorney's fees, whether incurred before or at trial, on appeal, in bankruptcy, in post-judgment collection, or in any dispute resolution proceeding, and whether or not a lawsuit is commenced.

L. Law to Govern. This Declaration shall be governed by and construed in accordance with the laws of the State of Florida, both substantive and remedial.

M. Tax Deeds and Foreclosure. All provisions of the Declaration relating to a Lot which has been sold for taxes or special assessments survive and are enforceable after the issuance of a tax deed or upon a foreclosure of an Assessment, a certificate or lien, a tax deed, tax certificate or tax lien, to the same extent that they would be enforceable against a voluntary grantee of title before such transfer.

OR Bk 5308 Pg 1028
Orange Co FL 1997-0292485

N. Assignment of Developer Rights. Developer may assign all or only a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of the Property. In the event of such a partial assignment, the assignee shall not be deemed to be the Developer but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a nonexclusive basis. In addition, in the event that any person or entity obtains title to Property owned by Developer as a result of foreclosure or deed in lieu thereof, such person or entity may elect to become the Developer by written election recorded in the public records of the County, and regardless of the exercise of such election, such person or entity may appoint the Developer or assign any rights of Developer to any other party which acquires title to all or any portion of the Property by written appointment recorded in the public records of the County. In any event, no subsequent Developer shall be liable for any actions or defaults of, or obligations incurred by, any prior Developer, except as the same may be expressly assumed by the subsequent Developer.

O. Developer Rights. The Developer hereby reserves for itself, its successors and assigns, and all such builders as Developer may from time to time designate, the right to undertake any and all such activities as are necessary or convenient to develop the Property in any manner permitted pursuant to the Development Order, including without limitation, the right to construct improvements within the Property, to sell and market homes within the Property (including the right to install and operate sales trailers) and to engage in any and all activities in connection therewith.

P. Adjacent Property. It is understood and acknowledged that a portion of the land lying adjacent to the Property and Additional Property may be developed for multifamily apartment units, commercial uses or any other purposes which may be permitted under the Development Order as it may be amended from time to time. Developer makes no representations or warranties with respect to the development of such adjacent property and Developer reserves the right to make such agreements with the owner of the adjacent property as Developer may determine, in its sole discretion, with respect to utilities, drainage, waterways, or other shared facilities and such agreements shall be binding upon the Owners.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed in its name, the day and year first above written.

Signed, sealed and delivered
in the presence of:

FALCON TRACE PARTNERS LIMITED
PARTNERSHIP, a Delaware Limited
Partnership

By: Falcon Trace-Cypress Limited Partnership,
a Delaware partnership, its general partner
By: Falcon Trace-Cypress, Inc., a Delaware
corporation, its general partner

By: [Signature]
Print Name M. JIMOTHY CLARK
Its President

[Signature]
Print Name SEAN R. BERMAN
[Signature]
Print Name MICHAEL R. MAYER

OR Bk 5308 Pg 1029
Orange Co FL 1997-0292485

STATE OF FLORIDA

COUNTY OF Orange

The foregoing instrument was acknowledged before me this 7th day of July, 1997, by M. JIMOTHY CLARK, as the President of Falcon Trace-Cypress, Inc., a Delaware corporation, sole general partner of Falcon Trace-Cypress Limited Partnership, a Delaware Limited Partnership, sole general partner of Falcon Trace Partners Limited Partnership, a Delaware Limited Partnership, on behalf of Falcon Trace Partners Limited Partnership, who is personally known to me and did not take an oath.

NOTARY PUBLIC - STATE OF FLORIDA
MARIE A. DODDS
COMMISSION # CC858740
EXPIRES 10/11/2001
BONDED THRU ASA 1-888-NOTARY1

[Signature]
Notary Public, State of Florida
Print Name _____

My commission expires:
Commission No.:

JOINDER AND CONSENT
(Falcon Trace)

THE UNDERSIGNED HEREBY CERTIFIES, that it is the owner and holder of a deed, mortgage, lien or other encumbrance upon the real property described in the foregoing Declaration of Covenants, Conditions Restrictions and Easements for Falcon Trace(the "Declaration") and that the undersigned hereby joins in and consents to the Declaration and agrees that its deed, mortgage, lien or other encumbrance, which is recorded in Official Records Book 5179, Pages 4428 and 4455, of the Public Records of Osceola County, Florida, shall be subordinated to the Declaration.

Signed, sealed and delivered
in the presence of:

C. Robert Carter II

C. Robert Carter II

Printed Name

Marianella Sauri

Marianella Sauri

Printed Name

SunTrust Bank, Central Florida, N.A.

By: _____

Bruce W. Perrine, Jr.

Its: _____

First Vice President

DR Bk 5308 Pg 1030
Orange Co FL 1997-0292485

STATE OF FLORIDA

)

) SS.

COUNTY OF ORANGE

)

The foregoing instrument was acknowledged before me this 16th day of July, 1997, by Bruce W. Perrine, Jr., as First Vice President of SunTrust Bank, Central Florida, N.A., on behalf of SunTrust Bank, Central Florida, N.A. He/She is personally known to me

Zoraida Renta
(Notary Signature)

ZORAIDA Renta
(Notary Name Printed)

NOTARY PUBLIC

Commission No. _____

(NOTARY SEAL)

ORL95 55470



ZORAIDA RENTA
My Commission CC540980
Expires Mar. 18, 2000

EXHIBIT A

Property

OR Bk 5308 Pg 1031
Orange Co FL 1997-0292485

DESCRIPTION:

That part of Section 34, Township 24 South, Range 29 East, Orange County, Florida, described as follows:

