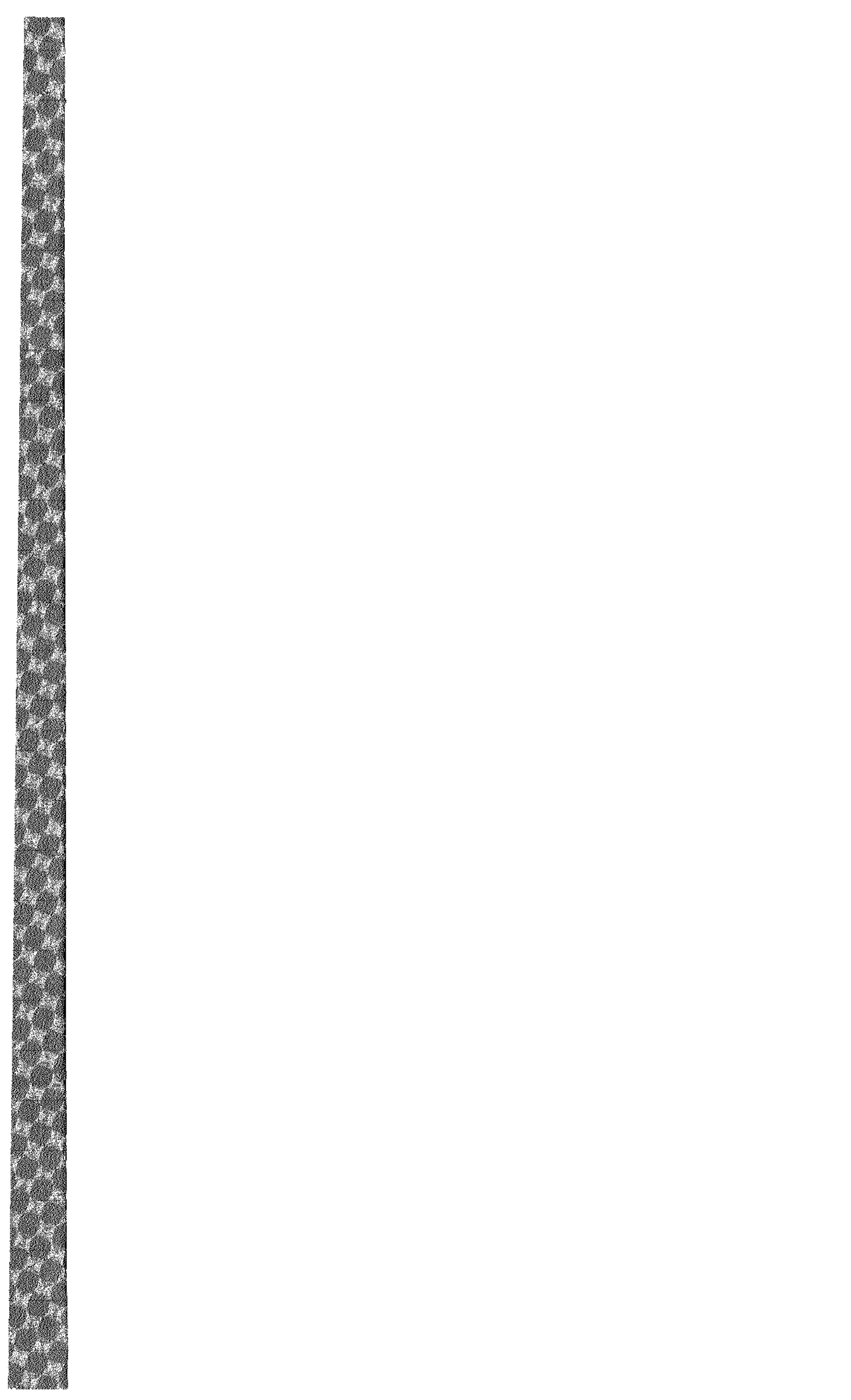


Floridian Bay Estates
AT WATERSTONE
Document Book

Lennar Homes
730 NW 107 Avenue, 4th Floor
Miami, Florida 33172

VERBAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE
REPRESENTATIONS OF SELLER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD
BE MADE TO THE DOCUMENTS IN THIS DOCUMENT BOOK.

9/04





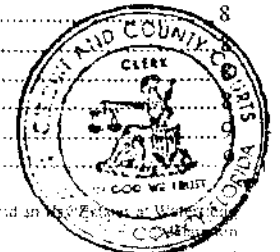
CFN 2003R0888092
 OR Bk 21866 Pgs 4796 - 48867 (91)
 RECORDED 12/03/2003 15:59:44
 HARVEY RUVIN, CLERK OF COURT
 MIAMI-DADE COUNTY, FLORIDA

THIS INSTRUMENT PREPARED BY:
 PATRICIA KIMBALL FLETCHER, ESQ.
 PATRICIA KIMBALL FLETCHER, P.A.
 DUANE MORRIS LLP
 200 SOUTH BISCAYNE BLVD., SUITE 3400
 MIAMI, FLORIDA 33131

**DECLARATION
 FOR
 FLORIDIAN BAY ESTATES AT WATERSTONE**

TABLE OF CONTENTS

	Page
1. Recitals.....	1
2. Definitions.....	1
3. Plan of Development.....	4
4. Amendment.....	4
4.1 General Restrictions on Amendments.....	4
4.2 No Vested Rights.....	4
4.3 Amendments Prior to and Including the Turnover Date.....	4
4.4 Amendments After the Turnover Date.....	5
5. Annexation and Withdrawal.....	5
5.1 Annexation by Developer.....	5
5.2 Annexation by Association.....	5
5.3 Withdrawal.....	5
6. Dissolution.....	5
6.1 Generally.....	5
6.2 Applicability of Declaration after Dissolution.....	5
7. Binding Effect and Membership.....	5
7.1 Term.....	5
7.2 Transfer.....	6
7.3 Membership.....	6
7.4 Ownership by Entity.....	6
7.5 Voting Interests.....	6
7.6 Document Recordation by Owners Prohibited.....	6
7.7 Conflicts.....	6
8. Paramount Right of Developer.....	6
9. Operation of Common Areas.....	6
9.1 Prior to Conveyance.....	6
9.2 Construction of Common Areas Facilities.....	7
9.3 Use of Common Areas by Developer.....	7
9.4 Conveyance.....	7
9.4.1 Generally.....	7
9.4.2 Form of Deed.....	7
9.5 Operation After Conveyance.....	8
9.6 Paved Common Areas.....	8
9.7 Delegation and Managers.....	8
9.8 Use.....	8
9.8.1 General Public Use.....	8
9.8.2 Right to Allow Use.....	8
9.8.3 Obstruction of Common Areas.....	8
9.8.4 Assumption of Risk.....	8
9.8.5 Owner's Obligation to Indemnify.....	8
9.9 Rules and Regulations.....	8

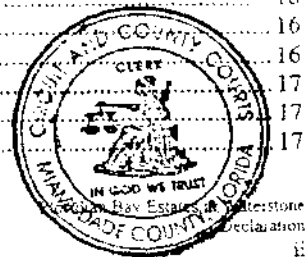


Harvey Ruvin
 Clerk of Court

11/21/03
 MIA99947.16

1091 91

9.9.1	Generally	9
9.9.2	Developer Not Subject to Rules and Regulations	9
9.10	Default by Another Owner	9
9.11	Special Taxing Districts	9
9.12	Water Transmission and Distribution Facilities Easement and Repair	10
9.13	Association's Obligation to Indemnify	10
9.14	Site Plans and Plats	10
10.	The District	10
10.1	Generally	10
10.2	Creation of the District	10
10.3	District Assessments	11
10.4	Common Areas and Facilities Part of District	11
10.5	Facilities Owned by District	11
11.	Maintenance by Association	11
11.1	Common Areas	11
11.2	Lawn Maintenance	11
11.3	Duty to Maintain Surface Water Management System	11
11.4	Amendments Affecting Surface Water Management System	11
11.5	Perimeter Walls	12
11.6	Adjoining Areas	12
11.7	Negligence	12
11.8	Right of Entry	12
11.9	Maintenance of Property Owned by Others	12
11.10	Weeds and Refuse	12
11.11	Driveway and Sidewalk Easement	12
12.	Multi-Purpose Taxing District	12
13.	Use Restrictions	12
13.1	Alterations and Additions	12
13.2	Animals	12
13.3	Artificial Vegetation	13
13.4	Cars and Trucks	13
	13.4.1 Parking	13
	13.4.2 Repairs and Maintenance of Vehicles	13
	13.4.3 Prohibited Vehicles	13
13.5	Casualty Destruction to Improvements	13
13.6	Commercial Activity	13
13.7	Completion and Sale of Units	13
13.8	Control of Contractors	14
13.9	Cooking	14
13.10	Decorations	14
13.11	Disputes as to Use	14
13.12	Drainage System	14
13.13	Driveway Repair	14
13.14	Easement for Unintentional and Non-Negligent Encroachments	14
13.15	Extended Vacation and Absences	14
13.16	Fences and Walls	14
13.17	Fuel Storage	14
13.18	Garages	15
13.19	Garbage Cans	15
13.20	General Use Restrictions	15
13.21	Hurricane Shutters	15
13.22	Irrigation	15
13.23	Lake and Canal Slopes	15
13.24	Laundry	15
13.25	Lawful Use	15
13.26	Landscaping and Irrigation of Lots; Removal of Sod and Shrubbery; Additional Planting	15
13.27	Leases	16
13.28	Maintenance by Owners	16
	13.28.1 Standard of Maintenance	16
	13.28.2 Enclosed Common Area	16
	13.28.3 Weeds and Refuse	16
13.29	Minor's Use of Facilities	16
13.30	Nuisances	16
13.31	Personal Property	16
13.32	Pools	16
13.33	Removal of Soil and Additional Landscaping	16
13.34	Roofs, Driveways and Pressure Treatment	17
13.35	Satellite Dishes and Antennae	17
13.36	Screened Enclosures	17



13.37	Servants.....	17
13.38	Signs and Flags.....	17
13.39	Sports Equipment.....	17
13.40	Storage.....	17
13.41	Subdivision and Regulation of Land.....	17
13.42	Substances.....	17
13.43	Swimming, Boating and Docks.....	17
13.44	Use of Homes.....	17
13.45	Visibility on Corners.....	18
13.46	Wetlands and Mitigation Areas.....	18
13.47	Windows or Wall Units.....	18
13.48	Window Treatments.....	18
14.	Insurance.....	18
14.1	Association.....	18
14.1.1	Flood Insurance.....	18
14.1.2	Liability Insurance.....	18
14.1.3	Directors and Officers Liability Insurance.....	18
14.1.4	Other Insurance.....	18
14.1.5	Developer.....	18
14.2	Homes.....	18
14.2.1	Requirement to Maintain Insurance.....	18
14.2.2	Requirement to Reconstruct or Demolish.....	18
14.2.3	Standard of Work.....	19
14.2.4	Additional Rights of Association.....	19
14.2.5	Association Has No Liability.....	19
14.3	Fidelity Bonds.....	19
14.4	Association as Agent.....	19
14.5	Casualty to Common Areas.....	19
14.6	Nature of Reconstruction.....	19
14.7	Additional Insured.....	19
14.8	Cost of Payment of Premiums.....	19
15.	Property Rights.....	19
15.1	Owners' Easement of Enjoyment.....	19
15.2	Ingress and Egress.....	20
15.3	Development Easement.....	20
15.4	Public Easements.....	20
15.5	Delegation of Use.....	20
15.6	Easement for Encroachments.....	21
15.7	Permits, Licenses and Easements.....	21
15.8	Support Easement and Maintenance Easement.....	21
15.9	Drainage.....	21
15.10	Easement in favor of Association.....	21
15.11	Blanket Easement in Favor of the District.....	21
15.12	Duration.....	21
16.	Assessments.....	21
16.1	Types of Assessments.....	21
16.2	Purpose of Assessments.....	21
16.3	Designation.....	22
16.4	Allocation of Operating Costs.....	22
16.5	General Assessments Allocation.....	22
16.6	Use Fees and Individual Assessment.....	22
16.7	Commencement of First Assessment.....	22
16.8	Shortfalls and Surpluses.....	22
16.9	Budget.....	23
16.10	Establishment of Assessments.....	23
16.11	Initial Capital Contribution.....	23
16.12	Assessment Estoppel Certificates.....	23
16.13	Payment of Home Real Estate Taxes.....	23
16.14	Creation of the Lien and Personal Obligation.....	23
16.15	Subordination of the Lien to Mortgages.....	24
16.16	Acceleration.....	24
16.17	Non-Payment of Assessments.....	24
16.18	Exemption.....	24
16.19	Collection by Developer.....	24
16.20	Rights to Pay Assessments and Receive Reimbursement.....	24
16.21	Mortgagee Right.....	24
17.	Information to Lenders and Owners.....	25
17.1	Availability.....	25
17.2	Copying.....	25



17.3	Notice.....	25
18.	Architectural Control	25
18.1	Architectural Control Committee.....	25
18.2	Membership.....	25
18.3	General Plan.....	25
18.4	Neighborhood Plan.....	25
18.5	Community Standards.....	25
18.6	Quorum.....	26
18.7	Power and Duties of the ACC.....	26
18.8	Procedure.....	26
18.9	Alterations.....	26
18.10	Variances.....	26
18.11	Permits.....	26
18.12	Construction by Owners.....	26
18.13	Inspection.....	27
18.14	Violation.....	27
18.15	Court Costs.....	27
18.16	Certificate.....	27
18.17	Certificate of Compliance.....	27
18.18	Exemption.....	28
18.19	Exculpation.....	28
19.	Master Association.....	28
19.1	Surface Water Management System.....	28
19.2	Master Association and District Easements.....	28
19.3	Priority of Master Association Lien.....	28
20.	Owners Liability.....	28
20.1	Loop System Irrigation.....	28
20.2	Violations.....	28
20.3	Non-Monetary Defaults.....	29
20.4	Expenses.....	29
20.5	No Waiver.....	29
20.6	Rights Cumulative.....	29
20.7	Enforcement By or Against Other Persons.....	29
20.8	Fines.....	29
21.	Additional Rights of Developer.....	30
21.1	Sales Office and Administrative Offices.....	30
21.2	Modification.....	30
21.3	Promotional Events.....	30
21.4	Use by Prospective Purchasers.....	30
21.5	Franchises.....	30
21.6	Management.....	30
21.7	Easements.....	30
21.8	Right to Enforce.....	31
21.9	Additional Development.....	31
21.10	Representations.....	31
21.11	Non-Liability.....	31
21.12	Resolution of Disputes.....	31
21.13	Venue.....	32
21.14	Reliance.....	32
21.15	Access Control System.....	32
22.	Rights of City.....	32
23.	Telecommunications Services.....	32
23.1	Right to Contract for Telecommunications Services.....	32
23.2	Easements.....	33
23.3	Restoration.....	33
23.4	Operating Costs.....	33
24.	Refund of Taxes and Other Charges.....	33
25.	Assignment of Powers.....	33
26.	General Provisions.....	33
26.1	Authority of Board.....	33
26.2	Severability.....	33
26.3	Affirmative Obligation of Association.....	33
26.4	Execution of Documents.....	34
26.5	Notices.....	34

26.6 Florida Statutes 34
26.7 Construction Activities 34
26.8 Neighborhood Title Documents..... 34



Florian Bay Estates at Waterstone
Declaration

11/21/03
MIA99947.16

5 of 9

DECLARATION
FOR
FLORIDIAN BAY ESTATES AT WATERSTONE

THIS DECLARATION FOR FLORIDIAN BAY ESTATES AT WATERSTONE (this "Declaration") is made by Lennar Homes, Inc., a Florida corporation ("Lennar") and joined in by Floridian Bay Estates at Waterstone Homeowners Association, Inc., a Florida not-for-profit corporation ("Association").

