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Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of EMERALD ISLAND RESORT VILLAS HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, filed on October 12, 2001, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H01000106804. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below

The document number of this corporation is N01000007309.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Fifteenth day of October, 2001

Authentication Code: 301A00056959-101501-N01000007309-1/1



GR2EO22 (1-99)

Katherine Harris
Katherine Harris
Secretary of State

ARTICLES OF INCORPORATION
OF
EMERALD ISLAND RESORT VILLAS
HOMEOWNERS' ASSOCIATION, INC.
A NON-PROFIT CORPORATION

In compliance with the requirements of Florida Statutes, Chapter 617 (2000), the undersigned, all of whom are residents of the State of Florida, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a Florida corporation not for profit, and do hereby certify:

ARTICLE I

NAME OF CORPORATION

The name of the Corporation is EMERALD ISLAND RESORT VILLAS HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit (hereafter called the "Association").

ARTICLE II

PRINCIPAL OFFICE OF THE ASSOCIATION

The principal office of the Association is located at 5401 Kirkman Road, Suite 525, Orlando, Florida 32819.

ARTICLE III

REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 5401 Kirkman Road, Suite 525, Orlando, Florida 32819, and Anil Deshpande is hereby appointed the initial registered agent of this Association at that address. The registered agent shall maintain copies of all permits for the benefit of the Association.

ARTICLE IVPURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Lots and Residences located within and upon the Property, as defined in that certain Neighborhood Declaration of Covenants, Conditions, Restrictions and Easements for the Emerald Island Resort Villas to be recorded in the Public Records of Osceola County, Florida (hereinafter called the "Declaration") (for purposes hereof all capitalized terms, unless provided otherwise herein, shall have the same meaning as in the Declaration), and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereto be brought within the jurisdiction of this Association for this purpose to:

(a) Exercise all of the powers and privileges and to perform all duties and obligations of the Association as set forth in the Declaration applicable to the Property, and as the same may be amended from time to time as herein provided;

(b) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Florida by law may now or hereafter have or exercise.

(c) Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association consistent with the terms of the Declaration.

(d) File suits and/or pursue such legal rights and remedies as are available to the Association.

(e) Operate, maintain, and manage the surface water or Stormwater Management System in a manner consistent with the South Florida Water Management District Permit No. 49-00912-P-02 requirements and applicable South Florida Water Management District rules, and shall assist in the enforcement of that portion of this Declaration which relate to the surface water or Stormwater Management System.

(f) Levy and collect adequate assessments against the Members of the Association, including, but not limited to, assessments sufficient for the costs of maintenance and operation of the surface water or Stormwater Management System.

ARTICLE VMEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. Notwithstanding anything else to the contrary set forth in this Article V, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association. Membership in the Association shall be appurtenant to each Lot and may not be separated from ownership of said Lot. The record title holder to each Lot shall automatically become a Member of the Association and shall be assured of all rights and privileges thereof upon presentation of a photostatically or otherwise reproduced copy of said Owner's deed to the Association Secretary for placement in the records of the Association. To the extent that said deed shall pass title to a new Lot Owner from an existing Lot Owner, membership in the Association shall be transferred from the existing Lot Owner to the new Lot Owner. In no event shall any mortgagee or other party holding any type of security interest in a Lot or the Residence constructed thereon be a Member of the Association unless and until any of said parties obtain or receive fee simple title to such Lot.

ARTICLE VIVOTING RIGHTS

6.1 Classes of Membership. The Association shall have two (2) classes of voting membership:

Class A. Class A Membership shall be all Owners of Lots (except the Declarant, as long as the Class B membership shall exist, and thereafter, the Declarant shall be Class A Members to the extent each would otherwise qualify). Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, but the vote for such Lot shall be exercised only by that one person who is Entitled To Vote. In no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to five (5) votes for each Lot owned by the Class B Member. All voting rights of Class B Membership shall be freely transferable, subject to this Declaration, to third parties. The Class B membership shall cease and terminate upon the earlier to occur of the following: (i) June 30, 2011; (ii) at such time as eighty three and one-third percent (83.33%) of the maximum number of Residences allowed for the Properties and Additional Properties have been conveyed to Class A Members, or (iii) sooner at the election of the Declarant, whereupon the Class A Members shall be obligated to elect the Board of Directors and assume control of the Association. Upon termination of the Class B membership as provided for herein, the Class B membership shall convert to Class A membership with voting strength as set forth above for Class A membership.

6.2 Entitled to Vote. As used herein, the term "Entitled To Vote" means and refers to that Lot Owner who shall cast a vote for a Lot at an Association meeting. If more than one person or legal entity shall own any Lot, the Owners thereof shall determine among themselves who shall be the Member Entitled To Vote. Said determination shall be manifested upon a voting certificate, signed by all Owners of said Lot, and given to the Association Secretary for placement in the Association records. Notwithstanding anything contained herein to the contrary, all Lot Owners whether Entitled To Vote or not are assured of all other privileges, rights, and obligations of Association membership and shall be Members of the Association. In no event shall any mortgagee or other party holding any type of security interest in a Lot or the Residence constructed thereon be Entitled To Vote for purposes hereof, unless and until any of said parties obtain or receive fee simple title to such Lot.

ARTICLE VII

SUBSCRIBER

The name and address of the Subscriber to these Articles of Incorporation is as follows:

Anil Deshpande

5401 Kirkman Road, Suite 525
Orlando, Florida 32819

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors consisting of no less than three (3) nor more than nine (9) Directors, who need not be members of the Association; provided, however, the Board shall consist of an odd number of Directors. The number of Directors may be changed by amendment of the Bylaws of the Association. The initial Board of Directors shall consist of three (3) Directors, who shall serve until the appointment of their successors as provided in the Declaration or the election of their successors as provided in the Bylaws, as the case may be.

The names and addresses of the initial Board of Directors are as follows:

Sean Froelich	5401 Kirkman Road, Suite 525 Orlando, Florida 32819
William Wegner	5401 Kirkman Road, Suite 525 Orlando, Florida 32819
William M. Moore	5401 Kirkman Road, Suite 525 Orlando, Florida 32819

At the first annual meeting of the Members in which the Class A Members are eligible to elect all the Directors and at each annual meeting thereafter, the Members shall elect three (3) Directors for a term of one (1) year.

ARTICLE IX

OFFICERS

The affairs of the Association shall be administered by the Officers as designated in the Bylaws. The Officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the Members of the Association, and they shall serve at the pleasure of the Board of Directors. The names and addresses of the Officers, who shall serve until their successors are elected by the Board of Directors, are as follows:

PRESIDENT	Sean Froelich 5401 Kirkman Road Suite 525 Orlando, Florida 32819
VICE-PRESIDENT/TREASURER	William M. Moore 5401 Kirkman Road Suite 525 Orlando, Florida 32819
SECRETARY	William Wegner 5401 Kirkman Road Suite 525 Orlando, Florida 32819

ARTICLE XDISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of Members. 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 the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes and which is acceptable to the South Florida Water Management District. This procedure shall be subject to Court approval on dissolution pursuant to the provisions of Florida Statutes, Section 617.05. Notwithstanding anything herein to the contrary, in the event of the termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the final surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and must be approved by the South Florida Water Management District prior to such termination, dissolution or liquidation.

ARTICLE XIDURATION

The Association shall exist perpetually.

ARTICLE XIIAMENDMENTS

Amendment of these Articles must be approved by a vote of two-thirds (2/3) of each class of Members in person or by proxy at a meeting duly called for such purpose. Provided, however, these Articles may be amended at any time by action of the Board of Directors (i) to clarify ambiguities, and correct scrivener's errors, and (ii) so as to comply with Federal Housing Administration (FHA) or the Veteran's Administration (VA) guidelines if such amendment is approved by FHA or VA.

ARTICLE XIIIBYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors at the first meeting of Directors, and may be altered, amended or rescinded thereafter in the manner provided in the Bylaws.

ARTICLE XIV

DECLARATION AND BYLAWS

In the event of any conflict between the terms and provisions of the Declaration and the terms and provisions of these Articles, the terms and provisions of the Declaration shall control. In the event of any conflict between the terms and provisions of these Articles and the terms and provisions of the Bylaws, the terms and provisions of these Articles shall control.

ARTICLE XV

FHA/VA APPROVAL

So long as the Class B Membership in the Association exists, the following actions will require the prior approval of FHA/VA: annexation of additional properties; mergers and consolidation; mortgaging and/or dedication of Common Areas; dissolution; and amendment of these Articles (except amendments by Declarant to clarify ambiguities and scrivener's errors).

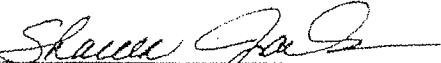
ARTICLE XVI


INDEMNIFICATION

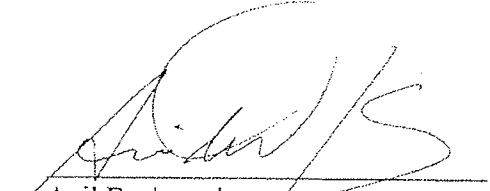
The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, employee, officer or agent of the Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner 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, if he had no reasonable cause to believe his conduct was unlawful; except that no indemnification shall be made in respect to any claim, issue or matter as to which such person 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 the action or suit was brought shall determine, upon application, 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 that the court shall deem proper.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Florida, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 11~~th~~ day of October, 2001.

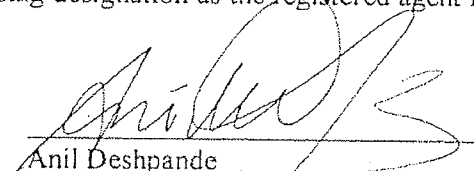
Signed, sealed and delivered
in the presence of:


Print Name: Shawn Jackson


Print Name: Sean Froelich


Anil Deshpande

The undersigned hereby accepts the foregoing designation as the registered agent for said corporation.


Anil Deshpande
Date: 10/11/01

**WRITTEN CONSENT TO ACTION OF THE BOARD OF DIRECTORS
TAKEN IN LIEU OF FIRST AND ORGANIZATIONAL
MEETING OF
EMERALD ISLAND RESORT VILLAS HOMEOWNERS' ASSOCIATION, INC.**

THE UNDERSIGNED, being all the directors named in the Articles of Incorporation of EMERALD ISLAND RESORT VILLAS HOMEOWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation (hereinafter referred to as the "Corporation"), hereby unanimously consent to the adoption of the following resolutions authorizing the actions therein set forth:

1. **RESOLVED**, that a copy of the Articles of Incorporation of the Corporation, the original of which has been filed with the Secretary of State of the State of Florida, be filed in the minute book of the Corporation.

2. **RESOLVED**, that the seal containing the name of the Corporation and the words and figures "Florida Not-For-Profit Corporate Seal 2001," as shown impressed upon this page immediately below is hereby approved and adopted as the seal of the Corporation.

[CORPORATE SEAL]

3. **RESOLVED**, that the Bylaws in the form annexed hereto are approved and adopted as the Bylaws of the Corporation.

4. **RESOLVED**, that the following persons are hereby appointed to the offices set forth below:

Sean Froelich	President
William M. Moore	Vice President and Treasurer
William Wegner	Secretary

5. **RESOLVED**, that the fiscal year ending December 31 of each year is hereby adopted as the fiscal year of the Corporation.

6. **RESOLVED**, that this Corporation shall open a corporate checking account with a bank to be selected by the President of the Corporation and that the appropriate officers shall execute a standard form of banking resolution authorizing the establishment of such account and designating the persons authorized to sign withdrawals therefrom, a copy of which shall be placed in the minute book of the Corporation.

Dated effective as of the 24 day of October 2001.


Sean Froelich, Director


William M. Moore, Director


William Wegner, Director

I

BYLAWS
OF
THE EMERALD ISLAND RESORT VILLAS
HOMEOWNERS' ASSOCIATION, INC.

These Bylaws constitute the code of rules adopted by the Emerald Island Resort Villas Homeowners' Association, Inc., for the regulation and management of its affairs.

SECTION I
DEFINITIONS

As used in these Bylaws, the following terms shall be construed to mean:

1.1 "Association" means and refers to the corporate entity organized by the Articles of Incorporation of this corporation and known as the Emerald Island Resort Villas Homeowners' Association, Inc.