Commence at the Northwest corner of the Northwest 1/4 of said Section 34; thence run N 89°25'16" E along the North line of said Northwest 1/4 for a distance of 1401.92 feet to a point on the East Right-of-Way line of US Highway No. 441 (Orange Blossom Trail) as recorded in official records book 5045, page 2031 of the public records of Orange County, Florida, thence run S 00°03'47" E along said East Right-of-Way line for a distance of 476.08 feet to the point of cusp of a curve concave Southeasterly having a radius of 75.00 feet and chord bearing of N 43°42'00" E; thence run Northeasterly along the arc of said curve through a central angle of 87°31'35" for a distance of 114.57 feet to the point of tangency; thence run N 87°27'48" E for a distance of 358.54 feet; thence run N 87°30'43" E for a distance of 464.51 feet to the POINT OF BEGINNING; thence run N 87°30'47" E for a distance of 94.15 feet to a point on a non-tangent curve concave Southwesterly having a radius of 35.00 feet and a chord bearing of S 47°37'26" E; thence run Southeasterly along the arc of said curve through a central angle of 89°43'43" for a distance of 54.81 feet to a point of non-tangency; thence run N 87°14'26" E for a distance of 70.00 feet; thence run N 02°45'34" W for a distance of 8.14 feet to the point of curvature of a curve concave Southeasterly having a radius of 35.00 feet; thence run Northeasterly along the arc of said curve through a central angle of 91°51'03" for a distance of 56.11 feet to the point of tangency; thence run N 89°05'29" E for a distance of 86.83 feet; thence run N 89°55'31" E for a distance of 321.46 feet; thence run S 00°04'29" E for a distance of 10.00 feet; thence run S 03°36'25" E for a distance of 641.73 feet; thence run N 86°01'41" E for a distance of 17.18 feet; thence run S 03°58'19" E for a distance of 195.61 feet to a point on a non-tangent curve concave Southwesterly having a radius of 65.00 feet and a chord bearing of S 50°53'56" E; thence run Southeasterly along the arc of said curve through a central angle of 38°10'28" for a distance of 43.31 feet to the point of tangency; thence run S 31°48'42" E for a distance of 174.58 feet to the point of curvature of a curve concave Northeasterly having a radius of 240.00 feet; thence run Southeasterly along the arc of said curve through a central angle of 22°27'40" for a distance of 94.08 feet to the point of non-tangency; thence run S 03°16'19" E for a distance of 120.93 feet; thence run S 86°43'41" W for a distance of 89.62 feet; thence run N 71°37'15" W for a distance of 329.80 feet; thence run N 63°13'15" W for a distance of 300.49 feet; thence run S 84°03'52" W for a distance of 330.53 feet; thence run S 54°38'52" W for a distance of 441.89 feet; thence run S 86°10'20" W for a distance of 291.48 feet; thence run N 46°16'19" W for a distance of 147.09 feet; thence run N 01°22'53" W for a distance of 113.12 feet; thence run N 19°29'38" E for a distance of 409.15 feet; thence run N 71°41'54" E for a distance of 170.46 feet; thence run N 84°07'49" E for a distance of 564.61 feet; thence run N 00°02'55" W for a distance of 353.40 feet; thence run N 02°45'34" W for a distance of 198.00 feet to the POINT OF BEGINNING.

Containing 27.500 acres more or less.

EXHIBIT B

Additional PropertyOR Bk 5308 Pg 1032
Orange Co FL 1997-0292485

LEGAL DESCRIPTION

A TRACT OF LAND LYING IN SECTIONS 26, 27, 34 AND 35, TOWNSHIP 24 SOUTH, RANGE 29 EAST, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 27 FOR A POINT OF REFERENCE; THENCE RUN NORTH 89°25'16" EAST, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, 1401.92 FEET TO A POINT LYING ON THE PROPOSED EAST RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 441 (ORANGE BLOSSOM TRAIL) SAID POINT BEING 25.00 FEET, PERPENDICULAR MEASURE, FROM THE EAST RIGHT-OF-WAY OF SAID U.S. HIGHWAY 441, ACCORDING TO STATE OF FLORIDA ROAD DEPARTMENT RIGHT-OF-WAY MAP, F.A. PROJECT NO. 242-C, SHEET 1 OF 15, DATED FEBRUARY 24, 1940; THENCE RUN SOUTH 00°03'47" EAST, ALONG SAID PROPOSED EASTERLY RIGHT-OF-WAY LINE, 206.05 FEET TO A CURVE CONCAVE NORTHEASTERLY, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE RUN SOUTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 75.00 FEET, A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 117.81 FEET, A CHORD LENGTH OF 106.07 FEET, AND A CHORD BEARING OF SOUTH 45°03'47" EAST TO THE POINT OF TANGENCY; THENCE RUN NORTH 89°56'13" EAST, 353.07 FEET; THENCE RUN NORTH 89°34'20" EAST, 804.38 FEET; THENCE RUN NORTH 89°56'13" EAST, 310.07 FEET; THENCE RUN NORTH 00°03'47" WEST, 432.52 FEET; THENCE RUN NORTH 88°24'46" WEST, 342.37 FEET; THENCE RUN NORTH 16°02'30" WEST, 36.23 FEET; THENCE RUN NORTH 09°43'17" WEST, 77.36 FEET; THENCE RUN NORTH 40°20'09" WEST, 50.40 FEET; THENCE RUN NORTH 57°06'46" WEST, 485.62 FEET; THENCE RUN NORTH 21°26'58" WEST, 182.87 FEET; THENCE RUN NORTH 26°37'30" EAST, 97.87 FEET; THENCE RUN NORTH 21°51'28" WEST, 304.51 FEET; THENCE RUN NORTH 45°55'30" WEST, 168.01 FEET; THENCE RUN NORTH 11°53'20" WEST, 160.53 FEET; THENCE RUN NORTH 09°41'34" WEST, 149.17 FEET; THENCE RUN NORTH 01°15'41" EAST, 122.81 FEET TO A POINT LYING ON A NON-TANGENT CURVE CONCAVE SOUTHERLY AND THE SOUTHERLY RIGHT-OF-WAY LINE OF SOUTHCHASE ROAD ACCORDING TO THE ORANGE COUNTY RIGHT-OF-WAY MAP, PROJECT NO. Y5-807, SHEETS, 3, 4, 5 AND 6 OF 16, PREPARED BY BOWYER-SINGLETON & ASSOCIATES, INC., DATED MARCH 1, 1996; THENCE RUN ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING COURSES: RUN EASTERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 2034.30 FEET, A CENTRAL ANGLE OF 10°34'03", AN ARC LENGTH OF 375.20 FEET, A CHORD LENGTH OF 374.67 FEET, AND A CHORD BEARING OF SOUTH 76°32'11" EAST; THENCE, RADIAL TO SAID CURVE, RUN NORTH 18°44'51" EAST, 5.62 FEET; THENCE RUN SOUTH 71°15'09" EAST, 129.83 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHERLY; RUN EASTERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 2159.92 FEET, A CENTRAL ANGLE OF 11°49'56", AN ARC LENGTH OF 446.05 FEET, A CHORD LENGTH OF 445.26 FEET, AND A CHORD BEARING OF SOUTH 77°10'07" EAST TO THE POINT OF TANGENCY; RUN SOUTH 83°05'05" EAST, 1703.77 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHERLY; RUN EASTERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 3997.00 FEET, A CENTRAL ANGLE OF 06°30'30", AN ARC LENGTH OF 454.03 FEET, A CHORD LENGTH OF 453.78 FEET, AND A CHORD BEARING OF SOUTH 86°20'20" EAST TO THE POINT OF TANGENCY; RUN SOUTH 89°35'35" EAST, 95.38 FEET TO THE POINT OF CURVATURE OF A CURVE, CONCAVE SOUTHERLY; RUN SOUTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 924.25 FEET; A CENTRAL ANGLE OF 30°45'00" AN ARC LENGTH OF 496.03 FEET, A CHORD LENGTH OF 490.10 FEET AND A CHORD BEARING OF SOUTH 74°13'06" EAST TO THE POINT OF TANGENCY; RUN SOUTH 58°50'35" EAST, 118.34 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY; RUN SOUTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 721.78 FEET; A CENTRAL ANGLE OF 30°45'00"; AN ARC LENGTH OF 387.37 FEET; A CHORD LENGTH OF 382.74 FEET AND A CHORD BEARING OF SOUTH 74°13'05" EAST TO THE POINT OF TANGENCY; RUN SOUTH 89°35'35" EAST, 88.08 FEET TO A POINT LYING ON THE WESTERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF THE SUNSHINE STATE PARKWAY (FLORIDA'S TURNPIKE), ACCORDING TO SUNSHINE STATE PARKWAY RIGHT-OF-WAY MAP PROJECT NO. 2-SECTION 11, SHEETS 1 AND 2 OF 5, DATED OCTOBER 25, 1961 AND SHEET 2 OF 2, DATED OCTOBER 16, 1961; THENCE, DEPARTING THE AFORESAID SOUTHERLY RIGHT-OF-WAY LINE, RUN ALONG SAID WESTERLY LIMITED ACCESS RIGHT-OF-WAY LINE THE FOLLOWING COURSES: RUN SOUTH 05°39'47" EAST, 295.70 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY; RUN SOUTHERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 7839.44 FEET, A CENTRAL ANGLE OF 13°41'33", AN ARC LENGTH OF 1873.46 FEET, A CHORD LENGTH OF 1869.01 FEET, AND A CHORD BEARING OF SOUTH 12°30'33" EAST TO THE POINT OF TANGENCY; RUN SOUTH 19°21'20" EAST, 344.91 FEET TO A POINT OF INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 527 (ORANGE AVENUE),