R E C I T A L S

A. Lennar is or will be the owner of the real property in Miami-Dade County, Florida ("County") more particularly described in Exhibit 1 attached hereto and made a part hereof ("Floridian Bay Estates at Waterstone").

B. Lennar desires to subject Floridian Bay Estates at Waterstone to the covenants, conditions and restrictions contained in this Declaration.

C. This Declaration is a covenant running with all of the land comprising Floridian Bay Estates at Waterstone, and each present and future owner of interests therein and their heirs, successors and assigns are hereby subject to this Declaration;

NOW THEREFORE, Lennar hereby declares that every portion of Floridian Bay Estates at Waterstone is to be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, charges and liens hereinafter set forth.

1. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this Declaration.
2. Definitions. In addition to the terms defined elsewhere in this Declaration, all initially capitalized terms herein shall have the following meanings:

"ACC" shall mean the Architectural Control Committee for Floridian Bay Estates at Waterstone established pursuant to Section 18.1 hereof.

"Access Control System" shall mean any system intended to control access and/or enhance the welfare of exclusively Floridian Bay Estates at Waterstone.

"Articles" shall mean the Articles of Incorporation of Association filed with the Florida Secretary of State in the form attached hereto as Exhibit 2 and made a part hereof, as amended from time to time.

"Assessments" shall mean any assessments made in accordance with this Declaration and as further defined in Section 16 hereof.

"Association" shall mean Floridian Bay Estates at Waterstone Homeowners Association, Inc., its successors and assigns.

"Association Documents" shall mean this Declaration, the Articles, the By-Laws, the Rules and Regulations, and the Community Standards, as amended from time to time.

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

"Builder" shall mean any person or entity that purchases a Parcel or Lot from Developer for the purpose of constructing one or more Homes.

"By-Laws" shall mean the By-Laws of Association in the form attached hereto as Exhibit 3 and made a part hereof, as amended from time to time.

"Cable Services" shall mean "basic service tier" as described in Section 623(b)(7)(A) of the Cable Television Consumer Protection Act of 1992, video programming services offered on a per-channel or per-program basis, video programming services offered in addition to basic service tier, any method of delivering video programming to Homes including, without limitation, interactive video programming, and any channel recognized in the industry as premium including, without limitation, HBO, Showtime, Disney, Cinemax and the Movie Channel. By way of example, and not of limitation, the term Cable Services may include cable television, satellite master antenna television, multipoint distribution systems, video dialtone, open video system or any combination thereof.

"City" shall mean the City of Homestead, Florida.

"Common Areas" shall mean all real property interests and personalty within Floridian Bay Estates at Waterstone designated as Common Areas from time to time by Plat or recorded amendment to this Declaration and provided for, owned, leased by, or dedicated to the common use and enjoyment of the Owners within Floridian Bay Estates at Waterstone. The Common Areas may include, without limitation, open space areas, recreational facilities, tot lots, landscape easement areas, entrance features, improvements, easement areas owned by others, additions,

irrigation pumps, wetlands, lakes, canals, irrigation areas, irrigation lines, sidewalks, streets, parking areas, lights, electronic gates, walls, commonly used utility facilities, signage, other lighting, and landscaping within property owned by Association. The Common Areas do not include any portion of a Home. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE DEFINITION OF "COMMON AREAS" AS SET FORTH IN THIS DECLARATION IS FOR DESCRIPTIVE PURPOSES ONLY AND SHALL IN NO WAY BIND, OBLIGATE OR LIMIT DEVELOPER TO CONSTRUCT OR SUPPLY ANY SUCH ITEM AS SET FORTH IN SUCH DESCRIPTION, THE CONSTRUCTION OR SUPPLYING OF ANY SUCH ITEM BEING IN DEVELOPER'S SOLE DISCRETION. FURTHER, NO PARTY SHALL BE ENTITLED TO RELY UPON SUCH DESCRIPTION AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON AREAS TO BE OWNED, LEASED BY OR DEDICATED TO ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND DEDICATION OR CONVEYANCE OF ANY SUCH ITEM.

"Community Completion Date" shall mean the date upon which all Homes in Floridian Bay Estates at Waterstone, as ultimately planned and as fully developed, have been conveyed by Developer and/or Builder to Owners.

"Community Standards" shall mean such standards of conduct, maintenance or other activity, if any, established by the ACC pursuant to Section 18.5 hereof.

"Contractors" shall have the meaning set forth in Section 18.12 hereof.

"Data Transmission Services" shall mean (i) internet access services and (ii) enhanced services as defined in Section 64.702 of Title 47 of the Code of Federal Regulations, as amended from time to time, and without regard to whether the transmission facilities are used in interstate commerce.

"Declaration" shall mean this Declaration together with all amendments and modifications thereof.

"Developer" shall mean Lennar and any of its designees (including its affiliated or related entities which conduct land development, homebuilding and sales activities), successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

"District" shall mean the South Dade Venture Community Development District, its successors and assigns.

"District Debt Service Assessments" shall have the meaning set forth in Section 10 hereof.

"District Maintenance Special Assessments" shall have the meaning set forth in Section 10 hereof.

"District Revenue Bonds" shall have the meaning set forth in Section 10 hereof.

"Facilities" shall have the meaning set forth in Section 10 hereof.

"Floridian Bay Estates at Waterstone" shall mean all of the real property described on **Exhibit 1** and shall include the Common Areas, each Home, each Parcel, Lot, tract, unit or other subdivision of real property, subject to additions and deletions thereto as permitted pursuant to the terms of this Declaration. Developer may, when amending or modifying the description of real property which is subject to the operation of this Declaration, also amend or modify the definition of Floridian Bay Estates at Waterstone.

"Front Yard" shall mean the yard of every Home between the front of the Home and the road providing access to such Home. In the event that there is any question about what portion of a Home is part of the Front Yard, Association's determination shall be final.

"Home" shall mean each residential home and appurtenances thereto constructed within Floridian Bay Estates at Waterstone. The term Home may not reflect the same division of property as reflected on a Plat. A Home shall be deemed created and have perpetual existence upon the issuance of a final or temporary Certificate of Occupancy on for such residence; provided, however, the subsequent loss of such Certificate of Occupancy (e.g., by casualty or remodeling) shall not affect the status of a Home, or the obligation of Owner to pay Assessments with respect to such Home. The term "Home" includes any interest in land, improvements, or other property appurtenant to the Home.

"Individual Assessments" shall have the meaning set forth in Section 16.2 hereof.

"Initial Capital Contribution" shall have the meaning set forth in Section 16.11 herein.

"Installment Assessments" shall have the meaning set forth in Section 16.2 hereof.

"Landstar" shall mean Landstar South Dade Ventures, Ltd., a Florida limited partnership and assigns.



Floridian Bay Estates
Declaration
2
11/21/05
MIA99947.10

7 of 91

"Lender" shall mean (i) the institutional and licensed holder of a first mortgage encumbering a Lot or Home or (ii) Developer and its affiliates, to the extent Developer or its affiliates finances the purchase of a Home or Lot initially or by assignment of an existing mortgage.

"Lennar" shall mean Lennar Homes, Inc., a Florida corporation, its successors and assigns.

"Lessee" shall mean the lessee named in any written lease respecting a Home who is legally entitled to possession of any rental Home within Floridian Bay Estates at Waterstone.

"Lot" shall mean any platted residential lot shown on a Plat.

"Master Association" shall mean Waterstone Master Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

"Master Community" shall mean the community in Miami-Dade County known as Waterstone, which is legally described as Exhibit 1 to the Master Declaration.

"Master Declaration" shall mean the Amended and Restated Declaration for Waterstone, recorded or to be recorded in the Public Records of Miami-Dade County, Florida, as the same may be amended from time to time, together with all amendments and modifications thereof.

"Master Developer" shall have the meaning of Developer set forth in the Master Declaration.

"Neighborhood Association" shall have the meaning set forth in the Master Declaration. Association is a Neighborhood Association.

"Neighborhood Plan" shall mean collectively the any full or partial concept plan for the development of Floridian Bay Estates at Waterstone, as it exists as of the date of recording this Declaration, regardless of whether such plan is currently on file with one or more governmental agencies. The Neighborhood Plan is subject to change as set forth herein. The Neighborhood Plan is not a representation by Developer as to the development of Floridian Bay Estates at Waterstone or its amenities, as Developer reserves the right to amend all or part of the Neighborhood Plan from time to time.

"Neighborhood Title Documents" shall have the meaning set forth in Section 26.8 hereof.

"Operating Costs" shall mean all costs and expenses of Association and the Common Areas. Operating Costs may include, without limitation, all of the costs of ownership; operation; administration; all amounts payable by Association; all amounts payable in connection with any private street lighting agreement between Association and FPL; amounts payable to a Telecommunications Provider for Telecommunications Services furnished to all Owners; utilities; taxes; insurance; bonds; salaries; management fees; professional fees; service costs; supplies; maintenance; repairs; replacements; refurbishments; common area landscape maintenance and any and all of the costs relating to the discharge of the obligations hereunder, or as determined to be part of the Operating Costs by Association. By way of example, and not of limitation, Operating Costs shall include all of Association's legal expenses and costs relating to or arising from the enforcement and/or interpretation of this Declaration.

"Owner" shall mean the record owner (whether one or more persons or entities) of fee simple title to any Home. The term "Owner" shall not include Developer or Builder until the Turnover Date, or a Lender.

"Parcel" shall mean any portion of Floridian Bay Estates at Waterstone upon which one or more Homes may be constructed.

"Party Wall" shall mean any fence or wall built as part of the original construction of two or more Homes which is placed on the dividing line or platted lot line between such Homes.

"Permit" shall mean the permit attached as **Exhibit 4** issued by the SFWMD.

"Plat" shall mean any plat of any portion of Floridian Bay Estates at Waterstone filed in the Public Records, as the same may be amended by Developer, from time to time.

"Public Records" shall mean the Public Records of Miami-Dade County, Florida.

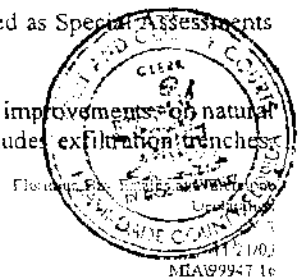
"Reserves" shall have the meaning set forth in Section 16.2 hereof.

"Rules and Regulations" shall mean collectively the Rules and Regulations governing Floridian Bay Estates at Waterstone as adopted by the Board from time to time.

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

"Special Assessments" shall mean those Assessments more particularly described as Special Assessments in Section 16.2 hereof.

"Surface Water Management System" shall mean the collection of devices, improvements, or natural systems whereby surface waters are controlled, impounded or obstructed. This term includes exfiltration trenches.



mitigation areas, lakes, retention areas, water management areas, ditches, culverts, structures, dams, impoundments, reservoirs, drainage maintenance easements and those works defined in Section 373.403(1)-(5) of the Florida Statutes. The Surface Water Management System includes those works authorized by SFWMD pursuant to the Permit.

"Telecommunications Provider" shall mean any party contracting with Association to provide Owners with one or more Telecommunications Services. Developer may be a Telecommunications Provider. With respect to any particular Telecommunications Services, there may be one or more Telecommunications Providers. By way of example, with respect to Data Transmission Services, one Telecommunications Provider may provide Association such service while another may own, maintain and service the Telecommunications Systems which allow delivery of such Data Transmission Services.

"Telecommunications Services" shall mean delivered entertainment services; all services that are typically and in the future identified as telecommunication services; Telephony Services; Cable Services; and Data Transmission Services. Without limiting the foregoing, such Telecommunications Services include the development, promotion, marketing, advertisement, provision, distribution, maintenance, transmission, and servicing of any of the foregoing services. The term Telecommunications Services is to be construed as broadly as possible.

"Telecommunications Systems" shall mean all facilities, items and methods required and/or used in order to provide Telecommunications Services to Floridian Bay Estates at Waterstone. Without limiting the foregoing, Telecommunications Systems may include wires (fiber optic or other material), conduits, passive and active electronic equipment, pipes, pedestals, wireless cell sites, computers, modems, satellite antennae sites, transmission facilities, amplifiers, junction boxes, trunk distribution, feeder cables, lock boxes, taps, drop cables, related apparatus, converters, connections, head-end antennae, earth stations, appurtenant devices, network facilities necessary and appropriate to support provision of local exchange services and/or any other item appropriate or necessary to support provision of Telecommunications Services. Ownership and/or control of all or a portion of any part of the Telecommunications Services may be bifurcated among network distribution architecture, system head-end equipment, and appurtenant devices (e.g., individual adjustable digital units).

"Telephony Services" shall mean local exchange services provided by a certified local exchange carrier or alternative local exchange company, intraLATA and interLATA voice telephony and data transmission.

"Toll Calls" shall have meaning given to such term by the Florida Public Service Commission and/or the Federal Communications Commission.

"Turnover Date" shall mean the date on which transition of control of Association from Developer to Owners occurs.

"Use Fees" shall have the meaning set forth in Section 16.2 hereof.