1.2 "Class A Membership" means and refers to the same term as defined in the Declaration.

1.3 "Class B Membership" means and refers to the same term as defined in the Declaration.

1.4 "Declarant" means and refers to the same team as defined in the Declaration.

1.5 "Declaration" means and refers to the Declaration of Covenants, Conditions, Restrictions and Easements for the Emerald Island Resort Villas dated October 11th, 2001, and recorded on October 16, 2001, in Official Records Book 1944, Page 2425, Public Records of Osceola County, Florida.

1.6 "Entitled to Vote" means and refers to that Lot Owner who shall cast a vote for a Lot at an Association meeting. If more than one person or legal entity shall own any Lot, the Owners thereof shall determine among themselves who shall be the Member Entitled to Vote. Said determination shall be manifested upon a voting certificate, signed by all Owners of said Lot, and given to the Association Secretary for placement in the Association records. Notwithstanding anything contained herein to the contrary, all Lot Owners whether Entitled to Vote or not are assured of all other privileges, rights, and obligations of Association membership and shall be Members of the Association. In no event shall any mortgagee or other party holding any type of security interest in a Lot or the Residence constructed thereon be Entitled to Vote for purposes hereof, unless and until any of said parties obtain or receive fee simple title to such Lot.

1.7 "Lot" means and refers to the same team as defined in the Declaration.

1.8 "Member" means and refers to all those Owners who are Members of the Association as provided in the Articles of Incorporation of the Association.

1.9 "Owner" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Property.

1.10 "Person" means and refers to any individual or legal entity.

1.11 "Plat" means and refers to the same term as defined in the Declaration.

1.12 "Property" means and refers to the same term as defined in the Declaration.

1.13 "Residence" means and refers to the same term as defined in the Declaration.

Any other capitalized terms not specifically defined herein shall have the same meaning as set forth in the Declaration.

SECTION II CORPORATE OFFICE

2.1 Name and Location. The name of the corporation is the Emerald Island Resort Villas Homeowners' Association, Inc. The principal office of the corporation may be changed by the Board of Directors at any time, and meetings of Members and directors may be held at such places within the State of Florida, as may be designated by the Board of Directors.

SECTION III MEETING OF MEMBERS

3.1 Annual Meetings. The first annual meeting of the Members shall be held one (1) year after the date the Articles of Incorporation of the Association are filed with the Secretary of State, State of Florida, at the hour of 7:30 p.m. If the day for the annual meeting of the Members is a Saturday, Sunday or legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

3.2 Special Meetings. Special meetings of the Members may be called at any time by the president or the Board of Directors, or upon written request of the Members Entitled to Vote at least one-fourth (1/4) of all votes of the Class A Membership.

3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by the secretary, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member Entitled to Vote at the last address appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

3.4 Quorum. The presence, physically or by proxy, at the meeting of one-third (1/3) of the Members Entitled to Vote shall constitute a quorum for any action, except as otherwise provided: (1) in the Articles of Incorporation or (2) in the Declaration. If, however, such quorum shall not be present or represented at any meeting, the Members Entitled to Vote shall have the power to adjourn the meeting from time to time, without notice, other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies must be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

SECTION IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number. This Association will be managed by the three (3) initial Persons serving on the Board of Directors. The number of directors may be changed by resolution adopted by the Board of Directors; provided, however, that the number of directors shall not be decreased to less than three (3). The affairs of this Association shall be managed by a Board of Directors, who need not be Members of the Association, if they represent Class B Members.

4.2 Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, incapacity, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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

4.4 Action Taken Without a Meeting. The Board of 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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

SECTION V NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. At the annual meeting, any Member may nominate a Person to serve on the Board of Directors.

5.2 Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, with respect to each vacancy, as many

votes as they are entitled to exercise under the provisions of the Declaration. The Persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

SECTION VI MEETINGS OF DIRECTORS

6.1 Regular Meetings. The annual meeting of the Board of Directors shall be held without notice immediately following the annual meeting of the Members at the same place as may be fixed for the annual meeting of the Members.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days' written notice to each director at his address as shown upon the records of the Association.

6.3 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. 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.

SECTION VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Powers. The Board of Directors shall have the power to:

A. assess a Lot Owner for improvement, maintenance and repairs upon the Lot Owner's Lot as provided in the Declaration;

B. suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association or take such other action or actions against any member as may be provided in the Declaration for any violation of any of the terms thereof, the Articles of Incorporation or these By-Laws.

C. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provision of the Bylaws, the Articles of Incorporation, or the Declaration;

D. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors;

E. place a lien on a Lot for nonpayment of an assessment, as provided in the Declaration; and

F. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

7.2 Duties. It shall be the duty of the Board of Directors to:

A. cause to be kept a complete record of all its acts and corporate affairs and to present statements thereof to the Members at: 1) the annual meeting of the Members, or 2) any special meeting of the Members when such statement is requested in writing by one-fourth (1/4) of the Class A Members Entitled to Vote;

B. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

C. as more fully provided in the Declaration, to:

(i) fix the amount of any assessment against each Lot as provided in the Declaration;

(ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the payment due date; and

(iii) foreclose the lien against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same; and

(iv) take other actions required by the Declaration.

D. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

E. procure and maintain adequate liability and hazard insurance on any property owned by the Association;

F. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

G. cause the Common Area to be maintained in the manner set forth in the Declaration.

SECTION VIII
OFFICERS AND THEIR DUTIES

8.1 Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be directors of the Association, a secretary, and a treasurer.

8.2 Election of Officers. The election of officers shall take place at the meeting of the Board of Directors immediately following each annual meeting of the Members.

8.3 Term. The officers of this Association shall be elected annually by the Board, and each officer shall hold office for one (1) year, unless he shall sooner resign, be removed, or otherwise disqualified to serve.

8.4 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, 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.

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

8.6 Multiple Offices. No officer shall simultaneously hold more than two (2) offices. Further, the President and Treasurer shall not be the same person.

8.7 Duties. The duties of the officers are as follows:

President

The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all legal documents; and co-sign all checks and promissory notes.

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.

Secretary

The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of the meetings of the Board 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.

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 all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget, including a statement of income and expenditures to be presented to the membership at its regular annual meeting.

SECTION IX COMMITTEES

In addition, the Board of Directors shall appoint such committees as it deems appropriate in carrying out its purpose and that of the corporation.

SECTION X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

SECTION XI CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "EMERALD ISLAND RESORT VILLAS HOMEOWNERS' ASSOCIATION, INC.", the words "Florida" and "Not-For-Profit Corporation", and the year of incorporation.

SECTION XII
MISCELLANEOUS

Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

SECTION XIII
AMENDMENTS AND ADMINISTRATIVE PROVISIONS

13.1 Amendment of the Bylaws. These Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members who are present in person or by proxy; provided, however, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

13.2 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

13.3 Construction in Accordance with Law. These Bylaws will be construed in accordance with the laws of the State of Florida.

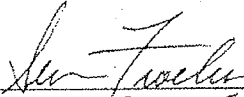
13.4 Headings. The headings used for each Article and Section in these Bylaws are used for administrative purposes only and do not constitute substantive matter to be considered in construing the terms of these Bylaws.

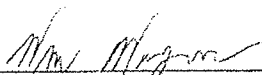
13.5 Number and Gender. Wherever the context shall so require, all words in any gender will be deemed to include the all genders. All words in the singular will include the plural, and all words in the plural will include the singular.

13.6 Severability. In case any one or more of the provisions contained in these Bylaws shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and these Bylaws shall be construed, as if such invalid, illegal, or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, we hereby certify, that the foregoing Bylaws of the Emerald Island Resort Villas Homeowners' Association, Inc., were duly adopted by the Board of Directors of said corporation in a meeting held for such purpose on the 11th day of October, 2001.

EMERALD ISLAND RESORT VILLAS
HOMEOWNERS' ASSOCIATION, INC., a Florida not-
for-profit corporation

By: 
Print Name: Sean Froelich
As Its: President

ATTEST: 
William Wegner, Secretary

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Prepared by and return to:
Michael A Ryan, Esq.
Lowndes, Drosdick, Doster,
Kantor & Reed, P.A.
Post Office Box 2809
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CLERK OF CIRCUIT COURT

CL 2001151112 OR 1944/2425
DLB Date 10/16/2001 Time 14:48:11

NEIGHBORHOOD DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR THE EMERALD ISLAND RESORT VILLAS

THIS NEIGHBORHOOD DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE EMERALD ISLAND RESORT VILLAS is made as of the 11th day of October, 2001, by PARK SQUARE ENTERPRISES, INC., a Florida corporation, whose address is 5401 Kirkman Road, Suite 525, Orlando, Florida 32819.

WITNESSETH:

WHEREAS, Declarant (as hereinafter defined) is the owner of all of the land in Osceola County, Florida, described in Section 2.1 of this Declaration; and

WHEREAS, Declarant desires to subject said land to the covenants, restrictions, conditions and easements hereinafter set forth, each and all of which are hereby declared to be for the benefit of each and every present and future owner of any and all parts thereof; and

WHEREAS, the property to be made subject to this Declaration (as hereinafter defined) is a portion of the property encumbered by the Master Declaration (as hereinafter defined); and

WHEREAS, the Declarant desires to create a Neighborhood (as defined in the Master Declaration) by the recording of this Declaration as a Neighborhood Declaration (as defined in the Master Declaration).

NOW, THEREFORE, Declarant, for itself, its successors and assigns, hereby declares and imposes the covenants, conditions, restrictions and easements hereafter described on the lands owned by Declarant described above, which covenants, conditions, restrictions and easements shall run with the title to said lands and shall be binding upon all parties having any rights, title or interest in said lands or any part thereof, their heirs, personal representatives and assigns, and shall inure to the benefit of each owner thereof, and their respective mortgagees:

ARTICLE I
DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

1.1 "Additional Property" shall mean and refer to any portion of the lands platted by the Plat (as hereinafter defined) not initially included among the Property encumbered hereby but which may be included among the Property in the future upon Declarant's execution and recordation of a supplemental declaration herein according with Article II below.

1.2 "Assessment" means and refers to the assessments described in Article III herein.

1.3 "Association" means and refers to the EMERALD ISLAND RESORT VILLAS HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation.

1.4 "Board of Directors" means and refers to the board of directors of the Association.

1.5 "Common Area" means and refers to all real property (including the improvements thereto) and all personal property owned by the Association and tracts of land, if any, shown or drawn on a Plat as owned or to be owned by the Association for the common use, enjoyment and benefit of the Owners and all property designated as common areas in any future recorded supplemental declaration (but not including any tract dedicated on a Plat to the public or to a public utility provider); together with the landscaping and any improvements thereon, including, without limitation, all structures, open space, conservation areas, retention areas, walkways, entrance markers and features, signs, and street lights, if any, but excluding any public utility installations thereon.

1.6 "Common Roof" means and refers to the exterior roof covering a Townhome Residential Building, including all components of said exterior cover and its supporting structure.

1.7 "Declaration" means and refers to this Neighborhood Declaration of Covenants, Conditions, Restrictions and Easements for the Emerald Island Resort Villas, as recorded in the Public Records of Osceola County, Florida, as the same may be amended from time to time, which Declaration shall constitute a Neighborhood Declaration in accordance with the terms of the Master Declaration.

1.8 "Declarant" means and refers to Park Square Enterprises, Inc., a Florida corporation, and its successors and assigns by virtue of such written instruments assigning the rights and obligations of Declarant hereunder which are recorded in the Public Records of Osceola County, Florida. Upon recordation of any such assignment, the initial Declarant shall be released and absolved from any further obligations on the part of the Declarant as may thereafter arise by or through this Declaration. A Lot purchaser, Lot Owner or Lot mortgagee shall not be deemed to be the Declarant by the mere act of purchase or mortgage of a Lot.

1.9 "Drainage Easements" means and refers to the drainage easements declared and reserved on the Plat.