Additional Property

ACCORDING TO STATE ROAD PLAT BOOK 2, SECTION 75040, PAGES 66 AND 67; THENCE, DEPARTING THE AFORESAID WESTERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF THE SUNSHINE STATE PARKWAY, RUN ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 527 THE FOLLOWING COURSES: RUN SOUTH 32°36'14" WEST, 390.92 FEET; RUN SOUTH 27°29'38" WEST, 378.25 FEET; RUN SOUTH 56°33'10" EAST, 30.00 FEET; RUN SOUTH 33°26'50" WEST, 1116.50 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY; RUN SOUTHERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 508.20 FEET, A CENTRAL ANGLE OF 31°49'59", AN ARC LENGTH OF 282.35 FEET, A CHORD LENGTH OF 278.73 FEET, AND A CHORD BEARING OF SOUTH 17°31'50" WEST; THENCE, DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD 527, RUN NORTH 87°15'40" WEST, 349.86 FEET; THENCE RUN NORTH 71°37'07" WEST, 351.84 FEET; THENCE RUN NORTH 44°19'33" WEST, 397.68 FEET; THENCE RUN SOUTH 67°52'53" WEST, 415.93 FEET; THENCE RUN NORTH 76°57'27" WEST, 102.29 FEET; THENCE RUN NORTH 54°33'44" WEST, 569.80 FEET; THENCE RUN NORTH 14°18'35" EAST, 413.50 FEET; THENCE RUN SOUTH 77°19'49" WEST, 471.03 FEET; THENCE RUN NORTH 13°58'52" WEST, 340.92 FEET; THENCE RUN NORTH 03°42'50" WEST, 285.47 FEET; THENCE RUN NORTH 44°29'25" EAST, 357.99 FEET; THENCE RUN SOUTH 83°42'50" EAST, 355.50 FEET; THENCE RUN NORTH 06°36'58" WEST, 153.87 FEET; THENCE RUN SOUTH 86°43'41" WEST, 609.22 FEET; THENCE RUN NORTH 71°37'15" WEST, 329.80 FEET; THENCE RUN NORTH 63°13'15" WEST, 300.49 FEET; THENCE RUN SOUTH 84°03'52" WEST, 330.53 FEET; THENCE RUN SOUTH 54°38'52" WEST, 441.89 FEET; THENCE RUN SOUTH 86°10'20" WEST, 291.48 FEET; THENCE RUN NORTH 46°16'19" WEST, 147.09 FEET; THENCE RUN NORTH 01°22'53" WEST, 113.12 FEET; THENCE RUN NORTH 19°29'38" EAST, 409.15 FEET; THENCE RUN NORTH 71°41'54" EAST, 170.45 FEET; THENCE RUN NORTH 84°07'49" EAST, 564.62 FEET; THENCE RUN NORTH 00°02'55" WEST, 353.40 FEET; THENCE RUN NORTH 02°45'34" WEST, 198.00 FEET; THENCE RUN SOUTH 87°30'43" WEST, 464.51 FEET; THENCE RUN SOUTH 87°27'48" WEST, 358.54 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY; THENCE RUN SOUTHWESTERLY ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 75.00 FEET, A CENTRAL ANGLE OF 87°31'35", AN ARC LENGTH OF 114.57 FEET, A CHORD LENGTH OF 103.75 FEET, AND A CHORD BEARING OF SOUTH 43°42'00" WEST TO A POINT LYING ON THE AFORESAID PROPOSED EAST RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 441; THENCE RUN NORTH 00°03'47" WEST, 270.03 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED TRACT OF LAND LIES IN ORANGE COUNTY, FLORIDA AND CONTAINS 360.934 ACRES, MORE OR LESS.

"Together With"

That part of Section 34, Township 24 South, Range 29 East, Orange County, Florida, described as follows:

Commence at the Northwest corner of the Northwest 1/4 of said Section 34; thence run N 89°25'16" E along the North line of said Northwest 1/4 for a distance of 1401.92 feet to a point on the proposed East Right-of-Way line of U.S. Highway No. 441 (Orange Blossom Trail), said point being 25.00 feet perpendicular measure East of the existing East Right-of-Way line of U.S. Highway 441, according to State of Florida Road Department Right-of-Way Map F.A. Project No. 242-C, Sheet 1 of 15, dated February 24, 1940; thence run S 00°03'47" E along said proposed East Right-of-Way line for a distance of 206.05 feet to the beginning of a curve concave Northeasterly having a radius of 75.00 feet; thence run Southeasterly along the arc of said curve through a central angle of 04°11'42" for a distance of 5.49 feet to the POINT OF BEGINNING; thence continue Southeasterly along the arc of said curve through a central angle of 85°48'18" for a distance of 112.32 feet to the point of tangency; thence run N 89°56'13" E for a distance of 142.37 feet; thence run N 04°59'53" E for a distance of 26.89 feet; thence run N 84°21'09" W for a distance of 32.38 feet; thence run N 89°56'13" W for a distance of 150.00 feet; thence run N 43°25'51" W for a distance of 54.35 feet to the POINT OF BEGINNING.

Containing 0.139 acres more or less and being subject to any rights-of-way, restrictions and easements of record.

"Together With"

That part of Section 34, Township 24 South, Range 29 East, Orange County, Florida, described as follows:

Commence at the Northwest corner of the Northwest 1/4 of said Section 34; thence run N 89°25'16" E along the North line of said Northwest 1/4 for a distance of 1401.92 feet to a point on the proposed East Right-of-Way line of US Highway No. 441 (Orange Blossom Trail), said point being 25.00 feet perpendicular measure East of the existing East Right-of-Way line of US Highway 441, according to State of Florida Road Department Right-of-Way Map F.A. Project No. 242-C, Sheet 1 of 15, dated February 24, 1940; thence run S 00°03'47" E along said proposed East Right-of-Way line for a distance of 476.08 feet to the POINT OF BEGINNING; said point being the point of cusp of a curve concave Southeasterly having a radius of 75.00 feet and chord bearing of N 43°42'00" E; thence run Northeasterly along the arc of said curve through a central angle of 87°31'35" for a distance of 114.57 feet to the point of tangency; thence run N 87°27'48" E for a distance of 176.83 feet; thence run S 40°11'39" E for a distance of 32.01 feet; thence run S 80°50'48" W for a distance of 82.58 feet; thence run S 89°56'13" W for a distance of 150.00 feet; thence run S 35°45'08" W for a distance of 55.54 feet; thence run S 89°56'13" W for a distance of 5.02 feet to the POINT OF BEGINNING.