3. **Plan of Development.** The planning process for Floridian Bay Estates at Waterstone is an ever-evolving one and must remain flexible in order to be responsible to and accommodate the needs of Developer's buyers. Subject to the Neighborhood Title Documents, Developer may wish and has the right to develop Floridian Bay Estates at Waterstone and adjacent property owned by Developer into residences, comprised of homes, villas, coach homes, townhomes, zero lot line homes, patio homes, condominiums, and other forms of residential dwellings. The existence at any point in time of walls, landscape screens, or berms is not a guaranty or promise that such items will remain or form part of Floridian Bay Estates at Waterstone as finally developed.

4. **Amendment.**

4.1 **General Restrictions on Amendments.** Notwithstanding any other provision herein to the contrary, no amendment to this Declaration shall affect the rights of Developer unless such amendment receives the prior written consent of Developer, which consent may be withheld for any reason whatsoever. No amendment shall alter the provisions of this Declaration benefiting Lenders without the prior approval of the Lender(s) enjoying the benefit of such provisions. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to this Declaration, then the prior written consent of such entity or agency must also be obtained. All amendments must comply with Section 11.4 hereof which benefits the SFWMD. No amendment shall be effective until it is recorded in the Public Records. Notwithstanding anything in this Declaration to the contrary, the provisions of Section 22 and this sentence may not be amended, modified, repealed or altered without the prior written consent of City after a public hearing.

4.2 **No Vested Rights.** Each Owner by acceptance of a deed to a Home irrevocably waives any claim that such Owner has any vested rights pursuant to case law or statute with respect to this Declaration or any of the other Association Documents. It is expressly intended that Developer and Association have the unfettered right to amend this Declaration and the other Association Documents except as expressly set forth herein.

4.3 **Amendments Prior to and Including the Turnover Date.** Prior to and including the Turnover Date, Developer shall have the right to amend this Declaration as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Such amendments may include, without limitation, the creation of easements for Telecommunications Systems, utility, drainage, ingress and egress and roof overhangs over any portion of Floridian Bay Estates at Waterstone; additions or deletions from the properties comprising the Common Areas; changes in the Rules and Regulations, and modifications of restrictions on the Homes and maintenance

Floridian Bay Estates at Waterstone
Declaration

11/27/05
MBA99917 16

standards for landscaping. Developer's right to amend under this provision is to be construed as broadly as possible. By way of example, and not as a limitation, Developer may create easements over Homes conveyed to Owners provided that such easements do not prohibit the use of such Homes as residential homes. In the event that Association shall desire to amend this Declaration prior to and including the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

4.4 Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, this Declaration may be amended with the approval of (i) sixty six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum.

5. Annexation and Withdrawal.

5.1 Annexation by Developer. Prior to and including the Turnover Date, additional lands may be made part of Floridian Bay Estates at Waterstone by Developer, at Developer's sole discretion. Such additional lands to be annexed may or may not be adjacent to Floridian Bay Estates at Waterstone. Except for applicable governmental approvals (if any), no consent to such annexation shall be required from any other party (including, but not limited to, Association, Owners or any Lenders of any portion of Floridian Bay Estates at Waterstone, including a Home). Such annexed lands shall be brought within the provisions and applicability of this Declaration by the recording an amendment to this Declaration in the Public Records. The amendment shall subject the annexed lands to the covenants, conditions, and restrictions contained in this Declaration as fully as though the annexed lands were described herein as a portion of Floridian Bay Estates at Waterstone. Such amendment may contain additions to, modifications of or omissions from the covenants, conditions, and restrictions contained in this Declaration as deemed appropriate by Developer and as may be necessary to reflect the different character, if any, of the annexed lands. Prior to and including the Turnover Date, only Developer may add additional lands to Floridian Bay Estates at Waterstone.

5.2 Annexation by Association. After the Turnover Date, and subject to applicable governmental approvals (if any), additional lands may be annexed with the approval of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum.

5.3 Withdrawal. Prior to and including the Turnover Date, any portions of Floridian Bay Estates at Waterstone (or any additions thereto) may be withdrawn by Developer from the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The right of Developer to withdraw portions of Floridian Bay Estates at Waterstone shall not apply to any Home which has been conveyed to an Owner unless that right is specifically reserved in the instrument of conveyance or the prior written consent of the Owner is obtained. The withdrawal of any portion of Floridian Bay Estates at Waterstone shall not require the consent or joinder of any other party (including, but not limited to, Association, Owners, or any Lenders of any portion of Floridian Bay Estates at Waterstone). Association shall have no right to withdraw land from Floridian Bay Estates at Waterstone.

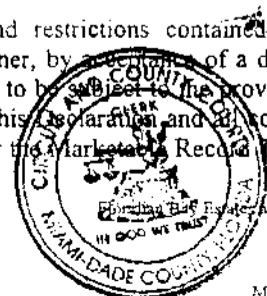
6. Dissolution.

6.1 Generally. In the event of the dissolution of Association without reinstatement within thirty (30) days, other than incident to a merger or consolidation, any Owner may petition the Circuit Court of the appropriate Judicial Circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Common Areas in the place and stead of Association, and to make of such provisions as may be necessary for the continued management of the affairs of the dissolved Association. In the event Association is dissolved, and any portion of the Surface Water Management System is part of the Common Areas, the Surface Water Management System shall be conveyed to the District or an appropriate agency of local government, and that if not accepted, then the Surface Water Management System shall be dedicated to a similar non-profit corporation.

6.2 Applicability of Declaration after Dissolution. In the event of dissolution of Association, Floridian Bay Estates at Waterstone and each Home therein shall continue to be subject to the provisions of this Declaration, including, without limitation, the provisions respecting Assessments specified in this Declaration. Each Owner shall continue to be personally obligated to the successors or assigns of Association for Assessments to the extent that Assessments are required to enable the successors or assigns of Association to properly maintain, operate and preserve the Common Areas. The provisions of this Section shall only apply with regard to the maintenance, operation, and preservation of those portions of Floridian Bay Estates at Waterstone which had been Common Areas and continue to be so used for the common use and enjoyment of the Owners.

7. Binding Effect and Membership.

7.1 Term. This Declaration and all covenants, conditions and restrictions contained in this Declaration are equitable servitudes, perpetual and run with the land. Each Owner, by accepting a deed to a Home or Lot, and any person claiming by, through or under such Owner agrees to be subject to the provisions of this Declaration and irrevocably waives any right to deny, and any claim, that this Declaration and all covenants, conditions and restrictions contained in this Declaration are not enforceable under the Marketable Record Title Act.



Floridian Bay Estates at Waterstone
Declaration
§
11/21/05
MBA199947.16

Chapter 712 of the Florida Statutes. It is expressly intended that the Marketable Record Title Act will not operate to extinguish any encumbrance placed on Floridian Bay Estates at Waterstone by this Declaration. It is further expressly intended that no re-filing or notice of preservation is necessary to continue the applicability of this Declaration and the applicability of all covenants, conditions, and restrictions contained in this Declaration. This provision is not subject to amendment.

7.2 Transfer. The transfer of the fee title to a Home, whether voluntary or by operation of law, terminating the Owner's title to that Home shall terminate the Owner's rights to the use of and enjoyment of the Common Areas as it pertains to that Home and shall terminate such Owner's membership in Association. An Owner's rights and privileges under this Declaration are not assignable separately from a Home. The Owner of each Home is entitled to the benefits of, and is burdened with the duties and responsibilities set forth in, the provisions of this Declaration. All parties acquiring any right, title and interest in and to any Home shall be fully bound by the provisions of this Declaration. In no event shall any Owner acquire any rights that are greater than the rights granted to, and limitations placed upon its predecessor in title pursuant to the provisions of this Declaration. In the event that any Owner desires to sell or otherwise transfer title of his or her Home, such Owner shall give the Board at least fourteen (14) days prior written notice of the name and address of the purchaser or transferee, the date on which such transfer of title is to take place, and such other information as the Board may reasonably require. The transferor shall remain jointly and severally liable with the transferee for all obligations of the Owner and the Home pursuant to this Declaration including, without limitation, payment of all Assessments accruing prior to the date of transfer. Until written notice is received as provided in this Section, the transferor and transferee shall be jointly and severally liable for Assessment accruing subsequent to the date of transfer. In the event that upon the conveyance of a Home an Owner fails in the deed of conveyance to reference the imposition of this Declaration on the Home, the transferring Owner shall remain liable for Assessments accruing on the Home from and after the date of conveyance.

7.3 Membership. Upon acceptance of title to a Home, and as more fully provided in the Articles and By-Laws, each Owner (or his or her Lessee, if applicable) shall be a member of Association. Membership rights are governed by the provisions of this Declaration, the deed to a Home, the Articles and By-Laws. Membership shall be an appurtenance to and may not be separated from, the ownership of a Home. Developer rights with respect to Association are set forth in this Declaration, the Articles and the By-Laws.

7.4 Ownership by Entity. In the event that an Owner is other than a natural person, that Owner shall, prior to occupancy of the Home, designate one or more persons who are to be the occupants of the Home and register such persons with Association. All provisions of this Declaration and the other Association Documents shall apply to both such Owner and the designated occupants.

7.5 Voting Interests. Voting interests in Association are governed by the provisions of the Articles and By-Laws.

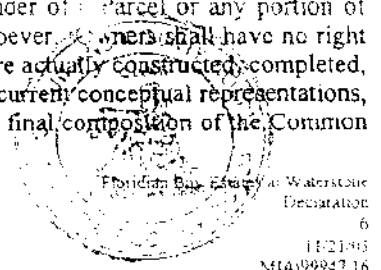
7.6 Document Recordation by Owners Prohibited. Neither Association nor any Owner, nor group of Owners, may record any documents which, in any way, affect or restrict the rights of Developer, or conflict with the provisions of this Declaration or the other Association Documents.

7.7 Conflicts. In the event of any conflict among this Declaration, the Master Declaration, the Articles, the By-Laws or any of the other Association Documents, the Master Declaration shall control. In the event of any conflict among this Declaration, the Articles, the By-Laws or any of the other Association Documents, this Declaration shall control.

8. Paramount Right of Developer. Notwithstanding anything to the contrary herein, prior to the Community Completion Date Developer shall have the paramount right to dedicate, transfer, and/or convey (by absolute conveyance, easement, or otherwise) portions of Floridian Bay Estates at Waterstone for various public purposes or for the provision of Telecommunications Systems, or to make any portions of Floridian Bay Estates at Waterstone part of the Common Areas, or to create and implement a special taxing district which may include all or any portion of Floridian Bay Estates at Waterstone. In addition, the Common Areas of Floridian Bay Estates at Waterstone may include decorative improvements, berms and waterbodies. Notwithstanding anything to the contrary herein, the waterbodies may be dry during certain weather conditions or during certain times of the year. Developer may remove, modify, eliminate or replace these items from time to time in its sole discretion. SALES BROCHURES, SITE PLANS, AND MARKETING MATERIALS ARE CURRENT CONCEPTUAL REPRESENTATIONS AS TO WHAT FACILITIES, IF ANY, WILL BE INCLUDED WITHIN THE COMMON AREAS. DEVELOPER SPECIFICALLY RESERVES THE RIGHT TO CHANGE THE LAYOUT, COMPOSITION, AND DESIGN OF ANY AND ALL COMMON AREAS AT ANY TIME WITHOUT NOTICE AT ITS DISCRETION.

9. Operation of Common Areas.

9.1 Prior to Conveyance. Prior to the conveyance, identification and/or dedication of the Common Areas to Association as set forth in Section 9.4 herein, any portion of the Common Areas owned by Developer shall be operated, maintained, and administered at the sole cost of Association for all purposes and uses reasonably intended, as Developer in its sole discretion deems appropriate. During such period, Developer shall own, operate, and administer the Common Areas without interference from any Owner or Lender of a Parcel or any portion of Floridian Bay Estates at Waterstone or Home or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until same are actually constructed, completed, and conveyed to, leased by, dedicated to, and/or maintained by Association. The current conceptual representations, if any, regarding the composition of the Common Areas are not a guarantee of the final composition of the Common



11/21/03

Areas. No party should rely upon any statement contained herein as a representation or warranty as to the extent of the Common Areas to be owned, leased by, or dedicated to Association. Developer, so long as it controls Association, further specifically retains the right to add to, delete from, or modify any of the Common Areas referred to herein at its discretion and without notice.

9.2 Construction of Common Areas Facilities. Developer has constructed or will construct, at its sole cost and expense, certain facilities and improvements as part of the Common Areas, together with equipment and personalty contained therein, and such other improvements and personalty as Developer determines in its sole discretion. Developer shall be the sole judge of the composition of such facilities and improvements. Prior to the Community Completion Date Developer reserves the absolute right to construct additional Common Areas facilities and improvements within Floridian Bay Estates at Waterstone, from time to time, in its sole discretion, and to remove, add to modify and change the boundaries, facilities and improvements now or then part of the Common Areas. Developer is not obligated to, nor has it represented that it will, modify or add to the facilities, improvements, or Common Areas as they are contemplated as of the date hereof. Developer is the sole judge of the foregoing, including the plans, specifications, design, location, completion schedule, materials, size, and contents of the facilities, improvements, appurtenances, personalty (e.g., furniture), color, textures, finishes, or Common Areas, or changes or modifications to any of them.

9.3 Use of Common Areas by Developer. Until the Community Completion Date Developer shall have the right to use any portion of the Common Areas, without charge, for any purpose deemed appropriate by Developer.

9.4 Conveyance.

9.4.1 Generally. Within sixty (60) days after the Plat is recorded, or earlier as determined by Developer in its sole discretion, all or portions of the Common Areas may be dedicated by Plats, created in the form of easements, or conveyed by written instrument recorded in the Public Records, or by Quitclaim Deed from Developer to Association. Association shall pay all of the costs of the conveyance. The dedication, creation by easement, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership operation, maintenance, and administration of the conveyed portions of Common Areas and other obligations relating to the Common Areas imposed herein. Association shall, and does hereby, indemnify and hold Developer harmless on account thereof. Association, by its joinder in this Declaration, hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature. The Common Areas, personal property and equipment thereon and appurtenances thereto shall be dedicated or conveyed in "as is, where is" condition WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF THE COMMON AREAS BEING CONVEYED.