1.10 "Entitled to Vote" means and refers to that Lot Owner who shall cast a vote for a Lot at an Association meeting. If more than one person or legal entity shall own any Lot, the Owners thereof shall determine among themselves who shall be the Member Entitled To Vote. Said determination shall be manifested upon a voting certificate, signed by all Owners of said Lot, and given to the Association Secretary for placement in the Association records. Notwithstanding anything contained herein to the contrary, all Lot Owners whether Entitled To Vote or not are assured of all other privileges, rights, and obligations of Association membership and shall be Members of the Association. In no event shall any mortgagee or other party holding any type of security interest in a Lot or the Residence constructed thereon be Entitled To Vote for purposes hereof, unless and until any of said parties obtain or receive fee simple title to such Lot.

1.11 "Institutional Lender" or "Institutional Mortgagee" means and refers to a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, pension fund, pension trust, or any other generally recognized institutional-type lender or its loan correspondent, the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and to any successor or assignee thereof.

1.12 "Lot" means and refers to any Lot on the Plat or any other plat of all or any portion of the Property, and any other property hereafter declared as a Lot by the Declarant and thereby made subject to this Declaration.

1.13 "Master Association" means and refers to the Emerald Island Resort Master Association, Inc., a Florida not-for-profit corporation, established in accordance with the terms of the Master Declaration. }

1.14 "Master Declaration" means and refers to that certain Master Declaration of Covenants and Restrictions for Emerald Island Resort, recorded on 10/16, 2001, in Official Records Book 1944, Page 2364, Public Records of Osceola County, Florida, as the same may be amended from time to time.

1.15 "Member" means and refers to all those Owners who are Members of the Association as provided in Article III hereof.

1.16 "Owner" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Property. Each Owner shall be a member of the Association.

1.17 "Party Wall" means and refers to the common wall separating one Residence from another Residence in the same Townhome Residential Building.

1.18 "Plat" means and refers to the plat of EMERALD ISLAND RESORT REPLAT, as recorded in Plat Book 13, Pages 23 and 24, inclusive, of the Public Records of Osceola County, Florida, and any other plat of all or any portion of the Property.

1.19 "Property" means and refers to the property as described in Section 2.1 of this Declaration, and additions thereto, as are now or hereafter made subject to this Declaration, except such as are withdrawn from the provisions hereof in accordance with the procedures hereinafter set forth.

1.20 "Residence" means and refers to that portion of a Townhome Residential Building located on a Lot intended for use and occupancy as a residential dwelling for which a certificate of occupancy has been duly issued.

1.21 "Rules and Regulations" means and refers to the rules and regulations promulgated by the Association's board of directors from time to time.

1.22 "Townhome Residential Building" means and refers to a building containing attached Residences.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION;
ADDITIONS THERETO

2.1 Legal Description. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Osceola County, Florida, and is more particularly described as follows:

Lot 1A through Lot 76A, inclusive, and all of Tract B, EMERALD ISLAND RESORT REPLAT, according to the plat thereof, as recorded in Plat Book 13, Pages 23 and 24, inclusive, of the Public Records of Osceola County, Florida, all of which real property, and all additions thereto, is herein referred to collectively as the "Property".

2.2 Supplements. Declarant may from time to time bring all or any portions of the Additional Property under the provisions hereof by recorded supplemental declarations (which shall not require the consent of then existing Owners or the Association, or any mortgagee) and thereby add to and include all or such portions of the Additional Property as part of the Property subject to this Declaration. To the extent that all or any portion of the Additional Property shall be made a part of the Property as a common scheme, reference herein to the Property shall be deemed to be a reference to all or such portion of the Additional Property.

NOTHING HEREIN, HOWEVER, SHALL OBLIGATE THE DECLARANT TO ADD TO THE INITIAL PORTION OF THE PROPERTY, TO DEVELOP ANY SUCH FUTURE PORTIONS UNDER SUCH COMMON SCHEME, NOR TO PROHIBIT THE DECLARANT FROM REZONING AND/OR CHANGING THE DEVELOPMENT PLANS WITH RESPECT TO SUCH FUTURE PORTIONS. ALL OWNERS, BY ACCEPTANCE OF A DEED TO THEIR LOTS, THEREBY AUTOMATICALLY CONSENT TO ANY SUCH REZONING,

CHANGE, ADDITION OR DELETION THEREAFTER MADE BY DECLARANT AND SHALL EVIDENCE SUCH CONSENT IN WRITING IF REQUESTED TO DO SO BY THE DECLARANT AT ANY TIME.

Without limiting the foregoing, the Additional Property may be developed and subjected to uses and restrictions different than the uses and restrictions which are set forth in this Declaration, and nothing contained in this Declaration shall be binding upon any lot, parcel or any other portion of the Additional Property not specifically made a part of the Property in accordance with the terms of this Declaration by recording of a supplemental declaration in the Public Records of Osceola County, Florida.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.1 Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. Notwithstanding anything else to the contrary set forth in this Section 3.1, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association. Membership in the Association shall be appurtenant to each Lot and may not be separated from ownership of said Lot. The record title holder to each Lot shall automatically become a Member of the Association and shall be assured of all rights and privileges thereof upon presentation of a photostatically or otherwise reproduced copy of said Owner's deed to the Association Secretary for placement in the records of the Association. To the extent that said deed shall pass title to a new Lot Owner from an existing Lot Owner, membership in the Association shall be transferred from the existing Lot Owner to the new Lot Owner. In no event shall any mortgagee or other party holding any type of security interest in a Lot or the Residence constructed thereon be a Member of the Association unless said party obtains or receives fee simple title to such Lot.

3.2 Voting Rights. The Association shall have two (2) classes of voting membership:

(a) Class A. Class A Membership shall be all Owners of Lots except the Declarant as long as the Class B membership shall exist, and thereafter, the Declarant shall be a Class A Member. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, but the vote for such Lot shall be exercised only by that one person who is Entitled To Vote. In no event shall more than one vote be cast with respect to any such Lot.

(b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to five (5) votes for each Lot owned by the Class B Member. All voting rights of Class B Membership shall be freely transferable, subject to this Declaration, to third parties. The Class B membership shall cease and terminate upon the earlier to occur of the following: (i) June 30, 2011; (ii) at such time as eighty-three and one-third percent (83.33%) of the maximum number of Residences allowed for the Property have been conveyed to Class A

Members, or (iii) sooner at the election of the Declarant, whereupon the Class A Members shall be obligated to elect the Board of Directors and assume control of the Association. Upon termination of the Class B membership as provided for herein, the Class B membership shall convert to Class A membership with voting strength as set forth above for Class A membership.

3.3 General Matters. When reference is made herein, or in the Articles of Incorporation, Bylaws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members Entitled To Vote and not of the Members themselves.

ARTICLE IV PARTY WALLS

4.1 General Rules of Law to Apply. To the extent not inconsistent with this Article IV, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply concerning a Party Wall.

4.2 Sharing of Repairs, Maintenance and Replacement. Other than as specifically set forth in this Article IV below, the cost of reasonable repair, maintenance and replacement of a Party Wall shall be shared equally by the Owners who make use of the wall and shall be a lien against their respective Lots as provided hereafter.

4.3 Repair and Restoration. If a Party Wall is destroyed or damaged or requires structural repair, the Association in the exercise of its reasonable discretion, shall either restore, repair or replace said Party Wall, and each Owner sharing said Party Wall shall be jointly and severally liable to the Association for the cost thereof without prejudice, however, to the right to any such Owner to collect a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. The Association shall have the right to enter on the property of any Owner sharing a Party Wall during normal working hours and after reasonable notice to perform its obligations arising hereunder; provided, however, that in the event of an emergency, the Association or any Owner of a Residence sharing a Party Wall shall have the right to enter the Residence of another Owner sharing that Party Wall, without notice, to make emergency repairs. Any and all costs incurred by the Association pursuant to this Article for which an Owner is responsible for reimbursing the Association shall constitute an individual Assessment for which the Association shall have lien rights and all other enforcement rights in favor of the Association for enforcing the payment of other Assessments. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion. All sums due the Association pursuant to this Section shall be due and payable immediately upon demand by the Association.

4.4 Weatherproofing. Notwithstanding any other provision of this Section, any Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

4.5 Easement for Repair, Maintenance and Replacement. Declarant hereby reserves unto itself and hereby further grants to the Association and to each Owner a nonexclusive easement and right of ingress and egress in, under, over and across any Lot and the improvements located thereon as may be reasonably necessary for the purpose of repairing, maintaining and replacing any Party Wall.

ARTICLE V COMMON ROOFS

5.1 General Rules of Law to Apply. To the extent not inconsistent with this Section, the general rules of law regarding liability for property damage due to negligence or willful acts or omissions shall apply concerning a Common Roof.

5.2 Sharing of Repairs, Maintenance and Replacement. Other than as specifically set forth in this Article V below, the cost of reasonable repair, maintenance and replacement of a Common Roof shall be shared equally by the Owners who make use of the Common Roof and shall be a lien against their respective Lots as provided hereafter.

5.3 Repair and Restoration. If a Common Roof is destroyed or damaged or requires repair, the Association shall either restore, repair or replace said Common Roof, as the case may be. The Association shall have the right to enter on the property of any Owner sharing a Common Roof during normal working hours and after reasonable notice to perform its obligations arising hereunder; provided, however, that in the event of an emergency, the Association shall have the right to enter the Residence without notice to make emergency repairs. To the extent that any damage to the Common Roof is not covered by insurance and has been caused by the affirmative, intentional act of an Owner or by the gross negligence of such Owner, then the Association, in its sole and absolute discretion may, but shall not be required to, recover the cost incurred by the Association in restoring, repairing and/or replacing such damaged Common Roof. Any and all costs described above which may be collected from an Owner in accordance with this paragraph shall constitute an individual Assessment for which the Association shall have lien rights and all other enforcement rights in favor of the Association for enforcing the payment of other Assessments. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion.

5.4 Easement for Repair, Maintenance and Replacement of Common Roof. Declarant hereby reserves unto itself and hereby grants to the Association and to each Owner a nonexclusive easement and right of ingress and egress in, under, over and across any Lot and the improvements located thereon as may be reasonably necessary for the purpose of repairing, maintaining and replacing the Common Roof.

ARTICLE VI ASSOCIATION COVENANT FOR ASSESSMENTS

6.1 Creation of the Lien and Personal Obligations for the Assessments. Except as provided elsewhere herein, the Declarant, and each party joining in this Declaration, for all Lots

within the Property, hereby covenant and agree, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association annual Assessments or charges for the maintenance, management, operation and insurance of the properties that may be used for the benefit of the Members and/or the Property as provided elsewhere herein, including such reasonable reserves as the Association may deem necessary, for termite control service for the Residences (which termite control service shall be the obligation of the Association to obtain for each of the Residences on the Property), for capital improvement Assessments, as provided elsewhere herein, for the Association to perform its obligations arising hereunder or otherwise, to pay for the cost of operating and maintaining all recreation facilities and all other improvements for which the Association is responsible for maintaining, repairing and/or replacing, including but not limited to all Common Areas, the grass, landscaping and irrigation system located on all of the Lots, all roads within the Property, all easements, culverts, retention ponds, landscaping, irrigation, the Common Roofs, painting and otherwise maintaining the exterior of the Townhome Residential Buildings and all amenities provided for the use and comfort of the Members of the Association, together with all utility charges and other taxes on Association-owned property, and for all other charges and Assessments hereinafter referred to, all such Assessments to be fixed, established and collected from time to time as herein provided. In addition, individual assessments may be levied against particular Owners and Lots for expenses incurred against particular Lots and/or Owners to the exclusion of others and other charges against specific Lots or Owners as may be contemplated in this Declaration. Such annual, special and other Assessments, together with interest thereon, attorneys fees and other costs of collection thereof, and any applicable late fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the Assessment fell due. Except as provided herein with respect to the Declarant and with respect to individual Assessments which may be imposed on one or more Lots and Owners to the exclusion of others, all Assessments imposed by the Association shall be imposed against all Lots subject to its jurisdiction equally. Reference herein to Assessments shall be understood to include reference to any and all of said charges whether or not specifically mentioned.

