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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

WATERSOUND CAMP CREEK

November 23, 2020

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"A"	Land Initially Submitted
"B"	Land Subject to Annexation
"C"	By-Laws of the Watersound Camp Creek Community Association, Inc.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

WATERSOUND CAMP CREEK

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WATERSOUND CAMP CREEK (this "Declaration") is made as of the date set forth on the signature page hereof by CAMP CREEK RESIDENTIAL DEVELOPMENT, LLC, a Florida limited liability company (the "Declarant").

This Declaration imposes upon the Properties described in Exhibit "A," attached hereto and incorporated by reference, mutually beneficial restrictions under a general plan of improvement for the benefit of the Owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, expansion, administration, maintenance and preservation of the Properties, and for the maintenance of sidewalks, streets, street lights, storm water drainage and retention areas, landscaping, and other Common Areas and Improvements located on the Properties. In furtherance of such plan, this Declaration provides for the creation of the Watersound Camp Creek Community Association, Inc. to own, operate and maintain various properties and community improvements intended for common use and enjoyment and to administer and enforce the provisions of the Governing Documents (capitalized terms are defined in Article 1 below).

This Declaration sets forth the basic covenants, conditions and restrictions that will apply to the Properties. One of the anticipated objectives of the Master Plan is to create a community that remains flexible for future development. This Declaration is designed to help implement the Master Plan in order to, among other purposes, fulfill the following:

1. protect, enhance and preserve the desirability and attractiveness of the Properties;

2. provide for design standards and architectural guidelines;

3. preserve and protect the natural habitat and open spaces;

4. encourage creative and innovative land planning that is sensitive to sustainable community formation and existing environmental conditions; and

5. establish a procedure for the continued maintenance and operation of Common Areas, Exclusive Common Areas, and Area of Common Responsibility, including any Improvements located therein, in a cost-effective and administratively efficient manner.

In addition to this Declaration and the other Governing Documents, all or portions of Watersound Camp Creek may, in the Declarant's discretion, be made subject to the Bay-Walton Sector Plan Covenants (as defined in Section 1.6 below), which may require, without limitation, the payment of assessments or other charges to the declarant under the Bay-Walton Sector Plan Covenants. By acquiring title to a Lot within Watersound Camp Creek, each Owner consents and agrees to being made subject to such Bay-Walton Sector Plan Covenants.

Accordingly, it is contemplated that the Properties will be developed as a residential development with public and/or private streets, storm water drainage and retention areas, and other Common Areas and Improvements for the benefit of the Owners of Lots made subject to the terms of this Declaration.

Declarant hereby declares that all of the property described in Exhibit "A" and any Additional Property subjected to this Declaration by Supplemental Declaration shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each Owner of any portion of the Properties. This Declaration shall be subject to Chapter 720 of the Florida Statutes, which is also known as the Florida Homeowners' Associations Act, as the same may be amended and revised from time to time (the "Act"). Where this Declaration conflicts with the provisions of the Act, the terms of the Act shall govern and control, provided, however, that any amendment or revision to the Act that adversely affects the Declarant shall not be retroactively applied to this Declaration, except where specifically required by law.

ARTICLE 1
DEFINITIONS

The terms in this Declaration and in the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 "Additional Property": All of that certain real property which is more particularly described on Exhibit "B", which is attached and incorporated herein by this reference, and which real property is subject to annexation to the terms of this Declaration in accordance with Article 7.

1.2 "Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, any Development Order or other applicable covenant, contract, or agreement.

1.3 "Articles of Incorporation" or "Articles": The Articles of Incorporation of Watersound Camp Creek Community Association, Inc., as filed with the Secretary of State of the State of Florida, as they may be amended from time to time.

1.4 "Association": Watersound Camp Creek Community Association, Inc., a Florida nonprofit corporation, its successors and assigns.

1.5 "Bay-Walton Sector Plan": All that property in the latest version of the plan for development of the Bay-Walton Sector Plan, as described in the master use plan or land use plan for the Bay-Walton Sector Plan developed in accordance with the provisions of Chapter 163 of the Florida Statutes, as such plans may be amended and supplemented from time to time. The Bay-Walton Sector Plan, as such term is used in this Declaration, includes all of the property made subject to the Bay-Walton Sector Plan Covenants, as may be amended and supplemented from time to time, and such additional commercial, residential, recreational, or other property as is designated by the Declarant as being a part of the Bay-Walton Sector Plan.

1.6 "Bay-Walton Sector Plan Covenants": Those certain covenants, conditions, and restrictions governing all or portions of the Bay-Walton Sector Plan to be recorded in Public Records.

1.7 "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws and serving as the board of directors under Florida corporate law.

1.8 "By-Laws": The By-Laws of Watersound Camp Creek Community Association, Inc., attached as Exhibit "C", as they may be amended from time to time.

1.9 "Club Declaration": That certain Declaration of Recreational Covenant for Watersound Camp Creek to be recorded in aforesaid records (as may be amended and supplemented from time to time.)