9.4.2 Form of Deed. Each deed of the Common Areas shall be subject to the following provisions:

9.4.2.1 a perpetual nonexclusive easement in favor of governmental agencies for the maintenance and repair of existing road, speed and directional signs, if any;

9.4.2.2 matters reflected in the plat(s) of Floridian Bay Estates at Waterstone;

9.4.2.3 perpetual non-exclusive easements in favor of Developer, its successors, and assigns in, to, upon and over all of the Common Areas for the purposes of vehicular and pedestrian ingress and egress, installation of utilities, landscaping and/or drainage, without charge, including, without limitation, the right to use such roadways for construction vehicles and equipment. The easements reserved in the deed shall run in favor of Developer, and its employees, representatives, agents, licensees, guests, invitees, successors and/or assigns;

9.4.2.4 all restrictions, easements, covenants and other matters of record;

9.4.2.5 in the event that Association believes that Developer shall have failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas conveyed herein are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$250,000.00 which Association and Developer agree is a fair and reasonable remedy; and

9.4.2.6 a reservation of right in favor of Developer (so long as Developer owns any portion of Floridian Bay Estates at Waterstone) to require that Association reconvey all or a portion of the Common Areas conveyed by quitclaim deed in favor of Developer in the event that such property is required to be owned by Developer for any purpose, including, without limitation, the reconfiguration of any adjacent property by replating or otherwise.

9.5 Operation After Conveyance. After the conveyance or dedication of any portion of the Common Areas to Association, the portion of the Common Areas so dedicated shall be owned, operated and administered by Association for the use and benefit of the owners of all property interests in Floridian Bay Estates at Waterstone including, but not limited to, Association, Developer, Owners and any Lenders. Subject to Association's right to grant easements and other interests as provided herein, Association may not convey, abandon, alienate, encumber, or transfer all or a portion of the Common Areas to a third party without (i) if prior to the Turnover Date, the approval of (a) a majority of the Board; and (b) the consent of Developer, or (ii) from and after the Turnover Date, approval of (a) sixty-six and two-thirds percent (66⅔%) of the Board; and (b) seventy-five percent (75%) of all of the votes in Association.

9.6 Paved Common Areas. The Common Areas may contain certain paved areas. Without limiting any other provision of this Declaration, Association is responsible for the maintenance and/or resurfacing of all paved surfaces including, but not limited to, roads, pathways, bicycle paths, and sidewalks forming a part of the Common Areas, if any. Although pavement appears to be a durable material, it requires maintenance. Association shall have the right, but not the obligation, to arrange for an annual inspection of all paved surfaces forming a part of the Common Areas by a licensed paving contractor and/or engineer. The cost of such inspection shall be a part of the Operating Costs of Association. Association shall determine annually the parameters of the inspection to be performed, if any. By way of example, and not of limitation, the inspector may be required to inspect the roads and sidewalks forming part of the Common Areas annually for deterioration and to advise Association of the overall pavement conditions including any upcoming maintenance needs. Any patching, grading, or other maintenance work should be performed by a Company licensed to perform the work. From and after the Community Completion Date, Association should monitor the roads and sidewalks forming the Common Areas monthly to ensure that vegetation does not grow into the asphalt and that there are no eroded or damaged areas that need immediate maintenance.

9.7 Delegation and Managers. Once conveyed or dedicated to Association, the Common Areas and facilities and improvements located thereon shall, subject to the provisions of this Declaration and the document of conveyance or dedication, at all times be under the complete supervision, operation, control, and management of Association. Notwithstanding the foregoing Association may delegate all or a portion of its obligations hereunder to a licensed manager or professional management company. Association specifically shall have the right to pay for management services on any basis approved by the Board (including bonuses or special fee arrangements for meeting financial or other goals). Developer, its affiliates and/or subsidiaries shall have the right to manage Association. Owners and Association acknowledge that it is fair and reasonable to have Developer, its affiliates and/or subsidiaries manage Association. Further, in the event that a Common Area is created by easement, Association's obligations and rights with respect to such Common Area may be limited by the terms of the document creating such easement.

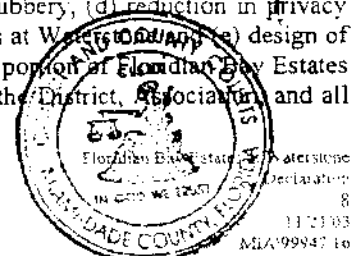
9.8 Use.

9.8.1 General Public Use. The Common Areas shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations (who may, but are not required to be, members of Association) entitled to use those portions of the Common Areas. Prior to the Community Completion Date, Developer, and thereafter, Association, has the right, at any and all times, and from time to time, to further additionally provide and make the Common Areas available to other individuals, persons, firms, or corporations, as it deems appropriate. The granting of such rights shall not invalidate this Declaration, reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements or obligations to be performed hereunder.

9.8.2 Right to Allow Use. Developer and/or Association may enter into easement agreements or other use or possession agreements whereby the Owners, Telecommunications Providers, and/or Association and/or others may obtain the use, possession of, or other rights regarding certain property, on an exclusive or non-exclusive basis, for certain specified purposes. Association may agree to maintain and pay the taxes, insurance, administration, upkeep, repair, and replacement of such property, the expenses of which shall be Operating Costs. Any such agreement by Association prior to the Community Completion Date shall require the consent of Developer. Thereafter, any such agreement shall require the approval of the majority of the Board of Directors.

9.8.3 Obstruction of Common Areas. No portion of the Common Areas may be obstructed, encumbered, or used by Owners for any purpose other than as permitted by Association.

9.8.4 Assumption of Risk. Without limiting any other provision herein, each person within any portion of Floridian Bay Estates at Waterstone accepts and assumes all risk and responsibility for noise, liability, injury, or damage connected with use or occupancy of any portion of Floridian Bay Estates at Waterstone (e.g., the Common Areas) including, without limitation, (a) noise from maintenance equipment, (b) use of pesticides, herbicides and fertilizers, view restrictions caused by maturation of trees and shrubbery, (d) reduction in privacy caused by the removal or pruning of shrubbery or trees within Floridian Bay Estates at Waterstone, (e) design of any portion of Floridian Bay Estates at Waterstone. Each person entering onto any portion of Floridian Bay Estates at Waterstone also expressly indemnifies and agrees to hold harmless Developer, the District, Association, and all



13 of 91

9.12 Water Transmission and Distribution Facilities Easement and Repair. Developer hereby grants and conveys to City, its successors and assigns, the non-exclusive right, privilege and easement to construct, re-construct, lay, install, operate, maintain, relocate, repair, replace, improve and inspect water transmission and distribution facilities and sewer collection facilities and all appurtenances thereto, and all appurtenant equipment, with the full right of ingress thereto and egress therefrom, within Floridian Bay Estates at Waterstone (excluding such facilities located inside a Home) in accordance with plans approved by Developer or Association. Certain water transmission and distribution facilities and sewer collection facilities may be covered with decorative brick pavers that do not conform to City regulations ("Non-Conforming Pavers") in the course of construction of Homes and Common Areas, as and to the extent permitted under the terms of this Declaration. In the event City or any of its subdivisions, agencies and/or divisions shall damage any Non-Conforming Pavers as a result of construction, repair or maintenance operations of the water and/or sewer facilities or the City's use of its easement rights granted in this Section 9.12, then Association shall replace or repair such damage at the expense of the Owner of the affected Home and such cost shall be billed to such Owner as an Individual Assessment, unless, and only to the extent that, such cost is not paid by City or such other subdivisions, agencies and/or divisions. Association shall indemnify and hold harmless City and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorney's fees and costs of defense, which City or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance by Association of Association's obligations under this Section 9.12.

9.13 Association's Obligation to Indemnify. Association and Owners each covenant and agree jointly and severally to indemnify, defend and hold harmless Developer, the District, and their officers, directors, shareholders, and any related persons or corporations and their employees from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Areas or other property serving Association, and improvements thereon, or resulting from or arising out of activities or operations of Association or Owners, and from and against all costs, expenses, court costs, attorneys' fees and paraprofessional fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders judgments or decrees which may be entered relating thereto. The costs and expense of fulfilling this covenant of indemnification shall be Operating Costs to the extent such matters are not covered by insurance maintained by Association.

9.14 Site Plans and Plats. Floridian Bay Estates at Waterstone may be subject to one or more plats (each individually, a "Plat"). The Plat may identify some of the Common Areas within Floridian Bay Estates at Waterstone. The description of the Common Areas on a Plat is subject to change and the notes on a Plat are not a guarantee of what facilities will be constructed on such Common Areas. Site plans used by Developer in its marketing efforts illustrate the types of facilities which may be constructed on the Common Areas, but such site plans are not a guarantee of what facilities will actually be constructed. Each Owner should not rely on a Plat or any site plans used for illustration purposes as the Declaration governs the rights and obligations of Developer and Owners with respect to the Common Areas.

10. The District.

10.1 Generally. Landstar has created the South Dade Venture Community Development District (the "District") within the Master Community. Portions of the Master Community may be owned and maintained by the District including, without limitation, the lakes, roads, Surface Water Management System and/or utilities. In the event that any portion of Floridian Bay Estates at Waterstone is owned by the District, such facilities shall not be part of the Common Areas, but will be part of the infrastructure facilities owned by the District (the "Facilities"). AT THIS TIME IT IS NOT KNOWN WHAT PORTIONS OF FLORIDIAN BAY ESTATES AT WATERSTONE WILL BE DESIGNATED COMMON AREAS OR FACILITIES OF THE DISTRICT. FINAL DETERMINATION OF WHICH PROPERTIES WILL BE COMMON AREAS MAY NOT OCCUR UNTIL THE COMPLETION OF ALL DEVELOPMENT.

10.2 Creation of the District. The District may issue Special Assessment Bonds (the "Bonds") to finance a portion of the cost of the Facilities. The District is an independent, multi-purpose, special district created pursuant to Chapter 190 of the Florida Statutes. The creation of the District puts residential units and non-residential development of the Master Community under the jurisdiction of the District. The District may be authorized to finance, fund, install, equip, extend, construct or reconstruct water and sewer facilities, environmental mitigation, roadways, Surface Water Management System, utility plants and lines, and land acquisition, miscellaneous utilities for the community and other infrastructure projects and services necessitated by the development of, and serving lands, within the Master Community (the "Public Infrastructure"). The estimated design, development, construction and acquisition costs for the Facilities may be funded by the District in one or more series of municipal bond financings utilizing special assessment bonds or other revenue backed bonds. The District may issue both long-term debt and short term debt to finance the Public Infrastructure. The principal and interest on the special assessments bonds may be repaid through non ad valorem special assessments ("District Debt Service Assessments") levied on all benefiting properties in the District, which property has been found to be specially benefited by the Public Infrastructure. The principal and interest on the other revenue backed bonds ("District Revenue Bonds") may be repaid through user fees, franchise fees or other use related revenues. In addition to the bonds issued to fund the Public Infrastructure costs, the District may also impose an annual non ad valorem special assessment to fund the operations of the District and the maintenance and repair of its Public Infrastructure and services ("District Maintenance Special Assessments").



other Neighborhood Associations and all employees, directors, representatives, officers, agents, and partners of the foregoing, from any and all damages, whether direct or consequential, arising from or related to the person's use of the Common Areas and/or Facilities, including attorneys' fees, paraprofessional fees and costs at trial and upon appeal. Without limiting the foregoing, all persons using the Common Areas and/or Facilities, including without limitation, all waterbodies, lakes, pools or areas adjacent to a lake, do so at their own risk. BY ACCEPTANCE OF A DEED, EACH OWNER ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE SUCH AS ALLIGATORS, DOGS, RACCOONS, SNAKES, DUCKS, DEER, SWINE, TURKEYS AND FOXES. DEVELOPER, THE DISTRICT, BUILDERS, ASSOCIATION, MASTER ASSOCIATION AND ALL OTHER NEIGHBORHOOD ASSOCIATIONS SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

9.8.5 Owner's Obligation to Indemnify. Each Owner agrees to indemnify and hold harmless Developer, the District, Master Association and Association, their officers, partners, agents, employees, affiliates, directors and attorneys (collectively, "Indemnified Parties") against all actions, injury, claims, loss, liability, damages, costs and expenses of any kind or nature whatsoever ("Losses") incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect, or consequential, as a result of or in any way related to the Common Areas including, without limitation, use of the lakes and other waterbodies within Floridian Bay Estates at Waterstone by Owners, and their guests, family members, invitees, or agents, or the interpretation of this Declaration and/or exhibits attached hereto and/or from any act or omission of Developer, the District, Master Association, Association, or of any of the Indemnified Parties. Should any Owner bring suit against Developer, the District, Master Association, Association, or any of the Indemnified Parties for any claim or matter and fail to obtain judgment therein against such Indemnified Parties, such Owner shall be liable to such parties for all Losses, costs and expenses incurred by the Indemnified Parties in the defense of such suit, including attorneys' fees and paraprofessional fees at trial and upon appeal.

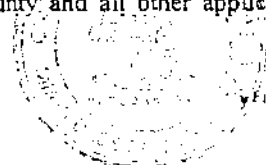
9.9 Rules and Regulations.

9.9.1 Generally. Prior to and including the Turnover Date, Developer, and thereafter Association, shall have the right to adopt Rules and Regulations governing the use of the Common Areas and Floridian Bay Estates at Waterstone. The Common Areas shall be used in accordance with this Declaration and Rules and Regulations promulgated hereunder.

9.9.2 Developer Not Subject to Rules and Regulations. The Rules and Regulations shall not apply to Developer or to any property owned by Developer and shall not be applied in a manner which would adversely affect the interests of Developer. Without limiting the foregoing, Developer, Builder and/or their assigns, shall have the right to: (i) develop and construct commercial and industrial uses, Homes, Common Areas, and related improvements within Floridian Bay Estates at Waterstone, and make any additions, alterations, improvements, or changes thereto; (ii) maintain sales offices (for the sale and re-sale of (a) Homes and (b) residences and properties located outside of Floridian Bay Estates at Waterstone), general offices and construction operations within Floridian Bay Estates at Waterstone; (iii) place, erect or construct portable, temporary or accessory buildings or structure within Floridian Bay Estates at Waterstone for sales, construction storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of Floridian Bay Estates at Waterstone; (v) post, display, inscribe or affix to the exterior of any portion of the Common Areas or portions of Floridian Bay Estates at Waterstone owned by Developer, signs and other materials used in developing, constructing, selling or promoting the sale of any portion Floridian Bay Estates at Waterstone including, without limitation, Homes; (vi) excavate fill from any lakes or waterways within and/or contiguous to Floridian Bay Estates at Waterstone by dredge or dragline, store fill within Floridian Bay Estates at Waterstone and remove and/or sell excess fill; and grow or store plants and trees within, or contiguous to, Floridian Bay Estates at Waterstone and use and/or sell excess plants and trees; and (vii) undertake all activities which, in the sole opinion of Developer, are necessary for the development and sale of any lands and improvements comprising Floridian Bay Estates at Waterstone.