Containing 0.180 acres more or less and being subject to any rights-of-way, restrictions and easements of record.

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MIAMI OFFICE

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07/18/97 08:05 Florida Department pl /2



I certify from the records of this office that FALCON TRACE PROPERTY OWNERS' ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on July 18, 1997.

The document number of this corporation is N97000004074.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1997, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 597A00036655-071897-N97000004074-1/1, noted below.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Eighteenth day of July, 1997

Authentication Code: 597A00036655-071897-N97000004074-1/1



CR2E022 (1-95)

Sandra B. Northam
Secretary of State

**ARTICLES OF INCORPORATION
OF
FALCON TRACE PROPERTY OWNERS' ASSOCIATION, INC.**

In compliance with the laws of the State of Florida, the undersigned do hereby voluntarily associate for the purpose of forming a corporation not-for-profit for the purposes and with powers set forth herein. All capitalized terms set forth herein, to the extent not defined herein, shall have the meanings set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Falcon Trace recorded or to be recorded in the current public records of Orange County, Florida, as it may be modified and supplemented from time to time ("Declaration").

ARTICLE I. NAME

The name of the corporation is FALCON TRACE PROPERTY OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association."

ARTICLE II. REGISTERED AGENT AND OFFICE

The name and address of the initial Registered Agent of the Association is:

Joel Goldman
Vice President and General Counsel
Atlantic Gulf Communities Corporation
2601 South Bayshore Drive
Miami, Florida 33133-5461

ARTICLE III. PRINCIPAL OFFICE

The initial address of the principal office of the Association is 200 South Orange Avenue, Suite 2150, Orlando, Florida 32801; however, the Association may maintain offices and transact business in such places, within or without the State of Florida, as may from time to time be designated by the Board of Directors.

ARTICLE IV. PURPOSE AND POWERS

The Association does not contemplate pecuniary gain or profit to its Members. The specific purposes for which it is formed are to operate as a corporation-not-for-profit pursuant to Chapter 617, Florida Statutes and to provide for the maintenance, preservation and architectural control of all Improvements on the Property and the Common Property, all within that certain tract of land described in the Declaration, as such is supplemented from time to time, all for the mutual advantage and benefit of the Members of this Association, who shall be the Owners of the Lots. For such purposes, the Association shall have and exercise the following authority and powers:

- A. To exercise all of the powers and privileges and to perform all of the duties and

obligations of the Association as set forth in the Declaration, as the same may be amended from time to time as therein provided, as well as in the provisions of these Articles and the Bylaws. The Declaration is incorporated herein by this reference as if set forth in detail.

- B. To fix, levy, collect and by any lawful means enforce payment of all Assessments pursuant to the terms of the Declaration, and to pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.
- C. To acquire, by gift, purchase or otherwise, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property or any improvements thereon in connection with the affairs of the Association.
- D. To borrow money and to mortgage, pledge or hypothecate any and all of the Association's real or personal property as security for money borrowed or debts incurred.
- E. To dedicate, sell or transfer all or any part of the Common Property to any public agency, authority or utility.
- F. To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes.
- G. To make, establish and amend reasonable rules and regulations governing the use of the Lots and Common Property.
- H. To maintain, repair, replace, operate and manage the Common Property.
- I. To employ personnel, agents or independent contractors to perform the services required for the proper operation of the Common Property.
- J. To exercise architectural control over Improvements within the Property pursuant to the rights granted to the Association in the Declaration.
- K. To have and to exercise any and all powers, rights and privileges which a corporation organized under the law of the State of Florida may now or hereafter have or exercise.

All of the Association's assets and earnings shall be used exclusively for the purposes set forth herein and in accordance with Section 528 of the Internal Revenue Code of 1986, as amended ("Code"), and no part of the assets of this Association shall inure to the benefit of any individual

Member or any other person. The Association may, however, reimburse its Members for actual expenses incurred for or on behalf of the Association, and may pay compensation in a reasonable amount to its Members for actual services rendered to the Association, as permitted by Section 528 of the Code, other applicable provisions of the Code, federal and state law. In addition, the Board of Directors shall also have the right to exercise the powers and duties set forth in the Bylaws.

ARTICLE V. MEMBERSHIP

A. Every Owner shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

B. The transfer of the membership of any Owner shall be established by the recording in the public records of Orange County of a deed or other instrument establishing a transfer of record title to any Lots for which membership has already been established. Upon such recordation the membership interest of the transferor shall immediately terminate. Notwithstanding the foregoing, the Association shall not be obligated to recognize such a transfer of membership until such time as the Association receives a copy of the deed or other instrument establishing the transfer of ownership of the Lot. It shall be the responsibility and obligation of the former and new Owner of the Lot to provide such copy to the Association.

C. The interest of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the Lot owned by such Member.

ARTICLE VI. VOTING RIGHTS

The Association shall have two (2) classes of voting Members, as follows:

A. Class A. Class A Members shall be all Owners, with the exception of Developer while the Class B Membership exists. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they shall determine among themselves, but in no event shall more than one vote be cast with respect to any Lot. Until Turnover, the Class B Member shall have the sole voting rights, after Turnover, the Class A Members may vote for the Board of Directors and to approve or disapprove Major and Minor Amendments, as hereinafter provided.

B. Class B. The Class B Member shall be Developer and shall be entitled to the sole right to vote in Association matters until the occurrence of the earlier of the following events ("Turnover"):

1. Three months after seventy-five percent (75%) of the Lots in the Property that

will ultimately be operated by the Association have been conveyed to Class A Members.

2. Such earlier date as Developer, in its sole discretion, may determine in writing.

ARTICLE VII. - BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors, who shall be Members of the Association, provided, however, that until Turnover, the Directors need not be Members of the Association. The number of Directors of the Association shall be not less than three (3) nor more than seven (7). The names and addresses of the persons who are to act in the initial capacity of Directors until the selection and qualification of their successors are:

Name and Address

Larry Kaufmann	200 South Orange Avenue Suite 2150 Orlando, Florida 32801
Karl Kanitz	200 South Orange Avenue Suite 2150 Orlando, Florida 32801
Alfredo Rodriguez Walling	2601 South Bayshore Drive Miami, Florida 33133

Until Turnover, the Board shall consist of Directors appointed by the Class B Member who shall serve until the Class B Member no longer has the right to appoint any Directors.

At the first annual meeting after Turnover, the Class A Members shall elect the Directors to be elected by the Class A Members as set forth in the Bylaws.