1.10 "Common Area": All real and personal property, including easements and licenses, which the Association owns, leases or holds possessory or use rights in for the common use, benefit and enjoyment of the Owners. The term shall also include the Exclusive Common Area, if any, as defined below.

1.11 "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve and any expenses from any Cost Sharing Agreement, all as the Board may find necessary and appropriate pursuant to the Governing Documents.

1.12 "Community Systems": Any central telecommunication receiving and distribution systems (e.g., cable television, high speed data/internet/intranet services, and security monitoring) and related components, including associated infrastructure, equipment, hardware, and software serving the Properties.

1.13 "Community-Wide Standard": The standard to be applied which is the highest of: (a) the standard of use, conduct, architecture, landscaping, maintenance, aesthetic matters or other activity generally prevailing throughout Watersound Camp Creek; or (b) the minimum standards described in this Declaration, the Design Guidelines, rules promulgated by the Association, Board resolutions, and the DRB. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the Board or the DRB. The Community-Wide Standard may or may not be set forth in writing. The Community-Wide Standard shall initially be established by the Declarant and may evolve as development progresses.

1.14 "Cost Sharing Agreement": Any agreement, contract or covenant between the Association and an owner or an operator of property adjacent to, in the vicinity of or within Watersound Camp Creek, including any Private Amenity, for the allocation of expenses for amenities and/or services that benefit both the Association and the owner(s) or operator(s) of such property.

1.15 "Days": Calendar days; provided however, if the time period by which any action required hereunder must be performed expires on a Saturday, Sunday or legal holiday in the State of Florida, then such time period shall be automatically extended to the close of business on the next regular business day.

1.16 "Declarant": Camp Creek Residential Development, LLC, a Florida limited liability company , or any successor, successor-in-title, or assign who holds or takes title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

1.17 "Declarant-Related Entity": Any Person or entity that is a parent, subsidiary or affiliate of the Declarant, and/or in which the Declarant or any parent, subsidiary or affiliate of the Declarant or any officer, director, partner, member, manager or trustee of any of the foregoing owns, directly or indirectly, not less than thirty-three percent (33%) of such entity.

1.18 "Deed": Any deed, lease, assignment or other instrument other than a Mortgage conveying any interest in any Lot.

1.19 "Design Guidelines": The design, architectural and construction guidelines and application and review procedures applicable to all or any portion of the Properties promulgated and administered pursuant to Article 9.

1.20 "Design Review Board" or "DRB": The review board and applicable committees appointed pursuant to Section 9.2 hereof with the rights and obligations conferred upon such review board pursuant to this Declaration.

1.21 "Development Order": That certain Resolution of Walton County, Florida Approving Issuance of a Development Order Pursuant to Chapter 380, Florida Statutes, recorded in Official Record Book 2679, Page 2774, of the Public Records, and any other governmental or quasi-governmental order, permit, or approval applicable to the Properties, including but not limited to any management plan, conservation easement, or other program required or authorized by or adopted pursuant thereto (collectively, as each may be amended from time to time).

1.22 "Development Period": The period of time during which the Declarant or any Declarant-Related Entity owns any property which is subject to this Declaration, any Additional Property, or any Private Amenity, or has the unilateral right to subject Additional Property to this Declaration pursuant to Section 7.1; provided however, the Development Period shall not terminate prior to the date upon which one hundred percent (100%) of the total number of Lots permitted by the Master Plan for the property described on Exhibits "A" and "B" have certificates of occupancy issued thereon by the controlling governmental authority, have been conveyed to Persons other than the Declarant or a Declarant-Related Entity and initial vertical construction on each Lot is complete. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and/or terminate the Development Period upon an earlier date by recording a written instrument in the Public Records.

1.23 "Exclusive Common Area": A portion of the Common Area intended for the exclusive use or primary benefit of one or more, but less than all Lots, as more particularly described in Article 2.

1.24 "General Assessments": Assessments levied on all Lots subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Lots, as more particularly described in Sections 8.1 and 8.2.

1.25 "Governing Documents": This Declaration, the By-Laws, the Articles of Incorporation, all Supplemental Declarations, the Design Guidelines, the rules of the Association, all Development Orders, all Cost Sharing Agreements, and all additional covenants governing any portion of the Properties, or any of the above, as each may be supplemented and amended from time to time.

1.26 "Improvement": Any exterior structure or improvement, broadly defined to include, but not be limited to: dwellings and other buildings of a permanent or temporary nature (with temporary buildings being permitted only during the construction of other Improvements, subject to approval by the DRB); outbuildings or other roofed structures; docks, piers, or boathouses; gazebos or playhouses, swimming pools or hot tubs; sports, play, and maintenance equipment; yard and decorative items; construction, erection, placement of any object or item, permanently or temporarily, on the outside portions of the Lot, whether such portion is improved or unimproved; exterior alteration of existing Improvements or changes in exterior color or shape; staking, clearing, excavation, grading and other site work; sediment control devices; underground installations; surface water drainage facilities; slope alterations; berms; installation or replacement of hardscape; streets, roads, driveways, walkways, alley ways, or parking areas or facilities; fences of any kind, including invisible fences, screening walls, retaining walls, walls and other enclosures; dog runs or animal pens; stairs; patios, decks, or balconies; windbreaks; artificial vegetation or sculptures; mailboxes; basketball hoops, swing sets, and similar sports and play equipment; clotheslines;