9.10 Default by Another Owner. No default by any Owner in the performance of the covenants and promises contained in this Declaration or by any person using the Common Areas or any other act of omission by any of them shall be construed or considered (a) a breach by Developer or Association or a non-defaulting Owner or other person or entity of any of their promises or covenants in this Declaration; or (b) an actual, implied or constructive dispossession of another Owner from the Common Areas; or (c) an excuse, justification, waiver or indulgence of the covenants and promises contained in this Declaration.

9.11 Special Taxing Districts. For as long as Developer controls Association, Developer shall have the right, but not the obligation, to dedicate or transfer or cause the dedication or transfer of all or portions of the Common Areas of Association to the District, a special taxing district or a public agency or authority under such terms as Developer deems appropriate in order to create or contract with special taxing districts and community development districts (or others) for lighting, perimeter walls, entrance features, roads, landscaping, irrigation areas, lakes, waterways, ponds, surface water management systems, wetlands mitigation areas, parks, recreational or other services, security or communications, or other similar purposes deemed appropriate by Developer, including without limitation, the maintenance and/or operation of any of the foregoing. As hereinafter provided, Developer may sign any taxing district petition as attorney-in-fact for each Owner. Each Owner's obligation to pay taxes associated with such district shall be in addition to such Owner's obligation to pay Assessments. Any special taxing district shall be created pursuant to all applicable ordinances of Miami-Dade County and all other applicable governing entities having jurisdiction with respect to the same.



10.3 District Assessments. The District Debt Service Assessments and District Maintenance Special Assessments will not be taxes but, under Florida law, constitute a lien co-equal with the lien of state, county, municipal, and school board taxes and may be collected on the ad valorem tax bill sent each year by the Tax Collector of Miami-Dade County and disbursed to the District. The homestead exemption is not applicable to the District Assessments. Because a tax bill cannot be paid in part, failure to pay the District Debt Service Assessments, District Maintenance Special Assessments or any other portion of the tax bill will result in the sale of tax certificates and could ultimately result in the loss of title to the property of the delinquent taxpayer through the issuance of a tax deed. The District Revenue Bonds are not taxes or liens on property. If the fees and user charges underlying the District Revenue bonds are not paid, then such fees and user charges could become liens on the property which could ultimately result in the loss of title to the property through the issuance of a tax deed. It is anticipated, but not guaranteed, that the initial amount of the District Debt Service Assessments will be no greater than \$800.00 per year, per Home. The total amount of District Maintenance Special Assessments is unknown at this time. The actual amount of District Debt Service Assessments will be set forth in the District Assessment Methodology Report. District Maintenance Special Assessments relating to Facilities will be determined by the District. Any future District Assessments and/or other charges due with respect to the Facilities are direct obligations of each Owner and are secured by a lien against the Home. Failure to pay such sums may result in loss of property. The District may construct, in part or in whole, by the issuance of Bonds, certain facilities which may consist of roads, utilities and/or drainage system, as the District determines in its sole discretion.

10.4 Common Areas and Facilities Part of District. Portions of the Common Areas may be conveyed by Developer to the District. Such Facilities will be part of the District and the District shall govern the use and maintenance of the Facilities. Some of the provisions of this Declaration will not apply to such Facilities, as the Facilities will no longer be Common Areas. By way of example and not of limitation, the procedures herein respecting Developer's obligation to convey the Common Areas will not apply to the Facilities. ANY CONVEYANCE OF COMMON AREAS TO THE DISTRICT SHALL IN NO WAY INVALIDATE THIS DECLARATION. Developer may decide, in its sole and absolute discretion, to convey additional portions of the Common Areas to either the District or Association, thereby making such Common Areas part of the District's Facilities. The District or Association may promulgate membership rules, regulations and/or covenants which may outline use restrictions for the Facilities, or Association's responsibility to maintain the Facilities, if any. The establishment of the District and the inclusion of Facilities in the District will obligate each Owner to become responsible for the payment of District Debt Service Assessments and District Maintenance Special Assessments for the construction and operation of the Facilities as set forth in this Section.

10.5 Facilities Owned by District. The Facilities may be owned and operated by the District or owned by the District and managed by Association. The Facilities may also be owned by a governmental entity other than the District. The Facilities shall be used and enjoyed by the Owners, on a non-exclusive basis, in common with such other persons, entities, and corporations that may be entitled to use the Facilities.

11. Maintenance by Association.

11.1 Common Areas. Except as otherwise specifically provided in this Declaration to the contrary, Association shall at all times maintain, repair, replace and insure the Common Areas, including all improvements placed thereon. Association shall be responsible for root pruning trees within the Common Areas.

11.2 Lawn Maintenance. Association shall cut and edge the lawn in the Front Yard of each Home. Association shall maintain the trees and hedges in the Front Yard of each Home, and shall fertilize the Front Yard of each Home. Association may also weed the plant bed(s) in the Front Yard of each Home, provided that the Owner of such Home has not modified the plant bed(s) from the original plant bed(s) installed by Developer. In the event an Owner modifies the plant bed(s) as initially installed by Developer, then such Owner shall be solely responsible for maintenance of such plant bed(s). Each Owner is specifically responsible for maintaining all landscaping and improvements within any portion of a Home that are fenced, even if such landscaping and improvements are in the Front Yard. EACH OWNER ACKNOWLEDGES THAT SOME HOMES MAY NOT HAVE FRONT YARDS, AND OTHER HOMES MAY HAVE FRONT YARDS THAT ARE LARGER OR SMALLER THAN THE FRONT YARDS OF OTHER HOMES. NOTWITHSTANDING THE FOREGOING, ALL LAWN MAINTENANCE EXPENSES SHALL BE DEEMED PART OF THE OPERATING COSTS OF ASSOCIATION, AND EACH OWNER SHALL PAY AN EQUAL SHARE OF SUCH COSTS.

11.3 Duty to Maintain Surface Water Management System. The Surface Water Management System within Floridian Bay at Waterstone will be owned, maintained and operated by Association as permitted by the SFWMD. If owned by Association as Common Areas, the costs of the operation and maintenance of the Surface Water Management System shall be part of the Operating Costs of Association. Notwithstanding the foregoing, the SFWMD has the right to take enforcement action, including a civil action for injunction and penalties against Association to compel it to correct any outstanding problems with the Surface Water Management System facilities or in mitigation areas under the responsibility or control of Association. Association shall accept any and all transfer of permits from Developer. Association shall cooperate with Developer with any applications, certifications, documents or consents required to effectuate any such transfer of permits to Association.

11.4 Amendments Affecting Surface Water Management System. Any proposed amendment to the Association Documents which will affect the Surface Water Management System including any environmental conservation area and the water management portions of the Common Areas, must have the prior written approval of the SFWMD. Association's registered agent shall maintain copies of all Surface Water Management System permits and correspondence respecting such permits, and any future SFWMD permit actions shall be maintained by Association's registered agent for Association's benefit.

11.5 Perimeter Walls. Association shall be responsible for maintaining any perimeter walls of Floridian Bay Estates at Waterstone even if such walls lie within one or more Lots. Notwithstanding the foregoing, each Owner shall be responsible for maintaining any shadow box fencing within his or her Lot.

11.6 Adjoining Areas. Association shall also maintain those drainage areas, swales, lakes maintenance easements, driveways, and landscape areas that are within the Common Areas and immediately adjacent to a Home, provided that such areas are readily accessible to Association. Under no circumstances shall Association be responsible for maintaining any inaccessible areas within fences or walls that form a part of a Home.

11.7 Negligence. The expense of any maintenance, repair or construction of any portion of the Common Areas necessitated by the negligent or willful acts of an Owner or persons utilizing the Common Areas, through or under an Owner shall be borne solely by such Owner, and the Home owned by that Owner shall be subject to an Individual Assessment for that expense. By way of example, and not of limitation, an Owner shall be responsible for the removal of all landscaping and structures placed within easements or Common Areas without the prior written approval of Association.

11.8 Right of Entry. Developer, the District and Association are granted a perpetual and irrevocable easement over, under and across Floridian Bay Estates at Waterstone for the purposes herein expressed, including, without limitation, for inspections to ascertain compliance with the provisions of this Declaration, and for the performance of any maintenance, alteration or repair which it is entitled to perform. Without limiting the foregoing, Developer specifically reserves easements for all purposes necessary to comply with any governmental requirement or to satisfy any condition that is a prerequisite for a governmental approval. By way of example, and not of limitation, Developer may construct, maintain, repair, alter, replace and/or remove improvements; install landscaping; install utilities; and/or remove structures on any portion of Floridian Bay Estates at Waterstone if Developer is required to do so in order to obtain the release of any bond posted with any governmental agency.

11.9 Maintenance of Property Owned by Others. Association shall, if designated by Master Association, the District or Developer by amendment to this Declaration or by other notice or direction, maintain vegetation, landscaping, sprinkler system, community identification/features and/or other areas or elements designated by Developer and/or the District upon areas which are within or outside of Floridian Bay Estates at Waterstone and which are owned by, or dedicated to, others including, but not limited to, a utility, governmental or quasi-governmental entity, so as to enhance the appearance of Floridian Bay Estates at Waterstone. These areas may include (by way of example and not limitation) swale areas or median areas within the right-of-way of public streets, roads, drainage areas, community identification or features, community signage or other identification and/or areas within canal rights-of-ways or other abutting waterways.

11.10 Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

11.11 Driveway and Sidewalk Easement. Each Owner shall be responsible to repair any damage to a driveway which comprises part of a Home and the sidewalk abutting the front Lot of the Home, including, but not limited to, any damage caused by Association or by the holder of any easement over which such driveway or sidewalk is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify and hold harmless Association and the holder of any such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway or sidewalk in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association any expense incurred in repairing any damage to such driveway or sidewalk in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

12. Multi-Purpose Taxing District. It is anticipated that the District will maintain the roads, off-site improvements, Surface Water Management System, landscape buffers, and/or entrance features within Floridian Bay Estates at Waterstone and, possibly, an adjacent community. Each Home shall be subject to assessments for the operation of District.

13. Use Restrictions. In addition to use restrictions in the Master Declaration, each Owner must comply with the following:

13.1 Alterations and Additions. No material alteration, addition or modification to a Lot or Home, or material change in the appearance thereof, shall be made without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration.

13.2 Animals. No animals of any kind shall be raised, bred or kept within Floridian Bay Estates at Waterstone for commercial purposes. Otherwise, Owners may keep domestic pets as permitted by Miami-Dade County ordinances up to a limit of two (2) such pets weighing thirty (30) or less pounds each per Home and otherwise in accordance with the Rules and Regulations established by the Board from time to time. Notwithstanding the foregoing, pets may be kept or harbored in a Home only so long as such pets or animals do not constitute a nuisance. A determination by the Board that an animal or pet kept or harbored in a Home is a nuisance shall be conclusive and binding on all parties. All pets shall be walked on a leash. No pet shall be permitted outside a Home unless such pet is kept on a leash or within a enclosed portion of the yard of a Home, as approved by the

ACC. No pet or animal shall be "tied out" on the exterior of the Home or in the Common Areas, or left unattended in a yard or on a balcony, porch, or patio. No dog runs or enclosures shall be permitted on any Home. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of the giving of the notice. All pets shall defecate only in the "pet walking" areas within Floridian Bay Estates at Waterstone designated for such purpose, if any, or on that Owner's Home. The person walking the pet or the Owner shall clean up all matter created by the pet. Each Owner shall be responsible for the activities of its pet. Notwithstanding anything to the contrary, seeing eye dogs shall not be governed by the restrictions contained in this Section.

13.3 Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Home or Lot, unless approved by the ACC.

13.4 Cars and Trucks.

13.4.1 Parking. Owners' automobiles shall be parked in the garage or driveway, if provided, and shall not block the sidewalk. No vehicles of any nature shall be parked on any portion of Floridian Bay Estates at Waterstone or a Lot except on the surfaced parking area thereof. All lawn maintenance vehicles shall park on the driveway of the Home and not in the roadway or swale. To the extent Floridian Bay Estates at Waterstone has any guest parking, Owners are prohibited from parking in such guest parking spaces. No vehicles used in business for the purpose of transporting goods, equipment and the like, or any trucks or vans which are larger than three-quarter (3/4) ton shall be parked in Floridian Bay Estates at Waterstone except during the period of a delivery. Recreational vehicles, personal street vans, personal trucks of three-quarter (3/4) ton capacity or smaller, and personal vehicles that can be appropriately parked within standard size parking stalls may be parked in Floridian Bay Estates at Waterstone.

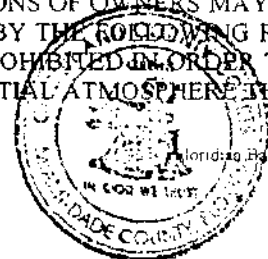
13.4.2 Repairs and Maintenance of Vehicles. No vehicle which cannot operate on its own power shall remain on Floridian Bay Estates at Waterstone for more than twelve hours, except in the garage of a Home. No repair or maintenance, except emergency repair, of vehicles shall be made within Floridian Bay Estates at Waterstone, except in the garage of a Home. No vehicles shall be stored on blocks. No tarpaulin covers on vehicles shall be permitted anywhere within the public view.

13.4.3 Prohibited Vehicles. No commercial vehicle, limousines, recreational vehicle, boat, trailer including, but not limited to, boat trailers, house trailers, and trailers of every other type, kind or description, or camper, may be kept within Floridian Bay Estates at Waterstone except in the garage of a Home. Notwithstanding the foregoing, a boat and/or boat trailer may be kept within the fenced yard of a Home so long as the boat and/or boat trailer, when located within a fenced yard, are fully screened from view by such fence. The term commercial vehicle shall not be deemed to include law enforcement vehicles or recreational or utility vehicles (i.e., Broncos™, Blazers™, Explorers™, Navigators™, etc.) or clean "non-working" vehicles such as pick-up trucks, vans, or cars if they are used by the Owner on a daily basis for normal transportation. Notwithstanding any other provision in this Declaration to the contrary, the foregoing provisions shall not apply to construction vehicles in connection with the construction, improvement, installation, or repair by Developer or Builder of Homes, Common Areas, or any other Floridian Bay Estates at Waterstone facility. No vehicles displaying commercial advertising shall be parked within the public view. No vehicles bearing a "for sale" sign shall be parked within the public view anywhere on Floridian Bay Estates at Waterstone. For any Owner who drives an automobile issued by the County or other governmental entity (i.e., police cars), such automobile shall not be deemed to be a commercial vehicle and may be parked in the garage or driveway of the Home. No vehicle shall be used as a domicile or residence either temporarily or permanently.