ARTICLE VIII. - TERM OF EXISTENCE

This corporation shall have perpetual existence unless sooner dissolved in accordance with the provisions herein contained or in accordance with the laws of the State of Florida. The date on which corporate existence shall begin is the date on which these Articles of Incorporation are filed with the Secretary of State of the State of Florida.

ARTICLE IX. - DISSOLUTION, MERGER AND CONSOLIDATION

- A. Dissolution. The Association may be dissolved in accordance with the procedure

set forth in the Bylaws. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created, or for the general welfare of the residents of the county in which the Property is located. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes or as otherwise permitted by law.

B. Merger and Consolidation.

1. By Developer. Developer shall have the right, but not the obligation, until Turnover, from time to time, within its sole discretion, to merge or consolidate this Association with any other property owners association. Notwithstanding the foregoing, until Turnover, such merger or consolidation must have the prior written approval of the Veterans Administration ("VA") and Federal Housing Administration ("FHA") in accordance with the regulations of the U.S. Department of Housing and Urban Development ("HUD"), if the FHA or VA is the insurer of any Mortgage encumbering a Lot.

2. By Owners. After Turnover, the Association may be merged with another association with the approval required in the Bylaws.

3. Effect. Upon a merger or consolidation of the Association with another property owners association, the Association's Common Property, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or alternatively, the Property, rights and obligations of another property owners association may, by operation of law, be added to the Common Property, rights and obligations of the Association, as a surviving corporation pursuant to a merger. To the greatest extent practicable, the surviving or consolidated property owners association shall administer the covenants, conditions, easements and restrictions established by the Declaration within the Property, together with any surviving covenants and restrictions established upon any other properties as one scheme, but with such differences in the method or level of Assessments to be levied upon the Property and the other properties as may be appropriate, taking into account the different nature or amount of services to be rendered to the owners thereof by the surviving or consolidated association. No such merger or consolidation, however, shall effect any revocation, change, or addition to the covenants established by the Declaration, except as expressly adopted in accordance with the terms hereof.

ARTICLE X. - OFFICERS

Subject to the direction of the Board of Directors, the affairs of this Association shall be administered by its officers, as designated in the Bylaws of this Association. Said officers shall be elected annually by the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are:

Name, Title and Address

President	Larry Kaufmann	200 South Orange Avenue Suite 2150 Orlando, Florida 32801
Vice President	Perry Reader	200 South Orange Avenue Suite 2150 Orlando, Florida 32801
Vice President	Karl Kanitz	200 South Orange Avenue Suite 2150 Orlando, Florida 32801
Secretary/ Treasurer	Callis N. Carleton	2601 South Bayshore Drive Miami, Florida 33133
Assistant Secretary	Marie Dodds	200 South Orange Avenue Suite 2150 Orlando, Florida 32801

ARTICLE XI - BYLAWS

The Bylaws of this Association shall be adopted by the first Board of Directors, which Bylaws may be altered, amended, modified or appealed in the manner set forth in the Bylaws.

ARTICLE XII - AMENDMENTS

Until Turnover, Developer reserves the exclusive right to amend or repeal any of the provisions of these Articles of Incorporation or any amendments hereto without the consent of any Class A Member or Institutional Mortgagee. Thereafter, the Association shall have the right to amend or repeal any of the provisions contained in these Articles or any amendments hereto, provided, however, that any such amendment shall be in accordance with the procedure set forth in the Bylaws and provided, further, that no amendment shall conflict with any provisions of the Declaration. After Turnover, the consent of any Institutional Mortgagees shall be required for any amendment to these Articles which impairs the rights, priorities, remedies or interest of such Institutional Mortgagees, and such consent shall be obtained in accordance with the terms and conditions, and subject to the time limitations, set forth in the Declaration. Amendments to these Articles shall be filed with the Secretary of State and recorded in the public records of the County.

ARTICLE XIII - INDEMNIFICATION

A. The Association shall indemnify any director, officer, employee or agent or member of any committee thereof (each an "Indemnitee") who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, employee, officer, or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interest of the Association. With respect to any criminal action or proceeding, said Indemnitee shall be indemnified by the Association provided he had no reasonable cause to believe his conduct was unlawful; however, no indemnification shall be made in respect to any claim, issue or matter as to which such Indemnitee shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine that, despite the adjudication of liability, but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem property. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

B. To the extent that an Indemnitee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph A above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

C. Any such indemnification (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper under the circumstances because he has met the applicable standard of conduct set forth in Paragraph A above. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if unobtainable, a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or (c) by a majority vote of the voting interests of the Members.

D. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article, in which event the Indemnitee shall not be required to repay such amount.

E. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of members or otherwise, and, as to action taken in an official capacity while holding office, this indemnification shall continue as to an Indemnatee who has ceased to be a director, officer, employee, agent, or committee member and shall inure to the benefit of the heirs, executors and administrators of such Indemnatee. Person.

F. The Association shall have the power to purchase and maintain insurance on behalf of any Indemnatee or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in such capacity, as arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XIV. - FHA/VA PROVISIONS

For so long as the Class B Membership exists, the annexation of additional properties, the mortgaging of any part of the Common Property, any amendment to these Articles of Incorporation, the merger or consolidation of the Association with other property owners associations, and the dissolution of the Association shall require the prior written approval of the Federal Home Administration ("FHA") or the Veterans Administration ("VA") in accordance with the regulations of the U.S. Department of Housing and Urban Development, if the FHA or VA is the insurer of any Mortgage encumbering any Lot within the Property.

ARTICLE XV. - SUBSCRIBER

The name and address of the Subscriber of the corporation is:

Larry Kaufmann

200 South Orange Avenue
Suite 2150
Orlando, Florida 32801

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Florida, the undersigned has executed these Articles of Incorporation this 9th day of July, 1997.

Signed, sealed and delivered in the presence of:

Karl Kanitz
Print Name: KARL KANITZ

Larry Kaufmann
Larry Kaufmann

Perry J. Reader
Print Name: PERRY J. READER

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 9th day of July, 1997, by Larry Kaufmann, who is personally known to me ~~or who has~~ produced as identification.

NOTARY PUBLIC - STATE OF FLORIDA
MARIE A. DODDS
COMMISSION # CC655740
EXPIRES 10/11/2001
BONDED THRU ASA 1-888-NOTARY1

Marie A. Dodds
Notary Public, State of Florida
Print Name: _____
My Commission Expires: _____
Commission Number: _____

**CERTIFICATE OF DESIGNATION OF PLACE OF BUSINESS
OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN FLORIDA,
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

In compliance with Section 48.091, Florida Statutes, the following is submitted:

Falcon Trace Property Owners Association, Inc., desiring to organize or qualify under the laws of the State of Florida, with its principal place of business in the City of Orlando, County of Orange, State of Florida, has named Joel Goldman whose address is 2601 South Bayshore Drive, Miami, Florida 33133-5461 as its agent to accept service of process within Florida.

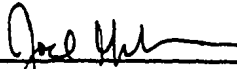


Callis N. Carleton

Secretary

Date: July 17, 1997

Having been named to accept service of process for the above stated corporation, at the place designated in the certificate, I agree to act in this capacity and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties.