6.2 Purpose of Assessments. The regular Assessments levied by the Association shall be used exclusively for maintenance, repair, renovation, and construction of such properties as may be used for the benefit of the Property, as provided or suggested herein, for capital improvements, for reserves, to pay for termite control service for the Residences (which termite control service shall be the obligation of the Association to obtain for each of the Residences on the Property), to pay for the cost of insurance from time to time obtained by the Association, to pay for the cost of operating and maintaining all recreation facilities and all other improvements for which the Association is responsible for maintaining, repairing and/or replacing, including but not limited to all Common Areas, the grass, landscaping and irrigation system located on all of the Lots, all roads within the Property, all easements, culverts, retention ponds, landscaping, irrigation, the Common Roofs, painting and otherwise maintaining the exterior of the Townhome Residential Buildings and all amenities provided for the use and comfort of the Members of the Association, for the cost of any and all insurance with the Association is required or otherwise

elects to obtain, including, but not limited to, the cost of insuring the structure of the Townhome Residential Buildings, together with all utility charges and other taxes on Association-owned property, to pay for the cost of the Association's performance of all obligations imposed upon the Association by this Declaration, the Association's Articles of Incorporation, the Association's By-laws or otherwise, to pay for operating costs of the Association and to promote the health, safety, welfare and aesthetics of the Members of the Association and their families residing with them, their guests and tenants, all as provided for herein.

6.3 Reserves for Replacement. The Association shall be required to establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements for which the Association is responsible for maintaining, repairing and/or replacing, including, but not necessarily limited to, reserves for repaving the roads and parking areas, replacing the Common Roofs and repainting the exterior of the Residences. The reserve fund shall be maintained from annual Assessments. Notwithstanding the foregoing, if the Declarant elects to pay the amount of any deficits incurred by the Association for expenses in excess of the amounts collected as Assessments, in lieu of paying Assessments, in accordance with the provisions of Section 6.14 of this Declaration, then the Declarant shall not be required to contribute to a reserve fund during the period that the Declarant is paying such deficits in lieu of paying such Assessments.

6.4 Working Capital. Upon the initial closing of the sale or the occupation of a Residence, the buyer of such Residence shall pay to the Association an amount equal to Fifty and No/100 Dollars (\$50.00) for such Lot, which amount shall be maintained in an account by the Association as working capital for the use and benefit of the Association. Said amount shall not be considered as advance payment of annual Assessments.

* 6.5 Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual Assessment shall be paid in equal monthly installments of \$100.00 each, with each of such monthly payments being due and payable on the first day of the month. The foregoing annual Assessment are in addition to any and all assessments and other financial obligations which an Owner may have to the Master Association.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual Assessment may be increased each year, upon approval by a majority of the Association's board of directors without a vote of the Members, by an amount not greater than fifteen percent (15%) above the maximum annual Assessment for the previous year.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual Assessment may be increased by an amount greater than fifteen percent (15%) above the maximum assessment for the previous year, as hereinabove provided, upon approval of two-thirds (2/3) of each class of Members voting in person or by proxy at a meeting duly called for such purpose.

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

6.6 Assessment Rights for Owner's Failure to Perform Exterior Maintenance. Other than to the extent specifically allocated to the Association in this Declaration, the Owner of each Lot shall maintain the exterior of such Owner's Residence and Lot at all times in a neat and attractive manner and as provided elsewhere herein. Upon the Owner's failure to do so, the Association may at its option, after giving the Owner thirty (30) days' written notice sent to such Owner's last known address, or to the address of the subject premises, perform such reasonable maintenance and make such repairs as may be required to restore the neat and attractive appearance of the Lot and the exterior of the Residence located thereon. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the Owner of the Lot and shall constitute an individual Assessment against the Lot on which the work was performed, collectible in a lump sum and secured by the lien against the Lot as herein provided. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion.

6.7 Special Assessments. Funds which are necessary for the addition of capital improvements (as distinguished from repairs and maintenance) relating to any properties used for the benefit of the Members and/or the Property, or which are otherwise necessary for any other purpose for the Association to satisfy its obligations arising under this Declaration or otherwise, and which have not previously been collected as reserves or are otherwise available to the Association shall be levied by the Association as special Assessments only upon approval by a majority of the Association's board of directors voting in person or by proxy at a meeting duly called for such purpose. Notwithstanding the foregoing, if the Declarant elects to pay the amount of any deficits incurred by the Association for expenses in excess of the amounts collected as Assessments, as provided in Section 6.14 of this Declaration, then the Declarant shall not be required to pay any special Assessments for so long as the Declarant pays such deficits.

6.8 Notice and Quorum for Any Action Authorized Under Paragraph 6.5. Written notice of any meeting called for the purpose of taking any action authorized under paragraph 6.5 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.9 Date of Commencement of Annual Assessments; Due Dates. The annual Assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent annual Assessment shall be imposed for the year beginning January 1 and ending December 31. The annual Assessments shall be payable in advance by initially in equal monthly payments and thereafter in equal monthly, quarterly or biannual installments in the discretion of the Board of Directors of the Association. The due date of any special Assessment shall be fixed in the Board resolution authorizing such assessment.

6.10 Certain Duties of the Board of Directors. Subject to other provisions hereof, the Association shall upon demand at any time furnish to any Owner liable for an Assessment a certificate in writing signed by an officer of the Association, setting forth whether such Assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any Assessment to the Association therein stated to have been paid. The Association may charge a reasonable fee for such certificate. The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations (including affiliates of the Declarant) for management services or for other services beneficial to the Association or the proper operation and maintenance of the Property. The Association shall have all powers provided or implied elsewhere herein, in its Articles of Incorporation and its Bylaws.

6.11 Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Association. If any Assessment (or installment thereof), whether annual, general, individual or special, is not paid on the date(s) when due, then such Assessment (or installment thereof) shall become delinquent and, at the option of the Association, all Assessments attributable to the Lot for the existing fiscal year shall be accelerated and shall become immediately due and payable and shall, together with late charges, interest and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such property. Each Assessment against a Lot shall also be the personal obligation of the Owner at the time the Assessment fell due.

If any installment of an Assessment is not paid within fifteen (15) days after the due date (or if no due date is established herein, then within fifteen (15) days after the date established by the Association for payment of any such Assessment or installment thereof), at the option of the Association, a late charge not greater than FIFTY AND NO/100 DOLLARS (\$50.00) per installment may be imposed and all such sums shall bear interest from the dates when due until paid at the highest lawful rate and the Association may bring an action at law against the Owner(s) personally obligated to pay the same or may record a claim of lien against the Lot on which the assessments and late charges are unpaid and may foreclose the lien against the Lot on which the assessments and late charges are unpaid, or may pursue one or more of such remedies at the same time or successively. The Association shall also have the right to recover its attorneys' fees (including paralegal fees) and costs, including without limitation costs and expenses for consultation with an attorney because any such sums have not been paid, and costs and expenses charged by such attorney for services related in any way to the failure by an Owner to pay such sums (such as without limitation fees for telephone calls, preparation of correspondence, attendance at meetings, etc.), whether or not suit is filed. Further, in addition to the foregoing, in the event suit is filed, the Association shall have the right to recover all attorneys' fees, paralegals' fees and costs incurred before trial, at trial and upon all appellate levels.

In addition to the rights of collection stated above, if any installment of an Assessment is not paid within fifteen (15) days after the due date, the Board of Directors of the Association may impose a fine on the Lot for which the Assessment was not paid (and the fine shall also be the

personal obligation of the Owner). The fine shall be imposed by the Board of Directors at a duly called meeting in accordance with the Bylaws of the Association, and notice of the fine shall be sent to the Owner by certified mail, return receipt requested, postage prepaid. The Owner may appeal the fine to the Board of Directors in accordance with reasonable procedures prescribed by the Board of Directors from time to time. The determination of the Board of Directors with respect to any such appeal shall be final.

If any such fine is not timely paid, then the fine, together with reasonable costs of collection thereof as provided herein, shall become a continuing lien on the Lot which shall bind such Lot. Additionally, the fine shall also be the personal obligation of the Owner at the time the fine is assessed.

The Association may, at its option, bring an action at law against the Owner personally obligated to pay the fine or may record a claim of lien against the Lot for which the fine is unpaid, and may foreclose the lien against the Lot on which the fine is unpaid, or may pursue one or more such remedies at the same time or successfully.

In addition to the rights of collection of Assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the Assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the enjoyment of the Common Areas until such time as all unpaid and delinquent Assessments due and owing from the selling Owner have been fully paid and no sale or other disposition of Lots shall be permitted until an estoppel letter is received from the Association acknowledging payment in full of all Assessments and other sums due; provided, however, that the provisions of this sentence shall not be applicable to Institutional Lenders and purchasers contemplated by Section 6.12 of this Article.

It shall be the legal right of the Association to enforce payment of the Assessments hereunder. Failure of the Association to send or deliver bills shall not, however, relieve Owners from their obligations hereunder.

6.12 Subordination of the Lien. The lien of the Assessments provided for in this Article shall be subordinate to the lien of any first mortgage to any Institutional Lender and which is now or hereafter placed upon any property subject to Assessment; provided, however, that any such mortgagee when in possession of any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgagee acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgagee, shall hold title subject to the liability and lien of any Assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid Assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an Assessment divided equally among, payable by and a lien against all Lots subject to Assessment by the Association, including the Lots as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

6.13 Collection of Assessments. The Association shall collect the Assessments of the Association.

6.14 Effect on Declarant. Notwithstanding any provision that may be contained to the contrary in this Declaration, so long as a Class B Membership in the Association exists, the Declarant shall be not liable for any Assessments for the Lots owned by the Declarant (whether annual, special, individual or general). In lieu thereof, the Declarant shall pay the amount of any deficits incurred by the Association for expenses incurred in excess of the amounts collected as annual Assessments from other Lot Owners. For purposes hereof, the existence, or nonexistence of a deficit for the Association shall be determined on cash basis accounting instead of accrual basis. At such time as Class B Membership in the Association ceases, then the Declarant shall pay annual assessments but shall not be obligated to pay any other Assessment charged to the Owners of the Lots. When Declarant has sold and conveyed all of its Lots in the Property, Declarant shall not have further liability of any kind to the Association for the payment of any Assessments or for funding any deficits of the Association.

ARTICLE VII

MAINTENANCE AND REPAIR RESPONSIBILITIES; HAZARD INSURANCE

7.1 Exterior Maintenance. Other than as specifically set forth in this paragraph below, each Owner shall be responsible for maintaining such Owner's Lot, the exterior of the Residence located thereon and the exterior of all other improvements located thereon in a neat and attractive manner and as provided elsewhere herein. The Owners' maintenance obligations shall include, but shall not be limited to, maintaining, repairing and replacing all sidewalks located on such Owner's Lot and replacing all broken glass. The Association shall maintain the exterior surfaces of all of the Townhome Residential Buildings and the grass, irrigation and landscaped areas from time to time located on all Lots in a neat and attractive manner, as determined in the exercise of the Association's board of directors' reasonable discretion. Until Class B Membership ceases to exist, no Owner or any other party may install any grass or landscaping on any Lot ; provided, however, that after Class B membership in the Association ceases to exist, if an Owner seeks and obtains the approval of the ARB (as hereinafter defined) to install and maintain additional landscaping on such Owner's Lot, then the Owner obtaining such approval shall be required to maintain such additional landscaping on such Owner's Lot at such Owner's sole cost and expense. Notwithstanding the foregoing, to the extent that any Owner, or any of such owner's agents, employees, guests, invitees or licensees, causes damage to any improvement for which the Association is obligated to maintain, repair and/or replace, then any cost incurred by the Association to maintain, repair or replace such damaged improvements shall be charged to such Owner as an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual Assessments.

7.2 Interior Maintenance. Each Owner shall be responsible for maintaining the interior of such Owner's Residence in a neat and sanitary manner. Other than for providing termite control service to each of the Residences located on the Property, the Association shall not be in any way responsible for any such interior maintenance nor shall the Association be responsible for the maintenance of any of such Owner's electrical, plumbing, HVAC or any other mechanical systems or for any other maintenance obligations other than for the maintenance obligations specifically allocated to the Association in this Declaration. Notwithstanding

anything in this Declaration to the contrary, each Owner shall be responsible for the condition of and the maintenance of such Owner's Lot, Residence and any and all other improvements from time to time located on such Owner's Lot other than to the extent any of such maintenance obligations are specifically allocated to the Association in this Declaration.