13.5 Casualty Destruction to Improvements. In the event that a Home or other improvement is damaged or destroyed by casualty loss or other loss, then within a reasonable period of time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Home or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Home or improvement and restore or repair the Home as set forth in Section 14.2.2 herein and as approved by the ACC. As to any such reconstruction of a destroyed Home or improvements, the same shall only be replaced as approved by the ACC.

13.6 Commercial Activity. Except for normal construction activity, sale, and re-sale of a Home, sale or re-sale of other property owned by Developer, administrative offices of Developer, no commercial or business activity shall be conducted in any Home within Floridian Bay Estates at Waterstone. Notwithstanding the foregoing, and subject to applicable statutes and ordinances, an Owner may maintain a home business office within a Home for such Owner's personal use; provided, however, business invitees customers, and clients shall not be permitted to meet with Owners in Homes unless the Board provides otherwise in the Rules and Regulations. No Owner may actively engage in any solicitations for commercial purposes within Floridian Bay Estates at Waterstone. No solicitors of a commercial nature shall be allowed within Floridian Bay Estates at Waterstone without the prior written consent of Association. No day care center or facility may be operated out of a Home. No garage sales are permitted, except as permitted by Association. Prior to the Community Completion Date, Association shall not permit any garage sales without the prior written consent of Developer.

13.7 Completion and Sale of Units. No person or entity shall interfere with the completion and sale of Homes within Floridian Bay Estates at Waterstone. WITHOUT LIMITING THE FOREGOING, EACH OWNER, BY ACCEPTANCE OF A DEED TO A HOME, AGREES THAT ACTIONS OF OWNERS MAY IMPACT THE VALUE OF HOMES; THEREFORE, EACH OWNER IS BENEFITED BY THE FOLLOWING RESTRICTION: PICKETING AND POSTING OF NEGATIVE SIGNS IS STRICTLY PROHIBITED IN ORDER TO PRESERVE THE VALUE OF THE HOMES IN THE COMMUNITY AND RESIDENTIAL ATMOSPHERE THEREOF.



Floridian Bay Estates at Waterstone
Declaration
13
11/21/03
MLA199947.16

18 of 91

13.8 Control of Contractors. Except for direct services which may be offered to Owners (and then only according to the Rules and Regulations relating thereto as adopted from time to time), no person other than an Association officer or representative of the management company retained by Association shall direct, supervise, or in any manner attempt to assert any control over any contractor of Association.

13.9 Cooking. No cooking shall be permitted nor shall any goods or beverages be consumed on the Common Areas except in areas designated for those purposes by Association. The ACC shall have the right to prohibit or restrict the use of grills or barbecue facilities throughout Floridian Bay Estates at Waterstone.

13.10 Decorations. No decorative objects including, but not limited to, birdbaths, light fixtures, sculptures, statues, weather vanes, or flagpoles shall be installed or placed within or upon any portion of Floridian Bay Estates at Waterstone without the prior written approval of the ACC. Notwithstanding the foregoing, holiday lighting and decorations shall be permitted to be placed upon the exterior portions of the Home and upon the Lot in the manner permitted hereunder commencing on Thanksgiving and shall be removed not later than January 15th of the following year. The ACC may establish standards for holiday lights. The ACC may require the removal of any lighting that creates a nuisance (e.g., unacceptable spillover to adjacent Home).

13.11 Disputes as to Use. If there is any dispute as to whether the use of any portion of Floridian Bay Estates at Waterstone complies with this Declaration, such dispute shall, prior to the Community Completion Date, be decided by Developer, and thereafter by Association. A determination rendered by such party with respect to such dispute shall be final and binding on all persons concerned.

13.12 Drainage System. Drainage systems and drainage facilities may be part of the Common Areas and/or Homes. Once drainage systems or drainage facilities are installed by Developer, the maintenance of such systems and/or facilities thereafter within the boundary of a Home shall be the responsibility of the Owner of the Home which includes such system and/or facilities. In the event that such system or facilities (whether comprised of swales, pipes, pumps, waterbody slopes, or other improvements) is adversely affected by landscaping, fences, structures (including, without limitation, pavers) or additions, the cost to correct, repair, or maintain such drainage system and/or facilities shall be the responsibility of the Owner of each Home containing all or a part of such drainage system and/or facilities. By way of example, and not of limitation, if the Owner of one Home plants a tree (pursuant to the ACC approval) and the roots of such tree subsequently affect pipes or other drainage facilities within another Home, the Owner that plants the tree shall be solely responsible for the removal of the roots which adversely affects the adjacent Home. Likewise, if the roots of a tree located within the Common Areas adversely affect an adjacent Home, Association shall be responsible for the removal of the roots and the costs thereof shall be Operating Costs. Notwithstanding the foregoing, Association, District and Developer shall have no responsibility or liability for drainage problems of any type whatsoever.

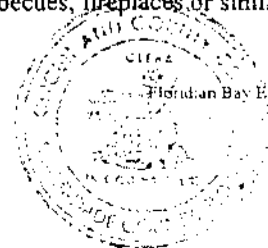
13.13 Driveway Repair. Each Owner shall be responsible to timely repair, maintain and/or replace the driveway comprising part of a Home, including, but not limited to, any damage caused by Developer, Association or by the holder of any easement over which such driveway is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify, defend and hold harmless Association and the holder of any such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association any expense incurred in repairing any damage to such driveway in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

13.14 Easement for Unintentional and Non-Negligent Encroachments. If any other building or improvement on a Home shall encroach upon another Home by reason of original construction by Developer, then an easement for such encroachment shall exist so long as the encroachment exists. It is contemplated that each Home shall contain an improvement with exterior walls, footings, and other protrusions which may pass over or underneath an adjacent Home. A perpetual nonexclusive easement is herein granted to allow the footers for such walls and other protrusions and to permit any natural water run off from roof overhangs, eaves and other protrusions onto an adjacent Home.

13.15 Extended Vacation and Absences. In the event a Home will be unoccupied for an extended period, the Home must be prepared prior to departure by: (i) notifying Association in writing; (ii) removing all removable furniture, plants and other objects from outside the Home; and (iii) designating a responsible firm or individual to care for the Home, should the Home suffer damage or require attention, and providing a key to that firm or individual. The name of the designee shall be furnished to Association. Neither Association nor Developer shall have responsibility of any nature relating to any unoccupied Home.

13.16 Fences and Walls. No walls or fences shall be erected or installed without prior written consent of the ACC. No chain link fencing of any kind shall be allowed except for perimeter areas screened by landscaping. All enclosures of balconies or patios, including, without limitation, addition of vinyl windows and decks shall require the prior written approved of the ACC. Fences on the sides of a Home shall be six (6) feet or less, made of wood (natural wood, white or other color approved by the ACC) or shadowbox.

13.17 Fuel Storage. No fuel storage shall be permitted within Floridian Bay Estates at Waterstone, except as may be necessary or reasonably used for swimming pools, spas, barbecues, fireplaces or similar devices.



Floridian Bay Estates at Waterstone
Declaration
14
11/21/03
MLA-99947-16

19 of 91

13.18 Garages. Each Home may have its own garage. No garage shall be converted into a general living area unless specifically approved by the ACC. Garage doors shall remain closed at all times except when vehicular or pedestrian access is required.

13.19 Garbage Cans. Trash collection and disposal procedures established by Association shall be observed. It is possible Association may provide for garbage pick-up, the cost of which shall be Operating Costs. No outside burning of trash or garbage is permitted. No garbage cans, supplies or other similar articles shall be maintained on any Home so as to be visible from outside the Home or Parcel. Each Owner shall be responsible for properly depositing his or her garbage and trash in garbage cans and trash containers sufficient for pick-up by the appropriate collection agencies in accordance with the requirements of any such agency. All such trash receptacles shall be maintained in a sanitary condition and shall be shielded from the view of adjacent properties and streets. Garbage cans and trash containers shall not be placed outside the Home for pick-up earlier than 6:00 p.m. on the day preceding the pick-up, and must be returned to the Home so that they are not visible from outside the Home on the day of pick-up.

13.20 General Use Restrictions. Each Home, the Common Areas and any portion of Floridian Bay Estates at Waterstone shall not be used in any manner contrary to the Association Documents.

13.21 Hurricane Shutters. Any hurricane shutters or other protective devices visible from outside a Home shall be of a type as approved in writing by the ACC. Panel, accordion and roll-up style hurricane shutters may not be left closed during hurricane season (nor at any other time). Any such approved hurricane shutters may be installed or closed up to forty-eight (48) hours prior to the expected arrival of a hurricane and must be removed or opened within seventy-two (72) hours after the end of a hurricane watch or warning or as the Board may determine otherwise. Except as the Board may otherwise decide, shutters may not be closed at any time other than a storm event. Any approval by the ACC shall not be deemed an endorsement of the effectiveness of hurricane shutters.

13.22 Irrigation. Due to water quality, irrigation systems may cause staining on Homes, other structures or paved areas. It is each Owner's responsibility to treat and remove any such staining. Developer is not providing any irrigation to the Homes. BY ACCEPTANCE OF A DEED TO A HOME OR LOT, EACH OWNER ACKNOWLEDGES THAT THE WATER LEVELS OF ALL LAKES AND WATERBODIES MAY VARY. THERE IS NO GUARANTEE BY DEVELOPER OR ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME. Developer, the District and/or Association shall have the right to use one or more pumps to remove water from lakes and waterbodies for irrigation purposes at all times, subject to applicable permitting. Developer may utilize a computerized loop system to irrigate the Common Areas. Any computerized loop irrigation system that is not specifically the maintenance obligation of Association or an Owner, shall be the maintenance obligation of Association and shall be deemed part of the Common Areas.

13.23 Lake and Canal Slopes. The rear yard of some Homes may border lakes and canals forming part of the Common Areas. Association may maintain portions of the Common Areas contiguous to the rear lot line of such Home which comprise part of the lake slopes and banks and/or canal slopes and banks to prevent or restore erosion of slopes and banks due to drainage or roof culvert outfalls. The Owner of each Home bordering on the lake and canals shall ensure that lake and canal banks and slopes remain free of any structural or landscape encroachments so as to permit vehicular access for maintenance when needed. Each Owner hereby grants the Association an easement of ingress and egress across his or her Home to all adjacent lake and canal areas for the purpose of insuring compliance with the requirements of this Section.

13.24 Laundry. Subject to the provisions of Section 163.04 of the Florida Statutes, to the extent applicable, no rugs, mops, or laundry of any kind, or any other similar type article, shall be shaken, hung or exposed so as to be visible outside the Home or Lot.

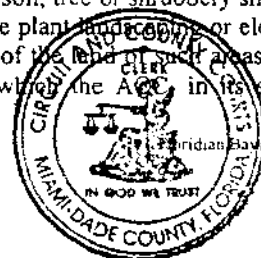
13.25 Lawful Use. No immoral, improper, offensive, unlawful or obnoxious use shall be made in any portion of Floridian Bay Estates at Waterstone. All laws, zoning ordinances and regulations of all governmental entities having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental entities for maintenance, modification or repair of a portion of Floridian Bay Estates at Waterstone shall be the same as the responsibility for maintenance and repair of the property concerned.

13.26 Landscaping and Irrigation of Lots; Removal of Sod and Shrubbery; Additional Planting.

13.26.1 Every Owner shall be required to irrigate the grass and landscaping located on the Lots in a routine and ordinary manner, and shall ensure that sufficient irrigation occurs during all periods when the Owner is absent from the Lot.

13.26.2 All grass and landscaping located within any rear yard of a Lot that is fenced pursuant to Section 13.16 herein, shall be maintained by the Owner. No gardens, Jacuzzis, fountains, playground equipment, pools, screened rooms, or other permitted improvements shall be constructed within the rear yard of a Lot without the prior written approval of the ACC. Each Owner understands that Lots within this Community may not be large enough to accommodate any of the foregoing items in any event.

13.26.3 Without the prior consent of the ACC, no sod, topsoil, tree or shrubbery shall be removed from Floridian Bay Estates at Waterstone, and there shall be no change in the plant height, color, or elevation of such areas shall be made, and no change in the condition of the soil or the level of the land in such areas shall be made which results in any change in the flow and drainage of surface water without the ACC in its sole discretion,



Floridian Bay Estates at Waterstone
Declaration:
15
11/21/93
MIA199947 16

120 of 91

considers detrimental or potentially detrimental to person or property. Notwithstanding the foregoing, Owners who install improvements to the Home (including, without limitation, concrete or brick pavers) which result in any change in the flow and/or drainage of surface water shall be responsible for all costs of drainage problems resulting from such improvement. Further, in the event that such Owner fails to pay for such required repairs, each Owner agrees to reimburse Association for all expenses incurred in fixing such drainage problems including, without limitation, removing excess water and/or repairing the Surface Water Management System.

13.26.4 No landscape lighting shall be installed by an Owner without the prior written approval of the ACC.

13.27 Leases. Homes may be leased, licensed or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. No transient tenants may be accommodated in a Home. All leases or occupancy agreements shall be in writing and a copy of all leases of Homes shall be provided to Association if so requested by Association. No Home may be subject to more than two (2) leases in any twelve (12) month period, regardless of the lease term. No time-share or other similar arrangement is permitted. The Owner must make available to the lessee or occupants copies of the Association Documents. No lease term shall be less than thirty (30) days. Notwithstanding the foregoing, this Section shall not apply to a situation where an Owner or resident of a Home receives in-home care by a professional caregiver residing within the Home.

13.28 Maintenance by Owners.

13.28.1 Standard of Maintenance. All lawns, landscaping and sprinkler systems and any property, structures, improvements, shadow box fences, and appurtenances not maintained by Association shall be well maintained and kept in first class, good, safe, clean, neat and attractive condition consistent with the general appearance of Floridian Bay Estates at Waterstone by the Owner of each Home. Each Owner is specifically responsible for maintaining all grass, landscaping and improvements within any portion of a Home that is fenced. In addition, if an Owner has installed a fence or wall around a Home, or any portion thereof, then such Owner must maintain any portion of the Common Areas that is no longer readily accessible to Association. Each Owner shall be responsible for root pruning trees within any portion of his or her Home.

13.28.2 Enclosed Common Area. If an Owner has enclosed the yard of a Home, or any portion thereof, with the ACC approval, then such Owner must maintain any portion of the Common Areas that is no longer readily accessible to Association.