Joel Goldman

Agent

Date: 7/17/97

BYLAWS
OF
FALCON TRACE PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I - NAME AND LOCATION

The name of the corporation is **FALCON TRACE PROPERTY OWNERS' ASSOCIATION, INC.**, hereinafter referred to as the "Association." The initial principal office of the corporation shall be located at 200 S. Orange Avenue, Suite 2150, Orlando, Florida 32801, although meetings of Members and directors may be held at such places within Orange County, Florida, as may be designated by the Board of Directors.

ARTICLE II - DEFINITIONS

All capitalized terms set forth herein, except as specifically set forth herein, shall have the same meaning and definition as set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Falcon Trace recorded or to be recorded in the current public records of Orange County, Florida, as such may be modified and supplemented from time to time ("Declaration").

ARTICLE III - MEETING OF MEMBERS

Section 1. Annual Meetings. After Turnover, the regular meetings of the Members shall be held on a designated day in the last quarter of each calendar year thereafter, at the hour designated by the Board of Directors in the notice provided as set forth hereinbelow. During the period when Developer appoints a majority of the Board of Directors, no annual meetings will be required.

Section 2. Special Meeting. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A Membership. Business conducted at a special meeting is limited to the purposes described in the meeting notice.

Section 3. Notice of Meeting.

a. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or person authorized to call the meeting by hand delivery to each Lot, or by mailing a copy of such notice, postage prepaid, addressed to the Member's address last appearing on the books of the Association for the purpose of notice, at least fifteen (15) days but no more than ninety (90) days before such meeting, to each Member entitled to vote thereat. Said notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. If mailed, the notice shall be deemed delivered when deposited in the U.S. Mail and addressed to the Member's address last appearing in the books of the Association for the purpose of notice, or to the last address supplied by the Member to the Association.

b. Any Member may waive such notice by a writing signed by such Member, and such waiver, when filed in the records of the Association before, at or after the holding of the meeting, shall constitute notice to such Member. Attendance of a Member at a meeting, either in person or by proxy, constitutes waiver of notice and waiver of any and all objection to the place of meeting, the time of meeting, or the manner in which it has been called or convened, unless the Member attends the meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of affairs.

Section 4. Voting Rights. Until Turnover, the Class B Member shall have the sole voting rights. After Turnover, Members shall be entitled to such voting rights as more fully set forth in the Declaration and the Articles.

Section 5. Vote Requirements. After Turnover, the Class A Members may vote for the Board of Directors and approve or disapprove Major and Minor Amendments.

a. Major Amendments. After Turnover, the Members of the Association are specifically required to approve the following amendments or changes by the approval of a majority of all votes in the Association:

- i) Amendments of the Declaration
- ii) Amendments of the Articles
- iii) Dissolution of the Association

The foregoing amendments or changes are hereinafter referred to as "Major Amendments".

In order to approve any of the foregoing Major Amendments, such amendment or change must first be approved by a majority of the Board of Directors. The Board shall then cause the secretary to give notice of a meeting to be held no sooner than thirty (30) days after the notice, which notice shall state the time, date and place of the meeting and shall state the proposed Major Amendments. The notice shall also enclose a proxy designation and a written ballot form. Each Member may cast the one ballot for the Lot prior to the meeting or may designate a proxy to cast its vote prior to or at the meeting.

The proposed Major Amendment shall be deemed approved if a majority of all votes of all Members entitled to vote approve the proposed Major Amendment. If a majority of votes is not obtained either approving or disapproving the Major Amendment, then the Board may, but is not required to send a notice requesting all Members who did not vote to cast their ballot approving or disapproving the Major Amendment and unless the Association receives a majority of all votes approving the Major Amendment within thirty (30) days of the meeting, the Major Amendment shall be deemed disapproved. In the event that a proposal is made to amend a Supplemental Declaration which encumbers only specific property and does not affect the rights or obligations of Owners not subject to such Supplemental Declaration, then an amendment to such Supplemental Declaration shall be made if approved by the majority of all the votes of Members subject to such Supplemental Declaration.

b. Minor Amendments. After Turnover the Members are required to approve the following actions or amendments by a majority of all votes cast, whether in person or by proxy:

- i) Increases in Assessment in excess of fifteen percent (15%) in any one year.
- ii) Levying of Special Assessments.
- iii) Merger or consolidation of the Association.
- iv) Dedication or conveyance of Common Property (excluding the grant of an easement, license or use right for a utility, or other public purpose which may be granted upon approval of the Board of Directors.)
- v) Change in use of reserves.
- vi) Any other amendments or changes not deemed a Major Amendment.

The foregoing amendments or charges are hereinafter collectively referred to as "Minor Amendments".

In order to approve any of the foregoing Minor Amendments, such Minor Amendments must first be approved by a majority of the Board of Directors. The Board shall then cause the secretary to give notice of a meeting to be held no sooner than thirty (30) days after the notice, which notice shall state the proposed Minor Amendment. The notice shall also enclose a proxy designation and a written ballot form. Each Member may cast the one ballot for the Lot prior to or at the meeting or may designate a proxy to cast the ballot prior to or at the meeting.

The Minor Amendment shall be approved or disapproved by the majority of votes cast at or before the meeting, in person, by proxy or written ballot. There shall be no quorum requirement or required minimum number of votes or ballots.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Proxies shall be dated, state the date, time, and place of the meeting for which it was given and be signed by the person authorized to give the proxy. A proxy may permit the holder to appoint in writing a substitute holder. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. A proxy is not valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. A proxy is revocable at any time at the pleasure of the Member who executes it. Proxies need not be notarized.

Section 6. Waiver and Consent. Whenever the vote of Members at a meeting is required or permitted, the meeting and vote may be dispensed with if the applicable percentage of the Members who would have been required to vote upon the action if such meeting were held, shall consent in writing to such action being taken. Any such consent shall be distributed in accordance with the rules and regulations adopted by the Board of Directors and an executed copy shall be placed in the minute book.

Section 7. Order of Business. The order of business at the annual meeting of Members shall be as follows:

- a. Call to order
- b. Calling of the roll and certifying proxies
- c. Proof of notice of meeting or waiver of notice
- d. Reading and disposal of unapproved minutes
- e. Appointment of inspectors of election
- f. Nomination and election of Board of Directors
- g. Reports
- h. Unfinished business
- i. New Business
- j. Adjournment.

Section 8. Adjournment. The adjournment of an annual or special meeting to a different date, time or place must be announced at that meeting before adjournment is taken or notice must be given of the new time, date or place in the same manner as notice is given for such meeting. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed, notice of the adjourned meeting must be given to persons who are entitled to vote and were not present at the original meeting or are Members as of the new record date but were not Members as of the previous record date.

Section 9. Actions Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the Members may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. Only one consent per voting interest is necessary, and only one of the Members for that voting interest need sign the consent.