7.3 Hazard Insurance on Townhome Residential Buildings. In addition to any and all other insurance which the Association may elect to obtain, the Association shall maintain hazard insurance on the Townhome Residential Buildings in such amounts and with such companies as the Association may determine in its reasonable discretion. Notwithstanding the foregoing or anything else in this Declaration to the contrary, each Owner, and any tenant of any such Owner, shall be solely responsible for obtaining (i) such liability insurance as may be necessary to protect such owner or tenant (as the case may be) against claims typically covered by liability insurance and (ii) such other insurance as may be necessary to insure such Owner's or such tenant's personal property, as the case may be.

ARTICLE VIII PROPERTY RIGHTS IN COMMON AREAS; OTHER EASEMENTS

8.1 Members Easements. Each Member, and each tenant, and every agent and invitee of such Member or tenant, shall have a nonexclusive permanent and perpetual easement over and upon the Common Area for the intended use and enjoyment thereof in common with all other such Members, their tenants, agents and invitees, in such manner as may be regulated by the Association.

Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

8.1.1 The right and duty of the Association to levy Assessments against each Lot for the purpose of maintaining the Common Area and facilities in compliance with the provisions of this Declaration and the governing documents of the Association;

8.1.2 The right of the Association to suspend the Member's and/or Owner's voting rights for any period during which any Assessment against his Lot remains unpaid, and for any infraction of the Association's rules and regulations; and

8.1.3 The right of the Association to adopt at any time and from time to time and enforce Rules and Regulations governing the use of the Common Area and all facilities at any time situated thereon. Any Rule and/or Regulation so adopted shall apply until rescinded or modified as if originally set forth at length in this Declaration.

8.2 Utility Easements. The Association shall have the right to grant permits, licenses, and easements over the Common Area within the Property for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property. In addition, easements over, upon, under, through and across the Common Area within the Property are reserved to the Association and the Declarant, and may be declared or granted from time to time by the Declarant during any period that the Declarant shall own at least one (1) Lot, for such

further utility, egress, ingress, or drainage easements over and across the Property as may be required from time to time to serve any other or additional lands during the course of development of same, whether such additional lands become subject to the jurisdiction of the Association and part of the Property or not. Regarding any easement declared by the Declarant, the joinder of the Association or any Lot Owner or Lot Owner's mortgagee shall not be required.

8.3 Drainage Easements. Drainage easements have been declared and reserved on the Plat. Alteration, obstruction or removal of any drainage swales or drainage control facilities or structures other than by or on behalf of the Declarant and/or the Association is expressly prohibited. The Association may repair, replace and maintain such drainage swales, facilities and structures as it deems necessary and/or desirable. Each Owner hereby grants an easement and license to the Declarant, the Association and the St. Johns River Water Management District over, upon and across such Owner's Lot in order to facilitate and accomplish the foregoing. Further, no Owner shall place, erect or construct any improvements or otherwise permit anything to occur within any Drainage Easement area which would in any way effect said Drainage Easement or any swale, pipe or drainage control facility or structure located therein or thereon, unless, in the event of construction of any improvements, such improvements have been approved by Declarant or the ARB (as hereinafter defined).

8.4 Conservation Easements. Declarant reserves the right to grant conservation easements and development rights to qualified grantees, including without limitation, Osceola County, Florida, and/or the South Florida Water Management District, over, upon and across the Common Area within the Property. There shall be no construction, clearing or grading in any area which is encumbered by a conservation easement, without approval from applicable governmental entities.

8.5 Easements for Construction, Maintenance and Performance of Obligations. Each Owner hereby grants to the Association, the Declarant, each Owner of the Lots immediately abutting the granting Owner's Lot, and all of their respective successors, assigns, employees, agents, contractors and subcontractors, a non-exclusive easement on the granting Owner's Lot and within such granting Owner's Residence to the extent reasonably necessary for the purpose of constructing, maintaining, repairing and replacing any improvements from time to time located on or to be constructed on any Lot abutting such Owner's Lot. In addition, each Owner hereby grants to the Association and the Association's successors, assigns, employees, agents, contractors and subcontractors, a non-exclusive easement on the granting Owner's Lot and within such granting Owner's Residence to the extent reasonably necessary for the purpose of allowing the Association to perform any and all of the Association's rights and/or obligations arising under this Declaration or elsewhere, including, but not limited to, the Association's maintenance, repair and replacement obligations such as lawn, landscaping and irrigation maintenance, repair, and replacement obligations, the Association's right to perform emergency repairs and the Association's obligations regarding the Common Roofs and Party Walls.

8.6 Declarant Offices. Notwithstanding anything in this Declaration to the contrary, the Declarant shall have the specific right to maintain (or have its designees maintain) upon any portion of the Property sales, administrative, construction or other offices without charge, and

appropriate easements of access and use are expressly reserved unto the Declarant and its successors, assigns, employees and contractors, for this purpose.

8.7 Additional Easements. Each Lot shall be subject to all easements as shown on the Plat.

ARTICLE IX CERTAIN RULES AND REGULATIONS

9.1 Rules and Regulations. The Property shall be subject to the following Rules and Regulations as well as such other Rules and Regulations promulgated by the Associations' Board of Directors from time to time:

(a) Land Use and Building Type. No Lot nor any building constructed thereon shall be used except for residential purposes. The term "residential purposes" shall include short term rental. No business, commercial, industrial, trade, professional or other non-residential activity or use of any nature or kind shall be conducted on any Lot. No building shall be erected, altered, placed or permitted to remain on any Lot other than one Residence. Notwithstanding the foregoing, uses by Declarant (and its designees) for model homes, sales displays, parking lots, sales offices, construction offices and other offices, or any one or combination of such uses, shall be permitted. No changes may be made in buildings erected by the Declarant (except if such changes are made by the Declarant) without the consent of the Architectural Review Board as provided herein.

(b) Opening Walls; Removing Walls or Landscaping. No Owner shall make or permit any opening to be made in any Declarant or Association erected wall, except as such opening is installed by Declarant or the Association. No such wall shall be demolished or removed without the prior written consent of the Declarant and the Architectural Review Board. Declarant shall have the right but shall not be obligated to assign all or any portion of its rights and privileges under this Section to the Association.

(c) Easements. Easements for installation, replacement, connection to, disconnection from, and maintenance of utilities are reserved as shown on the recorded Plat covering the Property and as provided herein. Within these easements, no structure, planting or other material may be placed or permitted to remain that will interfere with or prevent the maintenance of utilities, unless said structure, planting or other material has been so placed by the Declarant or the Association or has been so placed with the permission of the Architectural Review Board. The area of each Lot covered by an easement and all improvements in the area shall be maintained continuously by the Owner of the Lot, except as provided herein to the contrary and except for installations for which a public authority or utility company is responsible. The appropriate water and sewer authority, electric and gas utility company, telephone company, cable company the Association, and Declarant and their respective successors and assigns, shall have a perpetual non-exclusive easement for the installation, replacement, connection to, disconnection from, and maintenance, all underground, of water lines, sanitary sewers, storm drains, gas and electric, telephone and security lines, cables and conduits, under and through the utility and drainage easements, as the case may be, as shown on

the Plat. Declarant and its designees, successors and assigns, shall have a perpetual easement for the installation and maintenance of cable, radio, television and security lines within utility easement areas shown on the Plat. All utility lines within the Property, whether in street rights-of-way or utility easements, shall be installed and maintained underground.

(d) Nuisances. No noxious, offensive or unlawful activity shall be carried on upon or about the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to other Owners.

(e) Temporary and Other Structures. No structure of a temporary character, or storage shed, utility shed or similar structure, green house, trailer, tent, mobile home, motor home, or recreational vehicle, shall be permitted on the Property at any time, either temporarily or permanently, except by the Declarant during construction. Additionally, no person shall reside in a recreational vehicle located within the Property. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any Residence or on or about any ancillary building, unless approved by the Architectural Review Board, and if approved it must be buried or enclosed by a structure approved by the Architectural Review Board.

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

(g) Oil and Mining Operation. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Property, nor on dedicated areas, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted upon or in the Property. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions.

(h) Animals and Pets. Except for dogs, cats and aquarium kept fish which may be kept, raised and maintained on the Property, no reptiles, livestock, poultry, pets or animals of any kind, nature or description shall be kept, raised or maintained on the Property. In addition, in no event may any animal be bred or otherwise maintained on the Property for business or commercial purposes. Dogs, cats and aquarium kept fish kept, raised maintained on any Lot or within any Residence may only be so kept, raised and maintained in numbers deemed reasonable by the Declarant or the Association, in the exercise of their sole discretion. More than two (2) dogs and/or cats kept, raised or maintained on any Lot and/or within any Residence shall prima facia be considered unreasonable. Notwithstanding the foregoing, no such dogs, cats or aquarium kept fish may be kept, raised or maintained on the Property under circumstances,

which, in the sole judgment of the Declarant or the Association, shall constitute an unreasonable annoyance, hazard, or nuisance to residents in the vicinity or an unreasonable interference with the comfortable and quiet use, occupation and enjoyment of other Lots or portions of the Property. All dogs must be on leashes when they are not in a Residence. In addition, any person walking a pet within the Property shall not allow any such pet to trespass on any other Owner's Lot and shall remove and properly dispose of any pet waste deposited on any portion of the Property by such Owner's pet.

(i) Architectural Control. No building, addition or other structure or improvement of any nature or kind (including without limitation mailboxes and/or cluster mailboxes, landscaping and exterior paint and finish) shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure and landscaping, or composition of the materials used therefor, as may be required by the Architectural Review Board (sometimes referred to herein as the "ARB") have been approved in writing by the Architectural Review Board named below and all necessary governmental permits are obtained. Each building, addition, mailbox, cluster mailbox, or other structure or improvement of any nature, together with the landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved and applicable governmental permits and requirements. The Architectural Review Board shall have the right, in its sole and absolute discretion, to refuse approval of plans, specifications and plot plans, or any of them, based on any ground, including purely aesthetic grounds. Any change in the exterior appearance of any building, mailbox, cluster mailbox, or other structure or improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The Architectural Review Board shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this Section.

So long as the Declarant owns at least one (1) Lot within the Property, the ARB shall be appointed by the Declarant. Thereafter, the Architectural Review Board shall be a committee composed of or appointed by the Board of Directors of the Association. During the period in which the Declarant appoints the membership of the ARB, the ARB shall have three (3) members. At such time as the Board of Directors appoints the ARB members, the ARB shall have any number of members as deemed appropriate by the Board of Directors. Notwithstanding anything in this Declaration to the contrary, all members of the ARB shall be Owners of Lots within the Property or their designees.

The address of the Architectural Review Board shall be the address of the Declarant or the Association, depending on which party appoints its membership. The Board of Directors of the Association and the ARB may employ personnel and consultants to assist the ARB. The members of the ARB shall not be entitled to any compensation for services performed pursuant to this Declaration. The Architectural Review Board shall act on submissions to it, or request further information thereon, within thirty (30) days after receipt of the same (and all further documentation required) or else the request shall be deemed approved.

Notwithstanding anything in this Declaration to the contrary, the provisions of this Declaration regarding ARB approval shall not be applicable to the Declarant or to construction activities conducted by or on behalf of the Declarant.

Notwithstanding anything herein to the contrary, the ARB, in its sole and absolute discretion, may grant a variance as to any of the restrictions, conditions and requirements set forth in this Article so long as, in the judgment of the ARB, the noncompliance for which the variance is granted is not of a substantial nature and the granting of the variance shall not unreasonably detract from the use and enjoyment of adjoining Lots and the Property. In no event shall the granting of a variance in one instance require the ARB to grant a similar or other type of variance in any other instance, it being understood that the granting of variances from the restrictions, conditions and requirements of this Article shall be in the sole and absolute discretion of the ARB.

Notwithstanding anything herein to the contrary, prior to commencing construction of improvements approved by the ARB, the Owner of the Lot upon which such improvements shall be installed shall obtain any and all appropriate governmental permits and approvals and shall construct the improvements in compliance with all terms and conditions of such permits and approvals.