13.28.3 Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

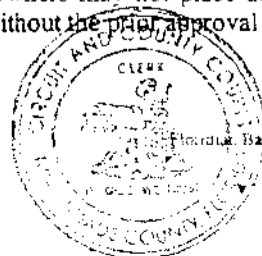
13.29 Minor's Use of Facilities. Adults shall be responsible for all actions of their minor children at all times in and about Floridian Bay Estates at Waterstone. Neither Developer nor Association shall be responsible for any use of the facilities by anyone, including minors. Children under the age of twelve (12) shall be accompanied by an adult at all times.

13.30 Nuisances. No nuisance or any use or practice that is the source of unreasonable annoyance to others or which interferes with the peaceful possession and proper use of Floridian Bay Estates at Waterstone is permitted. No firearms shall be discharged within Floridian Bay Estates at Waterstone. Nothing shall be done or kept within the Common Areas, or any other portion of Floridian Bay Estates at Waterstone, including a Home or Lot which will increase the rate of insurance to be paid by Association.

13.31 Personal Property. All personal property of Owners or other occupants of Homes shall be stored within the Homes. No personal property may be stored on, nor any use made of, the Common Areas, any Lot or Home, or any other portion of Floridian Bay Estates at Waterstone, which is unsightly or which interferes with the comfort and convenience of others.

13.32 Pools. No above-ground pools shall be permitted. All in-ground pools, hot tubs, spas and appurtenances installed shall require the prior written approval of the ACC as set forth in this Declaration. The design must incorporate, at a minimum, the following: (i) the composition of the material must be thoroughly tested and accepted by the industry for such construction; (ii) any swimming pool constructed on any Lot shall have an elevation at the top of the pool of not over two (2) feet above the natural grade unless approved by the ACC; (iii) pool cages and screens must be of a design, color and material approved by the ACC and shall be no higher than twelve (12) feet unless otherwise approved by the ACC; and (iv) pool screening shall in no event be higher than the roof line of the Home. Pool screening shall not extend beyond the sides of the Home without express approval by the ACC. All pools shall be adequately maintained and chlorinated (or cleaned with similar treatment). Unless installed by Developer, no diving boards, slides, or platforms shall be permitted without ACC approval.

13.33 Removal of Soil and Additional Landscaping. Without the prior consent of the ACC, no Owner shall remove soil from any portion of Floridian Bay Estates at Waterstone or change the level of the land within Floridian Bay Estates at Waterstone, or plant landscaping which results in any permanent change in the flow and drainage of surface water within Floridian Bay Estates at Waterstone. Owners may not place additional plants, shrubs, or trees within any portion of Floridian Bay Estates at Waterstone without the prior approval of the ACC.



Floridian Bay Estates at Waterstone
Declaration
16
11/21/01
MLA:99947.16

13.34 Roofs, Driveways and Pressure Treatment. Roofs and/or exterior surfaces and/or pavement, including, but not limited to, walks and drives, shall be pressure treated within thirty (30) days of notice by the ACC. No surface applications to driveways shall be permitted without the prior written approval of the ACC as to material, color and pattern. Such applications shall not extend beyond the front Lot line or include the sidewalk. Notwithstanding Association's responsibility to paint, each Owner shall be responsible to pressure clean between paintings. The Board may decide to have annual window washing or roof repair and may collect the costs thereof as part of Operating Costs or Reserves.

13.35 Satellite Dishes and Antennae. No exterior visible antennae, radio masts, towers, poles, aerials, satellite dishes, or other similar equipment shall be placed on any Home or Lot without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration. The ACC may require, among other things, that all such improvements be screened so that they are not visible from adjacent Homes, or from the Common Areas. Each Owner agrees that the location of such items must be first approved by the ACC in order to address the safety and welfare of the residents of Floridian Bay Estates at Waterstone. No Owner shall operate any equipment or device which will interfere with the radio or television reception of others. All antennas not covered by the Federal Communications Commission ("FCC") rules are prohibited. Installation, maintenance, and use of all antennas shall comply with restrictions adopted by the Board and shall be governed by the then current rules of the FCC.

13.36 Screened Enclosures. No screened enclosures, for pools or otherwise, shall be permitted without the prior written approval of the ACC.

13.37 Servants. Servants and domestic help of any Owner may not gather or lounge in or about the Common Areas.

13.38 Signs and Flags. No sign (including brokerage or for sale/lease signs), flag, banner, sculpture, fountain, outdoor play equipment, solar equipment, artificial vegetation, sports equipment, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, or upon any portion of Floridian Bay Estates at Waterstone that is visible from the outside without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration; provided, however, signs required by governmental agencies and approved by the ACC may be displayed (e.g., permit boards). Owners of Homes must obtain "For Sale" and "For Rent" signs from Association. No sign may be placed in the window of a Home. Developer and Builders are exempt from this Section. No in-ground flag poles (except as Developer may use) shall be permitted within Floridian Bay Estates at Waterstone, unless written approval of the ACC is obtained. Notwithstanding the foregoing, flags which are no larger than 24" x 36", attached to a Home and displayed for the purpose of a holiday, and United States of America flags shall be permitted without ACC approval.

13.39 Sports Equipment. No recreational, playground or sports equipment shall be installed or placed within or about any portion of Floridian Bay Estates at Waterstone without prior written consent of the ACC. No basketball backboards, skateboard ramps, or play structures will be permitted without written approval by the ACC. Such approved equipment shall be located at the rear of the Home or on the inside portion of corner Homes within the setback lines. Tree houses or platforms of a similar nature shall not be constructed on any part of a Home. No basketball hoops shall be attached to a Home and any portable basketball hoops must be stored inside the Home. No tennis courts are permitted within Lots.

13.40 Storage. No temporary or permanent utility or storage shed, storage building, tent, or other structure or improvement shall be permitted and no other structure or improvement shall be constructed, erected, altered, modified or maintained without the prior approval of the ACC, which approval shall conform to the requirements of this Declaration. Any boat stored on a Lot must be screened by landscaping, fencing or walls approved by the ACC so that such boat is not visible from the street. Water softeners, trash containers, propane tanks, and other similar devices shall be properly screened from the street in a manner approved by the ACC.

13.41 Subdivision and Regulation of Land. No portion of any Home or Lot shall be divided or subdivided or its boundaries changed without the prior written approval of Association. No Owner shall inaugurate or implement any variation from, modification to, or amendment of governmental regulations, land use plans, land development regulations, zoning, or any other development orders or development permits applicable to Floridian Bay Estates at Waterstone, without the prior written approval of Developer, which may be granted or denied in its sole discretion.

13.42 Substances. No flammable, combustible or explosive fuel, fluid, chemical, hazardous waste, or substance shall be kept on any portion of Floridian Bay Estates at Waterstone or within any Home or Lot, except those which are required for normal household use. All propane tanks and bottled gas for household and/or pool purposes (excluding barbecue grill tanks) must be installed underground or in a manner to be screened from view by landscaping or other materials approved by the ACC.

13.43 Swimming, Boating and Docks. Swimming is prohibited within any of the lakes or waterbodies within or adjacent to Floridian Bay Estates at Waterstone. Boating and personal watercrafts (e.g., water skis) are prohibited. No docks may be erected within any lake or waterbody.

13.44 Use of Homes. Each Home is restricted to residential use as a residence by the Owner or permitted occupant thereof, its immediate family, guests, tenants and invitees.



Floridian Bay Estates at Waterstone
Declaration
17
11/21/03
MLA/99947.16

22 of 71

13.45 Visibility on Corners. Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by the ACC and governmental agencies. No vehicles, objects, fences, walls, hedges, shrubs or other planting shall be placed or permitted on a corner Lot where such obstruction would create a traffic problem.

13.46 Wetlands and Mitigation Areas. It is anticipated that the Common Areas may include one or more preserves, wetlands, and/or mitigation areas. No Owner or other person shall take any action or enter onto such areas so as to adversely affect the same. Such areas are to be maintained by Association in their natural state.

13.47 Windows or Wall Units. No window or wall air conditioning unit may be installed in any window or wall of a Home.

13.48 Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an Owner or tenant first moves into a Home or when permanent window treatments are being cleaned or repaired. No security bars shall be placed on the windows of any Home without prior written approval of the ACC. No awnings, canopies or shutters shall be affixed to the exterior of a Home without the prior written approval of the ACC. No reflective tinting or mirror finishes on windows shall be permitted unless approved by the ACC. Window treatments facing the street shall be of a neutral color, such as white, off-white or wood tones.

14. Insurance.

14.1 Association. Association shall maintain the following insurance coverage:

14.1.1 Flood Insurance. If the Common Areas are located within an area which has special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), coverage in appropriate amounts, available under NFIP for all buildings and other insurable property within any portion of the Common Areas located within a designated flood hazard area.

14.1.2 Liability Insurance. Commercial general liability insurance coverage providing coverage and limits deemed appropriate. Such policies must provide that they may not be canceled or substantially modified by any party, without at least thirty (30) days' prior written notice to Developer (until the Community Completion Date) and Association.

14.1.3 Directors and Officers Liability Insurance. Each member of the Board shall be covered by directors and officers liability insurance in such amounts and with such provisions as approved by the Board.

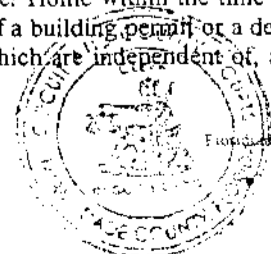
14.1.4 Other Insurance. Such other insurance coverage as appropriate from time to time. All coverage obtained by Association shall cover all activities of Association and all properties maintained by Association, whether or not Association owns title thereto.

14.1.5 Developer. Prior to and including the Turnover Date, Developer shall have the right, at Association's expense, to provide insurance coverage under its master insurance policy in lieu of any of the foregoing.

14.2 Homes.

14.2.1 Requirement to Maintain Insurance. Each Owner shall be required to obtain and maintain adequate insurance of his or her Home. Such insurance shall be sufficient for necessary repair or reconstruction work, and/or shall cover the costs to demolish a damaged Home as applicable, remove the debris, and to resod and landscape land comprising the Home. Upon the request of Association, each Owner shall be required to supply the Board with evidence of insurance coverage on his Home which complies with the provisions of this Section. Without limiting any other provision of this Declaration or the powers of Association, Association shall specifically have the right to bring an action to require an Owner to comply with his or her obligations hereunder.

14.2.2 Requirement to Reconstruct or Demolish. In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall do one of the following: the Owner shall commence reconstruction and/or repair of the Home ("Required Repair"), or Owner shall tear the Home down, remove all the debris, and resod and landscape the property comprising the Home as required by the ACC ("Required Demolition") to the extent permitted under law. If an Owner elects to perform the Required Repair, such work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Home. If an Owner elects to perform the Required Demolition, the Required Demolition must be completed within six (6) months from the date of the casualty or such longer period of time established by the Board in its sole and absolute discretion subject to extension if required by law. If an Owner elects to perform the Required Repair, such reconstruction and/or repair must be completed in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the powers of Association, Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to either perform the Required Repair or Required Demolition on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to,



any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

14.2.3 Standard of Work. The standard for all demolition, reconstruction, and other work performed as required by this Section 14.2.3 shall be in accordance with the Community Standards and any other standards established by Association with respect to any casualty that affects all or a portion of Floridian Bay Estates at Waterstone.

14.2.4 Additional Rights of Association. If an Owner refuses or fails, for any reason, to perform the Required Repair or Required Demolition as herein provided, then Association, in its sole and absolute discretion, by and through its Board is hereby irrevocably authorized by such Owner to perform the Required Repair or Required Demolition. All Required Repair performed by Association pursuant to this Section shall be in conformance with the original plans and specifications for the Home. Association shall have the absolute right to perform the Required Demolition to a Home pursuant to this Section if any contractor certifies in writing to Association that such Home cannot be rebuilt or repaired. The Board may levy an Individual Assessment against the Owner in whatever amount sufficient to adequately pay for Required Repair or Required Demolition performed by Association.

14.2.5 Association Has No Liability. Notwithstanding anything to the contrary this Section, Association, its directors and officers, shall not be liable to any Owner should an Owner fail for any reason whatsoever to obtain insurance coverage on a Home. Moreover, Association, its directors and officers, shall not be liable to any person if Association does not enforce the rights given to Association in this Section.

14.3 Fidelity Bonds. If available, a blanket fidelity bond for all officers, directors, trustees and employees of Association, and all other persons handling or responsible for funds of, or administered by, Association. In the event Association delegates some or all of the responsibility for the handling of the funds to a professional management company or licensed manager, such bonds shall be required for its officers, employees and agents, handling or responsible for funds of, or administered on behalf of Association. The amount of the fidelity bond shall be based upon reasonable business judgment. The fidelity bonds required herein must meet the following requirements (to the extent available at a reasonable premium):

14.3.1 The bonds shall name Association as an obligee.

14.3.2 The bonds shall contain waivers, by the issuers of the bonds, of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee" or similar terms or expressions.

14.3.3 The premiums on the bonds (except for premiums on fidelity bonds maintained by a professional management company, or its officers, employees and agents), shall be paid by Association.

14.3.4 The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to Developer (until the Community Completion Date) and Association.

14.4 Association as Agent. Association is irrevocably appointed agent for each Owner of any interest relating to the Common Areas to adjust all claims arising under insurance policies purchased by Association and to execute and deliver releases upon the payment of claims.

14.5 Casualty to Common Areas. In the event of damage to the Common Areas, or any portion thereof, Association shall be responsible for reconstruction after casualty. In the event of damage to a Home, or any portion thereof, the Owner shall be responsible for reconstruction after casualty.

14.6 Nature of Reconstruction. Any reconstruction of improvements hereunder shall be substantially in accordance with the plans and specifications of the original improvement, or as the improvement was last constructed, subject to modification to conform with the then current governmental regulation(s).

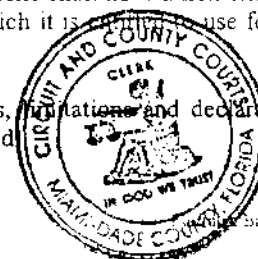
14.7 Additional Insured. Developer and its Lender(s) shall be named as additional insured on all policies obtained by Association, as their interests may appear.

14.8 Cost of Payment of Premiums. The costs of all insurance maintained by Association hereunder, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof are Operating Costs.