ARTICLE IV. - BOARD OF DIRECTORS

Section 1. Number of Directors. The affairs of the Association shall be managed by a Board of Directors of not less than three (3) but not more than seven (7) Directors, who shall be Members of the Association; provided, however, that until the Class B Membership has terminated the Directors need not be Members of the Association. All Directors shall be elected or appointed in accordance with the applicable provisions contained in the Articles of Incorporation of the Association and herein.

Section 2. Method of Nomination. Until Turnover (as more fully defined in the Declaration), the Board shall consist of Directors appointed by the Class B Member. After Turnover, the persons to be elected by the Class A Members shall be made by a nominating committee or from the floor by Members at the annual meeting.

Section 3. Election. After Turnover, the Members may cast one vote for each Lot or Reconfigured Lot owned in respect to each vacancy. An election shall be by secret written ballot. Cumulative voting is not permitted. The election of Directors shall take place at the annual meeting and Members may vote in person at a meeting or by ballot that the Member personally casts prior to such meeting. Those persons receiving the largest number of votes shall be elected. There shall be no requirement for a minimum number of votes cast. At the first annual meeting after Turnover, the Class A Members shall elect one third (1/3) of the Directors to be elected by the Class A Members for a term of one (1) year, one third (1/3) of the Directors to be elected by the Class A Members for a term of two (2) years and one third (1/3) of the Directors to be elected by the Class A Members for a term of three (3) years (should the membership of the Board not be divisible by three, then the classes of Directors shall be made as nearly equal as possible). Thereafter, all Directors to be elected by the Class A Members shall be elected for a three (3) year term, it being the intent that the terms of the Directors should be staggered. Provided however, for so long as the Class B Member has the right to appoint the minority of the Directors or at least one Director, the Class B Member shall appoint and replace such persons at its sole discretion.

Section 4. Resignation and Removal. A Director may resign at any time by delivery of a written notice to the Board of Directors, its chairman or secretary. The unexcused absence of a Director elected by the Class A Members from three consecutive regular meetings of the Board shall be deemed a resignation. Any Director elected by the Class A Members may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. No director appointed by the Class B Member shall be removed except by the Class B Member. A resignation is effective when notice is delivered, unless notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date.

Section 5. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without a Meeting. To the extent permitted by law, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 7. Failure to Fill Vacancies. If there is a failure to fill vacancies on the Board of Directors sufficient to constitute a quorum of Directors in accordance with these ByLaws, any Member may apply to the Circuit Court of Orange County, Florida, for the appointment of a receiver to manage the affairs of the Association by certified or registered mail. At least thirty (30) days before applying to the circuit court, the Member shall mail to the Association and post in a conspicuous place on the Common Property a notice describing the intended action, giving the Association thirty (30) days to fill the vacancies. If during such time the Association fails to fill a sufficient number of the vacancies so that a quorum can be assembled, the Member may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs,

attorney's fees and all other expenses of the receivership. The receiver has all powers and duties of a duly constituted board of directors and shall serve until the Association fills sufficient vacancies so that a quorum can be assembled.

ARTICLE V. - MEETING OF DIRECTORS

Section 1. Organizational Meeting. The newly elected Board shall meet for the purposes of organization, the election of officers and the transaction of other business immediately after their election or within ten days of same at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board, and shall be open to all Members; however, meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by attorney client privilege may be closed to Members.

Notice of the meetings of the Directors shall be posted on the Common Property at least forty-eight (48) hours in advance, except in an emergency. In the alternative, if notice is not posted in a conspicuous place on the Common Property, the notice of Board meetings shall be mailed or delivered to each Member at least seven (7) days in advance, except in an emergency. Notice of any meeting in which Assessments against Lots are to be established shall specifically contain a statement that Assessments shall be considered and a statement of the nature of such Assessments. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 4. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. A meeting at which a quorum of the Directors is present shall be deemed to be a meeting. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Members is the act of the Board of Directors. A Director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have assented unless he or she objects, at the beginning of the meeting or promptly upon his arrival, to the holding of the meeting or transacting of specified affairs at the meeting, or unless he or she votes against or abstains from the action taken.

Section 5. Voting. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers.

Section 6. Adjourned Meetings. A majority of the Directors present at a meeting, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another place and time. Notice of any such adjourned meeting shall be given to the Directors who are not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other Directors. Any business that might have been transacted at the meeting as originally called may be transacted at any adjourned meeting without further notice.

ARTICLE VI. - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to, among other things:

- a. Adopt and publish rules and regulations including fees, if any, governing the use of the Common Property and the personal conduct of the Members and their guests thereon.
- b. Suspend the right of an Owner to use the Common Property during any period in which the Owner shall be in default for more than thirty (30) days after notice of the payment of any Assessment is levied by the Association. Such rights may also be suspended from Owners, after notice and hearing, for a period not to exceed sixty (60) days for infraction of the Declaration, Article or ByLaws.
- c. Appoint such committees as prescribed herein and such other committees as the Board of Directors may, from time to time, deem necessary or appropriate.
- d. Enforce and administer all of the provisions of the Declaration and the rules and regulations.
- e. Exercise all other rights allowed by law or statute.
- f. Borrow money on behalf of the Association; provided, however, that (i) a 2/3 vote of the Members present in person or by proxy, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these ByLaws, shall be required for the borrowing of any sum in excess of \$20,000; and (ii) no lien to secure repayment of any sum borrowed may be created on any Property without the consent of the Owner of such Property.
- g. Acquire and enter into agreements whereby the Association acquires leaseholds, memberships, and other possessory or use interests in lands or facilities, whether or not contiguous to the lands operated by the Association, intended to provide for the enjoyment, recreation, or other use and benefit of the Members and declare expenses in connection therewith to be Common Expenses; all in such form and in such manner as may be deemed by the Board of Directors to be in the best interest of the Association. The Association's participation in the acquisition of any interest in lands and facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

h. Cause the lien against any Lot for which Assessments are not paid within thirty (30) days after the due date to be foreclosed, or cause an action at law to be brought against the Owner personally obligated to pay the same.

Section 2. Duties. It shall be the duty of the Board of Directors to perform the following:

a. Cause to be kept a complete record of all its corporate affairs, including minutes of all meetings, make such records available for inspection by any Member or his agent, and present an annual statement thereof to the Members. Minutes of all meetings of Members and the Board must be maintained in a written form or in another form that can be converted into written form in a reasonable time. A vote or abstention from voting on each matter for each Director present at a Board meeting must be recorded in the minutes.

b. Employ and supervise all officers, agents and employees of the Association and see that their duties are properly performed and, where appropriate, dismiss such persons.

c. Issue, or authorize its agent to issue, upon demand by any Member, a certificate setting forth whether or not any Assessment has been paid and giving evidence thereof for which a reasonable charge may be made by the Association or by its authorized agent.

d. Maintain bank accounts on behalf of Association. Designate depositories for Association funds, designate those officers, agents and/or employees who shall have authority to withdraw funds from such account on behalf of the Association, and cause such persons to be bonded as the Board of Directors deems appropriate in its sole discretion.

e. Prepare the proposed annual budget, submit the same to the Membership for comments, and approve the annual budget.

f. Fix General Assessments (including any reserves which the Board determines), Special Assessments, Neighborhood Assessments and Lot Assessments at an amount sufficient to meet the obligations imposed by the Declaration.

g. Annually adopt the budget and set the date or dates Assessments will be due, and decide what, if any, interest is to be applied to Assessments which remain unpaid ten (10) days after they become due.

h. Send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment or of the first installment thereof.

i. Cause the Common Property to be maintained in accordance with the Declaration.

j. Procure and maintain adequate liability and hazard insurance on the Common Property as required by the Declaration, and such other insurance as the Board of Directors deems necessary or as may be required or permitted by the Declaration.

k. Enter into mortgage agreements and obtain capital debt financing, subject to the provisions of the Declaration and Articles.

l. Retain minutes of all meetings of Members and of the Board of Directors in a businesslike manner, which shall be available for inspection by Members or their authorized representatives and Board members, at reasonable times and for a proper purpose, which records shall be retained for at least seven (7) years.