The Declarant, the members of the Architectural Review Board and any and all officers, directors, employees, agents and Members of the Association shall not, either jointly or severally, be liable or accountable in damages or otherwise to any Owner or other person or party whomsoever, by reason of or on account of any decision, approval or disapproval of any plans, specifications or other materials required to be submitted for review and approval pursuant to provisions of this Section of this Declaration, or for any mistake in judgment, negligence, misfeasance, or nonfeasance related to or in connection with any such decision, approval or disapproval, and each Owner by acquiring title to any Lot or interest therein, shall be deemed to have agreed that he or it shall not be entitled to and shall not bring any action, proceeding or suit against such parties.

(j) Exterior Appearances. The paint, coating, stain and other exterior finishing colors on all Residences shall be maintained by the Association. The color of such paint, coating, stain or other exterior finishing, and the frequency of painting the exterior of the Residences, shall be determined by the Board of Directors in such Board of Directors' reasonable discretion.

(k) Commercial Trucks, Trailers, Campers, Boats and Jet skis. Trucks [except trucks which (1) have one ton capacity or less, (2) have no lettering, (3) have no roof racks or similar racks, and (4) do not appear to be commercial trucks (the determination about appearance shall be made by the ARB in its sole discretion)], commercial vehicles, campers, mobile homes, recreational vehicles, motor homes, house trailers or trailers of every other description, boats, jet skis (or any other similar watercraft) boat and other watercraft trailers, horse trailers or vans, shall not be permitted to be parked or to be stored at any place on the Property. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for

pick-up and delivery and other commercial services, nor to non-commercial vans for personal use which are in acceptable condition in the sole opinion of the Board of Directors (which favorable opinion may be changed at any time), nor to any vehicles of the Declarant or those required by any builder during construction on any Lot. No on-street parking shall be permitted without the prior written consent of the Declarant or the Association. In no event may any vehicle of any sort be repaired on any portion of the Property nor may any unlicensed, unregistered or inoperable vehicle of any sort be permitted on the Property (including, but not limited to, any vehicle with a flat tire for more than forty eight (48) hours). In the event any provision of this covenant is breached, the Declarant or the Association may have said truck, commercial vehicle, camper, mobile home, motorhome, house trailer, other trailer, recreational vehicle, boat, jet ski (or any other similar watercraft), boat or jet ski trailer, or horse trailer towed from the Property at the Lot Owner's sole cost and expense, and an Individual Assessment may be levied therefore against such Owner. For the purposes of this Declaration, the term "commercial vehicle" shall mean any car, van, truck or any other motorized vehicle which lettering on the exterior of such vehicle providing information regarding a business or product.

(l) Garbage and Trash Disposal. No garbage, refuse, trash or rubbish shall be deposited except as permitted by the Association. The requirements from time to time of the applicable governmental authority for disposal or collection of waste shall be complied with. All garbage and trash containers shall be kept within the Residences until disposed of within the dumpster(s) to be provided by the Association.

(m) Fences and Walls. Notwithstanding anything herein to the contrary, no fence, wall or other similar structure shall be erected on any Lot.

(n) Mailboxes. No mailboxes (including without limitation cluster mailboxes) or similar improvement shall be installed on any Lot unless the location thereof has been approved by the ARB and the materials therefor and color thereof have been approved by the ARB and are in accordance with such standards for materials and colors as may be adopted by the ARB.

(o) No Drying. To the extent lawful, no clothing, laundry or wash shall be aired or dried on any portion of the Property which is visible from the adjacent Lots, or the streets, or any other adjoining portion of the Property.

(p) Unit Air Conditioners and Reflective Materials. No air conditioning units may be mounted through windows or walls or on any roof. Central air conditioning units shall be screened from view by such walls and/or landscaping as may be approved by the ARB. No building shall have any aluminum foil placed in any window or glass door or any reflective substance or other materials (as determined by the ARB in its sole discretion) placed on any glass, except such as may be approved by the Architectural Review Board for energy conservation purposes.

(q) Exterior Antennas. No exterior antennas, microwave antennas, satellite antennas, microwave dish, satellite dish, transducers, or signal amplification systems for use in connection with television or radio equipment or the like shall be permitted on any Lot or

improvement thereon without the prior written approval of the ARB which may be granted or denied in the sole discretion of the ARB, except that Declarant shall have the right to install and maintain community antenna, microwave antenna, dishes, satellite antenna and radio, television and security lines.

(r) Recreational Facilities. No tree houses, or skate board or bicycle ramps shall be constructed or placed upon the Property. Basketball goals shall not be permitted on any Lot.

(s) Car Parking. The parking spaces located within the Property are presently not assigned to any particular Owners. Notwithstanding the foregoing, at any time hereafter, the Association's Board of Directors shall be entitled to (i) pass such rules and regulations regarding the use of such parking spaces as the Association's Board of Directors determines to be appropriate and/or (ii) assign parking spaces located within the Property to such Owners and under such terms and conditions as the Association's Board of Directors determines to be appropriate.

(t) Residence. Each Residence constructed on a Lot shall have a minimum of 1,000 square feet of heated and cooled living area.

(u) Roofs. The roofs of the main body of all buildings and other structures, including the Residences, shall be pitched unless otherwise approved by the Architectural Review Board; provided, however, that so long as the Declarant owns any Lots, no flat roofs shall be permitted without the prior written approval of the Declarant, which approval may be withheld or granted in the Declarant's sole and absolute discretion.

(v) Grass. No type or variety of grass other than St. Augustine grass or a hybrid thereof shall be planted on any Lot, and such grass shall be fully planted on such areas where specified on a landscape plan approved by the Architectural Review Board. The planting of grass on each Lot shall be accomplished by the installation of full sod covering the entire area required to be grassed. Partial sodding, sprigging, plugging or seeding shall not be permitted, except to replace any dead sod.

(w) Irrigation Systems. All landscaped and grassed open areas on each Lot shall be irrigated by means of an automatic underground irrigation or sprinkling system capable of regularly and sufficiently watering all lawns and plantings within such open areas. The Association is hereby granted a non-exclusive easement over, under and upon that portion of each of the Lots not covered by the structure of a Residence to install, operate, maintain, repair and replace irrigation lines and irrigation facilities.

(x) Precedence Over Less Stringent Governmental Regulations. In those instances where the covenants, conditions and restrictions set forth in this Article set or establish minimum standards in excess of the ordinances, regulations and requirements of Osceola County, Florida, and other applicable government authorities, including without limitation, building and zoning regulations, the covenants, conditions and restrictions set forth in this Article

shall take precedence and prevail over any such less stringent ordinances, regulations and requirements.

(y) Solar Panels. Solar panels may only be constructed on the roof of a Residence so as not to be visible from the adjacent street (or configured so as to minimize visibly in the case of corner Lots) and only after review and approval by the ARB, in its sole and absolute discretion. The ARB reserves the right to promulgate such performance standards and requirements as it may deem desirable in regard to the installation of solar panels. To the extent applicable laws require otherwise, then the terms and conditions of applicable laws shall control.

(z) Destruction. In the event of the destruction of all or any portion of a Residence on any Lot, the Owner of the Lot shall, within ninety (90) days, restore the single family dwelling unit to its former condition. The Association's board of directors, in the exercise of its sole and absolute discretion, may extend the time frame within which such restoration work must be completed. The Association shall make available to such Owner any insurance proceeds received by the Association related to such damage for such reconstruction under such conditions as the Association may determine to be appropriate.

(aa) Increase in Insurance; Nuisance. No Owner shall permit or suffer anything to be done or kept on his Lot (or single family residential dwelling unit thereon) which could increase the rate of insurance on any Common Area or payable by the Association or any other Owner, or which could prevent the Association or any other Owner from obtaining such insurance, or which could annoy any other Owner by unreasonable noises or otherwise. Further, no Lot Owner shall commit or permit any nuisance, or immoral or illegal acts in or on any portion of the Property.

(bb) Additional Rules and Regulations. In addition to the foregoing, the Association's board of directors shall have the right, power and authority, subject to the prior written consent and approval of Declarant, so long as Declarant owns any Lot within the Property, to promulgate and impose additional Rules and Regulations governing and/or restricting the use of all the property and lots in its jurisdiction, and to thereafter change, modify, alter, amend, rescind and augment any of the same; provided, however, that no Rules and/or Regulations so promulgated shall be in conflict with the provisions of this Declaration.

In addition to the foregoing, the ARB shall have the right, power and authority, subject to the prior written consent and approval of Declarant, to promulgate and impose rules and regulations governing and/or restricting the use of all the Property and Lots in its jurisdiction including without limitation rules and regulations relating to the placement or installation of any type of improvement on any Lot, and to thereafter change, modify, alter, amend, rescind and augment any of the same; provided, however, that no rules and regulations so promulgated shall be in conflict with the provisions of this Declaration. Any such rules and regulations so promulgated by the ARB shall be applicable to and binding upon all the Property and the Owners thereof and their successors and assigns, as well as all guests and invitees of and all parties claiming by, through or under such Owners.

ARTICLE X ENFORCEMENT

10.1 Compliance by Owners. Every Owner shall comply with the terms, provisions, restrictions and covenants set forth herein and any and all Rules and Regulations which from time to time may be adopted by the Association.

10.2 Enforcement. The Declarant, the Association, the Association Board of Directors, each Owner, or any other party as specifically provided herein shall each have the right (but not the obligation) to enforce this Declaration and the covenants, restrictions and provisions hereof including without limitation bringing the actions and filing and foreclosing the liens described herein. In addition, the South Florida Management District shall have the right to enforce this Declaration with respect to the operation and maintenance of the stormwater management system for the Property. Enforcement of this Declaration and the covenants, restrictions and provisions hereof may be accomplished by any proceeding at law or in equity, including without limitation, an action for damages and injunctive relief. In addition to any other rights permitted at law or in equity, the Association shall have the right to suspend the use of the Common Area of any defaulting Owner, to fine such defaulting Owner, to lien such Owner's Lot, to foreclose such lien, all as more specifically set forth herein, and shall be entitled to take all other actions as may be more specifically set forth herein, in the Association's By-laws and as otherwise provided by law or in equity. Failure to enforce any covenant, restriction or provision hereof shall not be deemed a waiver to do so thereafter. The defaulting and/or offending Owner shall be responsible for all costs incurred in enforcement of this Declaration, including but not limited to, attorney, paralegal and legal assistant fees, costs and expenses, related fees, costs and expense, court costs and witness and expert fees and costs, whether suit be brought or not, and whether in settlement, in any declaratory action, at trial or on appeal.

ARTICLE XI DRAINAGE SYSTEM

11.1 The Association shall own and shall be responsible for the operation and maintenance of the surface water management system within the Property, including without limitation operation and maintenance of all retention ponds and drainage improvements as may be situated within the Common Areas or within any other portion of the Property dedicated to be used for drainage purposes. The Association shall maintain the surface water management system in accordance with all permit requirements. The provisions of this Article XI shall not relieve the Owners of any of their obligations which are set out in this Declaration.

ARTICLE XII GENERAL PROVISIONS

12.1 Duration; Amendment. The covenants and restrictions of this Declaration shall run with and bind the Property forever. This Declaration may be amended as follows:

(a) By the Declarant (without the consent of any other party whatsoever) to clarify any ambiguities, concerns, and/or scrivener's errors; or

(b) By a vote of two-thirds (2/3) of all the Lot Owners Entitled to Vote (not 2/3 of all members of the Association). Provided, however, notwithstanding the foregoing, so long as Declarant owns any Lots within the Property (and/or the Additional Property if all or any portion of the Additional Property is brought within the scheme of this Declaration), all amendments to the Declaration must be approved and joined in by the Declarant, and if not so approved and joined in by Declarant, the amendments shall be null and void; and

Any amendment to this Declaration must be recorded in the Public Records of Osceola County, Florida.

12.2 Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postage prepaid, to the last known address of the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

12.3 Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

12.4 Effective Date. This Declaration shall become effective upon its recordation in the Public Records of Osceola County, Florida.

12.5 Conflict. To the extent legally permissible, this Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and Bylaws of the Association.

12.6 Standards for Consent, Approval, Completion, Other Action and Interpretation. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Declarant, the Association or the Architectural Review Board, such consent, approval or action may be withheld in the sole and absolute discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed by the Declarant or the ARB shall be deemed completed or substantially completed when so determined, in the discretion of the Declarant or ARB, as appropriate.