15. Property Rights

15.1 Owners' Easement of Enjoyment. Every Owner, and its immediate family, tenants, guests and invitees, and every owner of an interest in Floridian Bay Estates at Waterstone shall have a non-exclusive right and easement of enjoyment in and to those portions of the Common Areas which it is permitted to use for their intended purpose, subject to the following provisions:

15.1.1 Easements, restrictions, reservations, conditions, covenants and declarations of record, now or hereafter existing, and the provisions of this Declaration, as amended



15.1.2 The right of Association to suspend an Owner's rights hereunder or to impose fines in accordance with Section 720.305 of the Florida Statutes, as amended from time to time.

15.1.3 The right to suspend the right to use all (except vehicular and pedestrian ingress and egress and necessary utilities) or a portion of the Common Areas by an Owner, its immediate family, etc. for any period during which any Assessment against that Owner remains unpaid.

15.1.4 The right of Developer and/or Association to dedicate or transfer all or any part of the Common Areas. No such dedication or transfer shall be effective prior to the Community Completion Date without prior written consent of Developer.

15.1.5 The perpetual right of Developer to access and enter the Common Areas at any time, even after the Community Completion Date, for the purposes of inspection and testing of the Common Areas. Association and each Owner shall give Developer unfettered access, ingress and egress to the Common Areas so that Developer and/or its agents can perform all tests and inspections deemed necessary by Developer. Developer shall have the right to make all repairs and replacements deemed necessary by Developer. At no time shall Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Developer relative to any portion of the Common Areas.

15.1.6 The right of Developer and/or Association to modify the Common Areas as set forth in this Declaration.

15.1.7 The rights of Developer and/or Association regarding Floridian Bay Estates at Waterstone as reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others.

15.1.8 Rules and Regulations adopted governing use and enjoyment of the Common Areas.

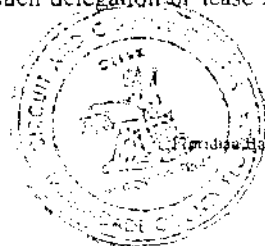
15.1.9 An Owner relinquishes use of the Common Areas at any time that a Home is leased to a Tenant.

15.2 Ingress and Egress. An easement for ingress and egress is hereby created for pedestrian traffic over, and through and across sidewalks paths, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon, or be designed as part of, the Common Areas, and for vehicular traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes.

15.3 Development Easement. In addition to the rights reserved elsewhere herein, Developer reserves an easement for itself or its nominees over, upon, across, and under Floridian Bay Estates at Waterstone as may be required in connection with the development of Floridian Bay Estates at Waterstone, and other lands designated by Developer and to promote or otherwise facilitate the development, construction and sale and/or leasing of Homes, any portion of Floridian Bay Estates at Waterstone, and other lands designated by Developer. Without limiting the foregoing, Developer specifically reserves the right to use all paved roads and rights of way within Floridian Bay Estates at Waterstone for vehicular and pedestrian ingress and egress to and from construction sites and for the construction and maintenance of any Telecommunications Systems provided by Developer. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Common Areas. Developer shall have no liability or obligation to repave, restore, or repair any portion of the Common Areas as a result of the use of the same by construction traffic, and all maintenance and repair of such Common Areas shall be deemed ordinary maintenance of Association payable by all Owners as part of Operating Costs. Without limiting the foregoing, at no time shall Developer be obligated to pay any amount to Association on account of Developer's use of the Common Areas for construction purposes. Developer intends to use the Common Areas for sales of new and used Homes. Further, Developer may market other residences and commercial properties located outside of Floridian Bay Estates at Waterstone from Developer's sales facilities located within Floridian Bay Estates at Waterstone. Developer has the right to use all portions of the Common Areas in connection with its marketing activities, including, without limitation, allowing members of the general public to inspect model Homes, installing signs and displays, holding promotional parties and picnics, and using the Common Areas for every other type of promotional or sales activity that may be employed in the marketing of new and used residential Homes or the leasing of residential apartments. The easements created by this Section, and the rights reserved herein in favor of Developer, shall be construed as broadly as possible and supplement the rights of Developer. At no time shall Developer incur any expense whatsoever in connection with its use and enjoyment of such rights and easements. Without limiting any other provision of this Declaration, Developer may non-exclusively assign its rights hereunder to each Builder.

15.4 Public Easements. Fire, police, school transportation, health, sanitation and other public service and utility company personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas. In addition, Telecommunications Providers shall also have the right to use all paved roadways for ingress and egress to and from Telecommunications Systems within Floridian Bay Estates at Waterstone.

15.5 Delegation of Use. Every Owner shall be deemed to have delegated its right of enjoyment to the Common Areas to occupants or lessees of that Owner's Home subject to the provisions of this Declaration and the Rules and Regulations, as may be promulgated, from time to time. Any such delegation or lease shall not relieve any Owner from its responsibilities and obligations provided herein.



Floridian Bay Estates at Waterstone
Declaration
20
11/21/03
MLA 99947.10

25 of 91

15.6 Easement for Encroachments. In the event that any improvement upon Common Areas, as originally constructed, shall encroach upon any other property or improvements thereon, or for any reason, then an easement appurtenant to the encroachment shall exist for so long as the encroachment shall naturally exist.

15.7 Permits, Licenses and Easements. Prior to the Community Completion Date, Developer, and thereafter Association, shall, in addition to the specific rights reserved to Developer herein, have the right to grant, modify, amend and terminate permits, licenses and easements over, upon, across, under and through Floridian Bay Estates at Waterstone (including Homes) for Telecommunications Systems, utilities, roads and other purposes reasonably necessary or useful as it determines, in its sole discretion. To the extent legally required, each Owner shall be deemed to have granted to Developer and, thereafter, Association an irrevocable power of attorney, coupled with an interest, for the purposes herein expressed.

15.8 Support Easement and Maintenance Easement. An easement is hereby created for the existence and maintenance of supporting structures (and the replacement thereof) in favor of the entity required to maintain the same. An easement is hereby created for maintenance purposes (including access to perform such maintenance) over and across Floridian Bay Estates at Waterstone (including Homes) for the reasonable and necessary maintenance of Common Areas, utilities, cables, wires and other similar facilities.

15.9 Drainage. A non-exclusive easement shall exist in favor of Developer, the District, Association, and their designees, and any applicable water management district, state agency, county agency and/or federal agency having jurisdiction over, across and upon Floridian Bay Estates at Waterstone for drainage, irrigation and water management purposes. A non-exclusive easement for ingress, egress and access shall exist for such parties to enter upon and over any portion of Floridian Bay Estates at Waterstone (including Homes) in order to construct, maintain, inspect, record data on, monitor, test, or repair, as necessary, any water management areas, irrigation systems and facilities thereon and appurtenances thereto. No structure, landscaping, or other material shall be placed or be permitted to remain which may damage or interfere with the drainage or irrigation of Floridian Bay Estates at Waterstone and/or installation or maintenance of utilities or which may obstruct or retard these flow of water through Floridian Bay Estates at Waterstone and/or water management areas and facilities or otherwise interfere with any drainage, irrigation and/or easement provided for in this Section or the use rights set forth elsewhere in this Declaration.

15.10 Easement in favor of Association. Association is hereby granted an easement over all of Floridian Bay Estates at Waterstone, including all Homes and Lots, for the purpose of (a) constructing, maintaining, replacing and operating all Common Areas, including, but not limited to, lakes, perimeter walls and fences, and (b) performing any obligation of an Owner for which Association intends to impose an Individual Assessment.

15.11 Blanket Easement in Favor of the District. The District shall also have a blanket easement necessary for District operations above, across and under Floridian Bay Estates at Waterstone.

15.12 Duration. All easements created herein or pursuant to the provisions hereof shall be perpetual unless stated to the contrary.

16. Assessments.

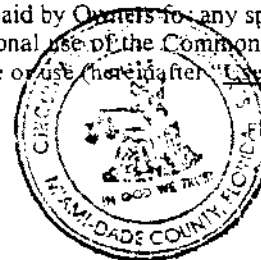
16.1 Types of Assessments. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner (whether or not so expressed in the deed), including any purchaser at a judicial sale, shall hereafter be deemed to have covenanted and agreed to pay to Association at the time and in the manner required by the Board, assessments or charges and any special assessments as are fixed, established and collected from time to time by Association (collectively, the "Assessments"). All Owners and Builders shall pay Assessments. Each Builder shall pay such portion of Operating Costs which benefits any Lot or Parcel owned by such Builder, as determined by Developer, in Developer's sole discretion. By way of example, and not of limitation, Developer may require that each Builder pay some portion of Assessments on a Lot or Parcel owned by a Builder which does not contain a Home. As vacant Lots or Parcels owned by Builders may not receive certain services (e.g., Telecommunications Services), Builders shall not be required to pay for the same. Without limiting the foregoing, Landstar shall not be responsible to pay Assessments on any Lots or Parcels owned by Landstar.

16.2 Purpose of Assessments. The Assessments levied by Association shall be used for, among other things, the purpose of promoting the recreation, health, safety and welfare of the residents of Floridian Bay Estates at Waterstone, and in particular for the improvement and maintenance of the Common Areas and any easement in favor of Association, including but not limited to the following categories of Assessments as and when levied and deemed payable by the Board:

16.2.1 Any monthly or quarterly assessment (as determined by the Board) or charge for the purpose of operating Association and accomplishing any and all of its purposes, as determined in accordance herewith, including, without limitation, payment of Operating Costs and collection of amounts necessary to pay any deficits from prior years' operation (hereinafter "Installment Assessments");

16.2.2 Any special assessments for capital improvements, major repairs, emergencies, the repair or replacement of the Common Areas, or nonrecurring expenses (hereinafter "Special Assessments");

16.2.3 Any specific fees, dues or charges to be paid by Owners for any special services provided to or for the benefit of an Owner or Home, for any special or personal use of the Common Areas, or to reimburse Association for the expenses incurred in connection with that service or use (hereinafter "Use Fees");



Floridian Bay Estates at Waterstone
Declaration
21
11/21/03
MIAW9947 16

16.2.4 Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. At such time as there are improvements in any Common Areas for which Association has a responsibility to maintain, repair, and replace, the Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Installment Assessments in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements comprising a portion of the Common Areas (hereinafter "Reserves"). Assessments pursuant to this Section shall be payable in such manner and at such times as determined by Association, and may be payable in installments extending beyond the fiscal year in which the Reserves are approved. Until the Community Completion Date, Reserves shall be subject to the prior written approval of Developer, which may be withheld for any reason; and

16.2.5 Assessments for which one or more Owners (but less than all Owners) within Floridian Bay Estates at Waterstone is subject ("Individual Assessments") such as costs of special services provided to a Home or Owner or cost relating to enforcement of the provisions of this Declaration or the architectural provisions hereof as it relates to a particular Owner or Home. By way of example, and not of limitation, in the event an Owner fails to maintain the exterior of his Home (other than those portions of a Home maintained by Association) in a manner satisfactory to Association, Association shall have the right, through its agents and employees, to enter upon the Home and to repair, restore, and maintain the Home as required by this Declaration. The cost thereof, plus the reasonable administrative expenses of Association, shall be an Individual Assessment. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment.

16.3 Designation. The designation of Assessment type shall be made by Association. Prior to the Community Completion Date, any such designation must be approved by Developer. Such designation may be made on the budget prepared by Association. The designation shall be binding upon all Owners.

16.4 Allocation of Operating Costs.

16.4.1 For the period until the adoption of the first annual budget, the allocation of Operating Costs shall be as set forth in the initial budget prepared by Developer.

16.4.2 Commencing on the first day of the period covered by the annual budget, and until the adoption of the next annual budget, the Assessments shall be allocated so that each Owner shall pay his pro rata portion of Installment Assessments, Special Assessments, and Reserves based upon a fraction, the numerator of which is one (1) and the denominator of which is the total number of Homes in Floridian Bay Estates at Waterstone conveyed to Owners or any greater number determined by Developer from time to time. Developer, in its sole and absolute discretion, may change such denominator from time to time. Under no circumstances will the denominator be less than the number of Homes owned by Owners other than Developer.

16.4.3 In the event the Operating Costs as estimated in the budget for a particular fiscal year are, after the actual Operating Costs for that period is known, less than the actual costs, then the difference shall, at the election of Association: (i) be added to the calculation of Installment Assessments, as applicable, for the next ensuing fiscal year; or (ii) be immediately collected from the Owners as a Special Assessment. Association shall have the unequivocal right to specially assess Owners retroactively on January 1st of any year for any shortfall in Installment Assessments, which Special Assessment shall relate back to the date that the Installment Assessments could have been made. No vote of the Owners shall be required for such Special Assessment (or for any other Assessment except to the extent specifically provided herein).

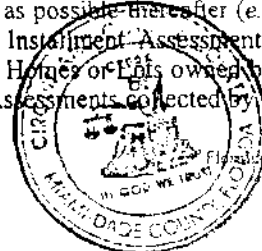
16.4.4 Each Owner agrees that so long as it does not pay more than the required amount it shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sums due.

16.5 General Assessments Allocation. Except as hereinafter specified to the contrary, Installment Assessments, Special Assessments and Reserves shall be allocated equally to each Owner.

16.6 Use Fees and Individual Assessment. Except as hereinafter specified to the contrary, Use Fees and Individual Assessments shall be made against the Owners benefiting from, or subject to the special service or cost as specified by Association.

16.7 Commencement of First Assessment. Assessments shall commence as to each Owner on the day of the conveyance of title of a Home to an Owner. The applicable portion of Assessments shall commence as to each Builder on the day of the conveyance of title of a Lot or Parcel to such Builder.

16.8 Shortfalls and Surpluses. Each Owner acknowledges that because Installment Assessments, Special Assessments, and Reserves are allocated based on the formula provided herein, or upon the number of Homes conveyed to Owners on or prior to September 30 of the prior fiscal year, it is possible that Association may collect more or less than the amount budgeted for Operating Costs. Prior to and including the Turnover Date, Developer shall have the option to (i) fund all or any portion of the shortfall in Installment Assessments not raised by virtue of all income received by Association or (ii) to pay Installment Assessments on Homes or Lots owned by Developer. If Developer has cumulatively overfunded Operating Costs and/or prepaid expenses of Association which have not been reimbursed to Developer prior to and including the Turnover Date, Association shall refund such amounts to Developer on or prior to the Turnover Date or as soon as possible thereafter (e.g. once the amount is finally determined). Developer shall never be required to (i) pay Installment Assessments if Developer has elected to fund the deficit instead of paying Installment Assessments on Homes or Lots owned by Developer, or (ii) pay Special Assessments, management fees or Reserves. Any surplus Assessments collected by Association may be



Floridian Bay Estates at Waterstone
Declaration
2.2
11-21-03
MLA 99947.10

27 of 91