ARTICLE VII. - OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create. Officers other than the President and Vice- President need not be Members of the Association.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. Voting may be by secret ballot.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. Any person may hold more than one office, except that the offices of President and Secretary may not be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

a. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases,

mortgages, deeds and other written instruments; and shall co-sign all promissory notes and contracts as the Board of Directors may approve from time to time.

b. Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

c. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; maintain the minute book; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

d. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign any promissory notes and contracts of the Association; keep proper books of account; cause an annual review of the Association books to be made by public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Board of Directors and to the membership at its regular annual meetings.

ARTICLE VIII - COMMITTEES

The Association shall appoint such committees as are provided in the Declaration and shall appoint other committees as deemed appropriate in carrying out its purpose.

Meetings of committee shall be open to Members. Members of the committees may not vote by proxy or secret ballot.

ARTICLE IX - FISCAL YEAR

The Fiscal Year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year, except that the first Fiscal Year shall begin on the date of incorporation.

ARTICLE X - BUDGETS AND ASSESSMENTS

Section 1. Budgets. The Association shall prepare an annual budget at least 60 days prior to the commencement of each calendar year for such calendar year. The budget shall reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities. The Association shall provide each Member with a copy of the annual budget or a written notice that a

copy of the budget is available to the Member upon request with no charge. In the event the Board of Directors fails to adopt an annual budget for any year, the prior year's budget shall remain in effect until a new budget is adopted or the existing budget is amended or revised.

If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the Common Expenses of the Association for the fiscal year in which the adopted budget applies to, the Board may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption of an amended budget.

Section 2. Assessments. As more fully provided in the Declaration, each Member is obligated to pay to the Association certain Assessments which are secured by a continuing lien upon the property against which the Assessment is made. Any Assessments which are not paid when due shall be delinquent. The Assessment shall bear interest from the date of delinquency at an interest rate equal to the highest rate allowed by law, or as otherwise determined by the Board of Directors. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorney's fees of any Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Property or abandonment of his Lot.

Section 3. Special Assessments. In the event the expenditure of funds by the Association is required that cannot be paid from the Assessments, the Board may make Special Assessments, which shall be levied in the same manner as hereinbefore provided for Assessments for Common Expenses and shall be payable in the manner determined by the Board. Each Member's share of any Special Assessment shall be in the same proportion as the Member's share of the Assessments for Common Expenses.

Section 4. Financial Reports. The Association shall prepare an annual financial report with sixty (60) days after the close of the fiscal year. The financial report shall comply with the applicable provisions of Florida Law.

ARTICLE XI - NOTICE OF TRANSFER

Prior to conveyance of any Lot to an Owner, such Owner shall provide to the Association written notice of the party to whom the Lot is to be conveyed together with an address for such new Owner for Association records.

ARTICLE XII - ASSOCIATION RECORDS

In accordance with the requirement of Section 617.303(4), the Official Records of the Association shall consist of:

Section 1. General Records.

- a. A copy of any plans, permits, warranties, and other items related to improvements

constructed on the Common Property or other property which the Association is obligated to maintain, repair or replace.

- b. A copy of the ByLaws of the Association and of each amendment to the ByLaws.
- c. A certified copy of the Articles of Incorporation of the Association, or other documents creating the Association, and of each amendment thereto.
- d. A copy of the Declaration of Covenants and of each amendment thereto.
- e. A copy of the current rules of the Association.
- f. A book or books that contain the minutes of all meetings of the Association, of the Board of Directors, and of Members, which minutes shall be retained for a period of not less than seven (7) years.
- g. A current roster of all Members and their mailing addresses, Lot identifications, and, if known, telephone numbers.
- h. All current insurance policies of the Association, or a copy thereof.
- i. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Members have an obligation or responsibility.
- j. A copy of all bids received by the Association for work to be performed, which must be retained for one (1) year.

Section 2. Financial Records. Accounting records for the Association and separate accounting records for each Lot, according to generally accepted accounting principles. All accounting records shall be maintained for a period of not less than seven (7) years. The financial records shall include, but are not limited to:

- a. Accurate, itemized, and detailed records of all receipts and expenditures.
- b. A current and a periodic statement of the account for each Member of the Association, designating the name and address of the Member, the due date and amount of each Assessment, the amount paid upon the account, and the balance due.
- c. All tax returns, financial statements and financial reports of the Association.
- d. Any other records that identify, measure, record or communicate financial information.

Section 3. Inspection and Copying of Records. The foregoing official records shall be

maintained within the State and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. The Association may adopt reasonable rules and regulations governing the frequency, time, location, notice and manner of inspections and may impose fees to cover the costs of providing copies of official records.

ARTICLE XIII. - AMENDMENT

Section 1. Procedure. Until Turnover, these ByLaws may be amended by the Class B Member without the consent or joinder of any Class A Member. Thereafter, Notice of the subject matter of the proposed amendment shall be included in the Notice of any meeting at which a proposed amendment is to be considered. A resolution to amend the ByLaws may be proposed by any director or by a petition signed by at least 25% of the members (with one signature per voting interest allowed). Once the resolution is passed, these ByLaws may be amended at (a) a regular or special meeting of the Board of Directors by a majority vote of the Directors or (b) a meeting called to approve the amendment by a vote of a majority of the members present in person or by proxy. Amendments to these ByLaws need only be filed in the minute book, and need not be recorded in the public records of the County.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these ByLaws, the Articles of Incorporation shall prevail. In the case of any conflict between the Declaration and these ByLaws, the Declaration shall prevail.

ARTICLE XIV. - SEAL

The seal of the Association is hereby adopted in the form affixed hereto including the name of the Association, the words "Corporation Not For Profit" and the year of incorporation.

These ByLaws have been adopted in accordance with the provisions of Chapter 617, Florida Statutes, as amended in 1996. To the extent that the provisions of that Chapter are amended or modified in a manner which is inconsistent herewith or which expands or clarifies any provisions hereof, the amendments or modifications of Chapter 617 shall prevail.

The foregoing ByLaws of Falcon Trace Property Owners' Association, Inc., a corporation not-for-profit under the laws of the State of Florida, were adopted at the first meeting of the Board of Directors on the 21st day of July, 1997.


Callis N. Carleton
Secretary
Date: 7/21/97