12.7 Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners hereby designate the Declarant and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect

to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

12.8 Waivers. So long as Declarant owns any Lot, Declarant may waive any of the obligations (except the obligations to pay Assessments as described hereinabove) which are set forth in this Declaration.

12.9 Covenants Running With The Land. ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING AND WITHOUT LIMITING THE GENERALITY IT IS THE INTENTION OF ALL PARTIES AFFECTED HEREBY (AND THEIR RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS) THAT THESE COVENANTS AND RESTRICTIONS SHALL RUN WITH THE LAND AND WITH TITLE TO THE PROPERTY. IF ANY PROVISION OR APPLICATION OF THIS DECLARATION WOULD PREVENT THIS DECLARATION FROM RUNNING WITH THE LAND AS AFORESAID, SUCH PROVISION AND/OR APPLICATION SHALL BE JUDICIALLY MODIFIED, IF AT ALL POSSIBLE, TO COME AS CLOSE AS POSSIBLE TO THE INTENT OF SUCH PROVISION OR APPLICATION AND THEN BE ENFORCED IN A MANNER WHICH WILL ALLOW THESE COVENANTS AND RESTRICTIONS TO SO RUN WITH THE LAND; BUT IF SUCH PROVISION AND/OR APPLICATION CANNOT BE SO MODIFIED, SUCH PROVISION AND/OR APPLICATION SHALL BE UNENFORCEABLE AND CONSIDERED NULL AND VOID IN ORDER THAT THE PARAMOUNT GOAL OF THE PARTIES AFFECTED HEREBY (THAT THESE COVENANTS AND RESTRICTIONS RUN WITH THE LAND AS AFORESAID) BE ACHIEVED.

12.10 Dissolution of Association. In the event of a permanent dissolution of the Association, (i) all assets of the Association shall be conveyed to a non-profit organization with similar purposes and acceptable to the St. Johns River Water Management District or (ii) all Association assets may be dedicated to Osceola County, Florida, or any applicable municipal or other governmental authority to the extent such governmental entity is willing to accept such assets and is willing to assume the Association's obligations arising hereunder. Said successor non-profit organization or governmental entity shall pursuant to this Declaration provide for the continued maintenance and upkeep of the Common Area, including without limitation the surface water management system, the Property and such other property as may be contemplated herein. (ii) all Association assets may be dedicated to Osceola County, Florida, or any applicable municipal or other governmental authority,

12.11 Turnover. The turnover of the Association by the Declarant shall occur at the times specified in the documents which govern the Association. The turnover meeting shall be conducted in accordance with the most recent revision of Robert's Rules of Order. Notwithstanding the foregoing, however, for as long as the Declarant shall own any portion of the Property, it shall have the right to appoint one member of the Board of Directors.

EXECUTED as of the date first above written.

Signed, sealed and delivered in the presence of the following witnesses:

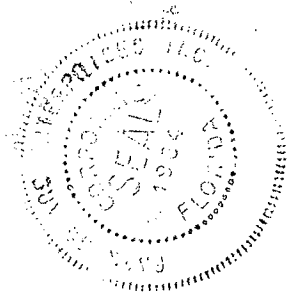
PARK SQUARE ENTERPRISES, INC., a Florida corporation

Shawn Jackson
Signature of Witness
Shawn Jackson
Printed Name of Witness

By: [Signature]
Printed Name: Anil Deshpande
Title: President

Laurie J. Mooty
Signature of Witness
Laurie J. Mooty
Printed Name of Witness

(Corporate Seal)



STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 11th day of October, 2001, by Anil Deshpande, as the President of Park Square Enterprises, Inc., a Florida corporation, on behalf of the corporation. He (She) is personally known to me or has produced _____ as identification.

Shawn Jackson
Notary Public Signature
Printed Name: Shawn Jackson
Commission No.: _____
My Commission Expires: _____

Shawn Jackson
My Commission DD032219
Expires June 07 2005

(NOTARY SEAL)

Shawn Jackson
My Commission DD032219
Expires June 07 2005

JOINDER AND CONSENT

The undersigned, BANK OF AMERICA, N. A., a national banking association, as successor to NATIONSBANK, N. A., as successor to BARNETT BANK, N. A. (the "Mortgagee"), whose address is 750 South Orlando Avenue, Suite 101, Winter Park, Florida 32789-4895, is the owner and holder of that certain Mortgage and related security instruments by PARK SQUARE ENTERPRISES, INC., a Florida corporation, more particularly described on Schedule "A" attached hereto and made a part hereof (hereinafter collectively the "Security Instruments"), hereby consents to and joins in that certain Neighborhood Declaration of Covenants, Conditions, Restrictions and Easements for Emerald Island Resort Villas (the "Declaration") by PARK SQUARE ENTERPRISES, INC., a Florida corporation, to which this Joinder and Consent is attached, and hereby agrees that the Security Instruments shall be subordinate to the terms and conditions of such Declaration.

IN WITNESS WHEREOF, the party hereto has set its hand and seal as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

BANK OF AMERICA, N. A., a
national banking association, as
successor to NATIONSBANK,
N. A., as successor to BARNETT
BANK, N. A.

[Signature]
Print Name: Edward Aguilar

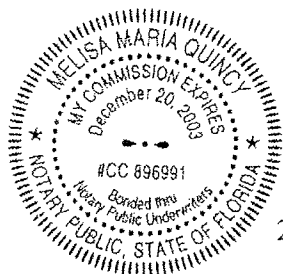
By: [Signature]
Print Name: Daniel G. Finnegan
As Its: Senior Vice President

[Signature]
Print Name: Melisa M. Quincy

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 10th day of October, 2001, by Daniel G. Finnegan, the Senior Vice President of Bank of America, N. A., a national banking association, as successor to NationsBank, N. A., as successor to Barnett Bank, N. A., on behalf of said national banking association. (He/she is personally known to me or ___ has produced n/a as identification.

[Signature]
Notary Public, State of Florida
Print Name: Melisa Maria Quincy
My Commission Expires: 12/20/03



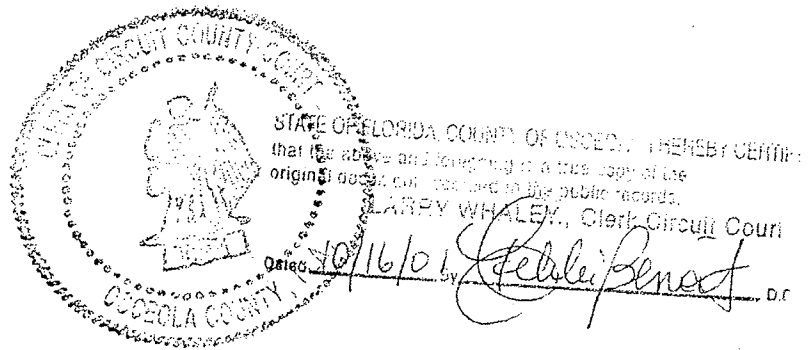
(Notary Seal)

SCHEDULE "A"

Security Instruments

1. That certain Mortgage and Security Agreement by Park Square Enterprises, Inc., in favor of Barnett Bank, N. A., dated August 6, 1997, and recorded on August 7, 1997, in Official Records Book 5544, Page 2558, Public Records of Orange County, Florida, as spread and modified by certain Spreader and Mortgage Modification Agreements, including without limitation, certain Mortgage, Spreader, Agreement dated May 19, 2000 and recorded on May 22, 2000, in Official Records Book 1739, Page 681, Public Records of Orange County, Florida.

2. That certain UCC-1 Financial Statement by Park Square Enterprises, Inc., as Debtor, in favor of Bank of America, N. A., as Secured Party, recorded on May 22, 2000, in Official Records Book 1739, Page 684, Public Records of Orange County, Florida.



J-2

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

LARRY WHALEY
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

6P

CL 2002006661 OR 1985/2019
MMH Date 01/10/2002 Time 15:26:33

**SUPPLEMENTAL DECLARATION TO
NEIGHBORHOOD DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS
AND RESTRICTIONS FOR
EMERALD ISLAND RESORT VILLAS**

THIS SUPPLEMENTAL DECLARATION (the "Supplemental Declaration") is entered into as of the 16th day of October, 2001, by **PARK SQUARE ENTERPRISES, INC.**, a Florida corporation (the "Declarant"), whose address is 5401 Kirkman Road, Suite 525, Orlando, Florida 302819.

WITNESSETH:

WHEREAS, the Declarant created that certain Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Easements for Emerald Island Resort Villas dated October 11, 2001, and recorded on October 16, 2001, in Official Records Book 1944, Page 2364, Public Records of Osceola County, Florida (the "Declaration"); and

WHEREAS, pursuant to Article II, Section 2.2, of the Declaration, the Declarant may, from time to time, cause all or any portion of the Additional Property (as defined in the Declaration) to be subjected to the jurisdiction of the Declaration and to become a part of the Property (as defined in the Declaration); and

WHEREAS, the Declarant, pursuant to the provisions of Article II, Section 2.2, of the Declaration, wishes to extend the scheme of the Declaration to the real property described on Exhibit "A" attached hereto and made a part hereof (the "Developed Parcel"); and

WHEREAS, although the Declarant is not the owner of the Developed Parcel, pursuant to the provisions of Article II, Section 2.2, of the Declaration, the Declarant is not required to be the owner of the Developed Parcel in order to subject the Developed Parcel to the terms of the Declaration; and

WHEREAS, although not required pursuant to the terms of the Declaration, the owner of

the Developed Parcel (the "Owner") has joined in and consented to the Developed Parcel being made subject to the Declaration, as set forth in the Joinder and Consent attached hereto as Exhibit "B" (the "Joinder and Consent").

NOW, THEREFORE, the Declarant hereby declares that the Developed Parcel is hereby made a part of the Property and that the Developed Parcel shall be held, sold and conveyed subject to the Declaration which is for the purpose of protecting the value and desirability of the Property (including, but not limited to, the Developed Parcel) and which shall run with the Property (including, but not limited to, the Developed Parcel). This Supplemental Declaration shall be binding on all parties having any right, title or interest in the Property or any part thereof (including, but not limited to, the Developed Parcel), their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.


Witnesses:

Shawn Jackson
Name: Shawn Jackson

Laurie J. Moore
Name: Laurie J. Moore

"DECLARANT"

PARK SQUARE ENTERPRISES, INC., a Florida corporation

By: Anil Deshpande
Print Name: Anil Deshpande
As Its: President
(Corporate Seal: 

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 16th day of October, 2001, by Anil Deshpande, as President of Park Square Enterprises, Inc., a Florida corporation, on behalf of said corporation. He is personally known to me or has produced _____ as identification.

Shawn Jackson

Notary Public, State of Florida
Name: _____ Shawn Jackson
Commission No.: _____ My Commission DD032219
Commission Expires: _____ Expires June 07 2005

(NOTARY SEAL)

EXHIBIT "A"**LEGAL DESCRIPTION:**

BEGIN AT THE SOUTHEAST CORNER OF TRACT "A", EMERALD ISLAND RESORT-PHASE ONE, AS RECORDED IN PLAT BOOK 12, PAGES 145-150, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE RUN NORTH 53°24'51" WEST, A DISTANCE OF 203.96 FEET; THENCE RUN NORTH 42°20'55" WEST, A DISTANCE OF 44.00 FEET; THENCE RUN NORTH 57°41'13" WEST, A DISTANCE OF 77.20 FEET; THENCE RUN NORTH 22°07'26" WEST, A DISTANCE OF 149.91 FEET; THENCE RUN NORTH 08°35'37" WEST, A DISTANCE OF 313.31 FEET; THENCE RUN NORTH 19°09'45" WEST, A DISTANCE OF 18.85 FEET; THENCE RUN NORTH 79°11'24" WEST, A DISTANCE OF 37.14 FEET; THENCE RUN NORTH 42°50'06" WEST, A DISTANCE OF 138.17 FEET; THENCE RUN NORTH 46°50'57" WEST, A DISTANCE OF 323.03 FEET; THENCE RUN NORTH 40°32'08" WEST, A DISTANCE OF 355.42 FEET; THENCE RUN NORTH 46°37'36" WEST, A DISTANCE OF 177.83 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF EMERALD ISLAND BOULEVARD; THENCE RUN NORTH 46°14'10" EAST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 110.16 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 482.00 FEET AND A CENTRAL ANGLE OF 66°14'27"; THENCE EASTERLY ALONG THE ARC A DISTANCE OF 557.25 FEET TO A POINT OF COMPOUND CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 95°31'53"; THENCE SOUTHERLY ALONG THE ARC, A DISTANCE OF 41.68 FEET; THENCE RUN SOUTH 64°01'22" EAST, A DISTANCE OF 60.04 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES SOUTH 61°59'29" EAST, A RADIAL DISTANCE OF 25.00 FEET; THENCE EASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 39.27 FEET; THENCE RUN SOUTH 61°59'30" EAST, A DISTANCE OF 32.82 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 290.00 FEET AND A CENTRAL ANGLE OF 55°19'07"; THENCE EASTERLY ALONG THE ARC A DISTANCE OF 279.99 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF STATE ROAD #429; THENCE RUN SOUTH 04°03'15" EAST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 1,397.77 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST 1/4 OF SECTION 9, TOWNSHIP 25 SOUTH, RANGE 27 EAST; THENCE RUN SOUTH 00°03'26" WEST, ALONG SAID EAST LINE, A DISTANCE OF 94.62 FEET TO THE POINT OF BEGINNING.

CONTAINING 18.195 ACRES, MORE OR LESS.

Prepared by and return to:
Michael Ryan, Esquire
Lowndes, Drosdick, Doster,
Kantor & Reed, P.A.
Post Office Box 2809
Orlando, Florida 32802-2809

JOINDER AND CONSENT

The undersigned, BANK OF AMERICA, N.A., d/b/a NationsBank, N.A., successor by merger to NationsBank, N.A., a national banking association, successor by merger to Barnett Bank, N.A., successor by merger to Barnett Bank of Central Florida, N.A. (hereinafter referred to as the "Lender"), whose mailing address is 750 South Orlando Avenue, Suite 101, Winter Park, Florida 32789, is the owner and holder of that certain Real Estate Mortgage, Assignment, and Security Agreement as set forth in that certain Receipt for Future Advance and Mortgage Modification, Spreader, Consolidation and Restatement Agreement ("Mortgage") executed by PARK SQUARE ENTERPRISES, INC., a Florida corporation (hereinafter referred to as the "Borrower") in favor of Lender dated August 6, 1998 and recorded August 18, 1998 in Official Records Book 1526, Page 34, Public Records of Osceola County, Florida, as amended by that certain Receipt for Future Advance and Mortgage Modification Agreement recorded in Official Records Book 1736, Page 1005, and Mortgage Spreader Agreement recorded in Official Records Book 1739, Page 681, Joinder recorded in Official Records Book 1855, Page 360, all of the Public Records of Osceola County, Florida (hereinafter collectively the "Mortgage"), hereby consents to and joins in that certain Supplemental Declaration to Neighborhood Declaration of Covenants, Conditions, Restrictions and Easements for Emerald Island Resort Villas dated as of October 16, 2001, and recorded on January 10, 2002, in Official Records Book 1985, Page 2019, Public Records of Osceola County, Florida (the "Declaration") by PARK SQUARE ENTERPRISES, INC., a Florida corporation, and hereby agrees that the Mortgage shall be subordinate to the terms and conditions of such Declaration.

IN WITNESS WHEREOF, the party hereto has set its hand and seal as of the 17th day of October, 2001.

Signed, sealed and delivered
in the presence of:

BANK OF AMERICA, N.A., d/b/a NationsBank, N.A., successor by merger to NationsBank, N.A., a national banking association, successor by merger to Barnett Bank, N.A., successor by merger to Barnett Bank of Central Florida, N.A.

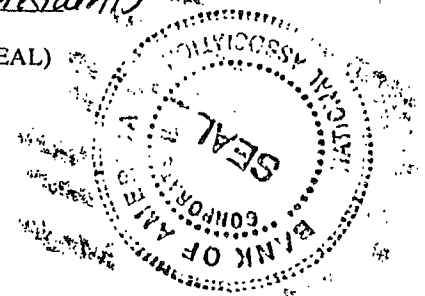
Karen A Palmer
Print Name: Karen A Palmer

By: Daniel G. Finnegan
Print Name: Daniel G. Finnegan
As its: Senior Vice President

Melissa M. Guinacy
Print Name: Melissa M. Guinacy

(CORPORATE SEAL)

Address: 750 South Orlando Avenue, Suite 101, Winter Park, Florida 32789



STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 17th day of October, 2001, by Daniel G. Finnegan, as Senior Vice President of BANK OF AMERICA, N.A., d/b/a NationsBank, N.A., successor by merger to NationsBank, N.A., a national banking association, successor by merger to Barnett Bank, N.A., successor by merger to Barnett Bank of Central Florida, N.A. on behalf of the association. He (She) is personally known to me or has produced a driver's license as identification and did not take an oath.

(NOTARY SEAL)



Melisa Maria Quincy
Notary Public - State of Florida
Print Name: Melisa Maria Quincy
Commission No.: 896991
My Commission Expires: 12/20/03

COPY

LEGAL DESCRIPTION:

BEGIN AT THE SOUTHEAST CORNER OF TRACT "A", EMERALD ISLAND RESORT-PHASE ONE, AS RECORDED IN PLAT BOOK 12, PAGES 145-150, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE RUN NORTH 53°24'51" WEST, A DISTANCE OF 203.96 FEET; THENCE RUN NORTH 42°20'55" WEST, A DISTANCE OF 44.00 FEET; THENCE RUN NORTH 57°41'13" WEST, A DISTANCE OF 77.20 FEET; THENCE RUN NORTH 22°07'26" WEST, A DISTANCE OF 149.91 FEET; THENCE RUN NORTH 08°35'37" WEST, A DISTANCE OF 313.31 FEET; THENCE RUN NORTH 19°09'45" WEST, A DISTANCE OF 18.85 FEET; THENCE RUN NORTH 79°11'24" WEST, A DISTANCE OF 37.14 FEET; THENCE RUN NORTH 42°50'06" WEST, A DISTANCE OF 138.17 FEET; THENCE RUN NORTH 46°50'57" WEST, A DISTANCE OF 323.03 FEET; THENCE RUN NORTH 40°32'08" WEST, A DISTANCE OF 355.42 FEET; THENCE RUN NORTH 46°37'56" WEST, A DISTANCE OF 177.83 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF EMERALD ISLAND BOULEVARD; THENCE RUN NORTH 46°14'10" EAST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 110.16 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 482.00 FEET AND A CENTRAL ANGLE OF 66°14'27"; THENCE EASTERLY ALONG THE ARC A DISTANCE OF 557.25 FEET TO A POINT OF COMPOUND CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 95°31'53"; THENCE SOUTHERLY ALONG THE ARC, A DISTANCE OF 41.68 FEET; THENCE RUN SOUTH 64°01'22" EAST, A DISTANCE OF 60.04 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES SOUTH 61°59'29" EAST, A RADIAL DISTANCE OF 25.00 FEET; THENCE EASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 39.27 FEET; THENCE RUN SOUTH 61°59'30" EAST, A DISTANCE OF 32.82 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 290.00 FEET AND A CENTRAL ANGLE OF 55°19'07"; THENCE EASTERLY ALONG THE ARC A DISTANCE OF 279.99 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF STATE ROAD #429; THENCE RUN SOUTH 04°03'15" EAST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 1,397.77 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST 1/4 OF SECTION 9, TOWNSHIP 25 SOUTH, RANGE 27 EAST; THENCE RUN SOUTH 00°03'26" WEST, ALONG SAID EAST LINE, A DISTANCE OF 94.62 FEET TO THE POINT OF BEGINNING.

CONTAINING 18.195 ACRES, MORE OR LESS.

J-3

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

LARRY WHALEY
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

3P

CL 2003060555 OR 2228/2424
AML Date 04/10/2003 Time 14:55:14

FIRST AMENDMENT TO
NEIGHBORHOOD DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR THE EMERALD ISLAND RESORT VILLAS

THIS AMENDMENT TO DECLARATION (the "Amendment") is entered into as of the 28th day of February, 2003, by PARK SQUARE ENTERPRISES, INC., a Florida corporation ("Declarant"), whose address is 5200 Vineland Road, Suite 200, Orlando, Florida 32811.

WITNESSETH:

WHEREAS, the Declarant is the fee simple owner of Lot 33, EMERALD ISLAND RESORT - PHASE ONE, according to the Plat thereof as recorded in Plat Book 12, Pages 145 THROUGH 150, Public Records of Osceola County, Florida (collectively the "Property"); and

WHEREAS, the Declarant executed that certain Emerald Island Resort - Lot 33 Replat, a replat of Lot 33 of the Plat of EMERALD ISLAND RESORT - PHASE ONE, as recorded in Plat Book 12, Pages 145 through 150, Public Records of Osceola County, Florida, according to the Replat thereof as recorded in Plat Book 14, Page 169, Public Records of Osceola County, Florida (collectively, the "Lot 33 Replat"), in order to incorporate a small portion of Tract B of EMERALD ISLAND RESORT REPLAT, according to the Plat thereof as recorded in Plat Book 13, Pages 23 and 24, Public Records of Osceola County, Florida (herein "Tract B") into said Lot 33; and

WHEREAS, as a result of the Lot 33 Replat, a small portion of Tract B has been deleted from Tract B and is now a portion of Lot 33; and

WHEREAS, the Declarant executed that certain Neighborhood Declaration of Covenants, Conditions, Restrictions and Easements for The Emerald Island Resort Villas dated October 11, 2001, and recorded on October 16, 2001, in Official Records Book 1944, Page 2425 of the Public Records of Osceola County, Florida (the "Declaration"), which encumbers, inter alia, Tract B of Emerald Island Resort Replat; and

WHEREAS, pursuant to Section 12.1 of the Declaration, the Declarant reserved the right to amend the Declaration to clarify or cure any ambiguity; and

CL 2003060555

OR 2228/2425

WHEREAS, the Declarant desires to avoid any ambiguity concerning the Property subject to the Amended Declaration by recording this Amendment to specify the correct Plat of Lot 33 which is subject to this Declaration; and

NOW, THEREFORE, the Declarant hereby declares that a portion of Tract B has been replatted as a part of Lot 33, Emerald Island Resort - Lot 33 Replat, as recorded in Plat Book 14, Page 169. Public Records of Osceola County, Florida, is a "Lot" as defined in the Declaration, and that the portion of Tract B that has been replatted as now a portion of Lot 33, and is no longer a part of Tract B referenced in the Declaration.

Witnesses:

Shawn Jackson
Name: Shawn Jackson

Laurie J. Mooty
Name: Laurie J. Mooty

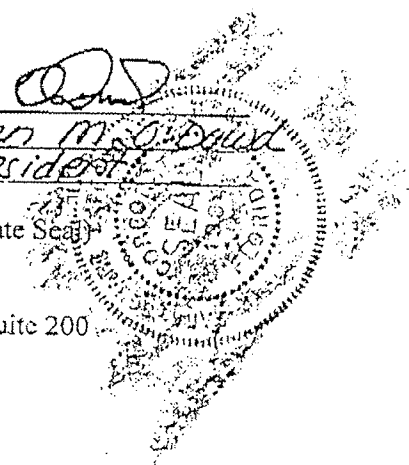
"DECLARANT"

PARK SQUARE ENTERPRISES, INC., a Florida corporation

By: Steven M. O'Driscoll
Print Name: Steven M. O'Driscoll
As Its: Vice President

(Corporate Seal)

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



CL 2003060555

OR 2228/2426

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 28th day of February, 2003, by Steven M. O'Dowd, as Vice President of Park Square Enterprises, Inc., a Florida corporation, on behalf of said corporation. He is personally known to me or has produced _____ as identification.

Shawn Jackson

Notary Public, State of Florida

Print: Shawn Jackson

My Commission Expires: June 7, 2005

(Notary Seal)



Shawn Jackson
My Commission DD032219
Expires June 07 2005