garbage cans; wood piles; poles, signs, antennas and satellite dishes, utilities, water lines, sewer, electrical and gas distribution facilities, irrigation systems; heating, cooling and air circulation equipment and facilities, including window air conditioning units or fans; solar panels; exterior illumination; planting or removal of trees, shrubs, hedges, or other landscaping materials; and all other structures or landscaping Improvements of every type and kind initially or at any time thereafter placed or constructed on any Lot.

1.27 "Lot": A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as a detached residence for a single family. The term shall refer to the land, if any, which is part of the Lot as well as any Improvements thereon. The term shall include within its meaning, by way of illustration, but not limitation, single-family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include any Common Area or other property owned by the Association or property dedicated to the public.

The boundaries of each Lot shall be shown on the applicable plat for such property and recorded in the Public Records. Each separately platted property shall be deemed to be a separate Lot. In the case of a portion of the Properties intended and suitable for subdivision but as to which no final plat has been recorded, such property shall be deemed to be a single Lot until such time as a final plat is filed of record with respect to all or a portion of the property.

1.28 "Majority": Those votes, Owners, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

1.29 "Master Plan": The site plan, land use plan or development plan for Watersound Camp Creek, as such plan may be amended from time to time during the Development Period, which plan includes and depicts the property described on Exhibit "A" and all or a portion of the Additional Property that the Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit "B" from the Master Plan bar its later annexation in accordance with Article 7. The Declarant shall not be bound by any Master Plan, use or restriction of use shown on any Master Plan, and may, in its sole and absolute discretion and from time to time during the Development Period, change or revise the Master Plan, develop or not develop the remaining undeveloped property or Common Area shown on any Master Plan. Notwithstanding the above, all present and future references to the Master Plan shall refer to the then latest version of the Master Plan prepared for the Declarant.

1.30 "Member": A Person subject to membership in the Association pursuant to Section 3.1.

1.31 "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot.

1.32 "Mortgagee": A beneficiary or holder of a Mortgage.

1.33 "Occupant": The Owner or lessee of any Lot and their respective guests, family members, tenants, agents, contractors, invitees and licensees or any other Person who either lawfully or unlawfully occupies or comes upon a Lot. All actions or omissions of any Occupant shall be deemed the actions or omissions of the Owner of such Lot.

1.34 "Owner": One or more Persons who hold the record title to any Lot, including the Declarant or any Declarant-Related Entity, but excluding in all cases any party holding an interest merely as security

for the performance of an obligation. If a Lot is owned by more than one (1) Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner.

1.35 "Person": A natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.

1.36 "Private Amenity": Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within Watersound Camp Creek that are designated by the Declarant in its sole discretion, and that are owned and/or operated by Persons other than the Association, including without limitation, St. Joe Resort Operations, LLC. The use of the term "Private Amenity" shall not be construed to imply or require a private club. Private Amenities may be operated on a club membership, daily fee, use fee, public, or private basis or otherwise and may include, without limitation, the St. Joe Club & Resorts℠, golf course(s), beach clubs, swimming facilities and all related and supporting facilities and improvements. Access to and use of certain Private Amenities shall be subject to the Club Declaration.

1.37 "Properties": The real property described on Exhibit "A" as such exhibit may be amended or supplemented from time to time to reflect any additions or removal of property in accordance with Article 7.

1.38 "Public Records": The Clerk of the Court of Walton County, Florida.

1.39 "Special Assessment": Assessments levied in accordance with Section 8.4.

1.40 "Specific Assessment": Assessments levied in accordance with Section 8.5.

1.41 "Supplemental Declaration": An instrument filed in the Public Records which subjects Additional Property to this Declaration, and/or imposes, expressly or by reference, additional easements, restrictions and obligations on the land described in such instrument.

1.42 "Utilities": Any utilities serving any portion of the Properties or any Common Areas, including, without limitation, water, public or private sewage and sewer service, storm drains, steam, gas, electricity, telephone, internet, intranet, cable, digital, or similar television services, solar or passive energy sources or any other utilities of any nature whatsoever.

1.43 "Watersound Camp Creek": That certain residential community located in Walton County, Florida, commonly known and referred to as Watersound Camp Creek, including but not limited to the Properties.

ARTICLE 2
PROPERTY RIGHTS

2.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to each Lot, subject to:

(a) this Declaration and all other Governing Documents;

(b) any restrictions or limitations contained in any Deed conveying such property to the Association;

(c) any restrictions or limitations contained in any Development Order, including but not limited to, any conservation easements;

(d) the right of the Board to adopt, amend, and repeal rules regulating the use and enjoyment of the Common Area, including rules limiting the number of invitees who may use the Common Area;

(e) the right of the Association to rent, lease or reserve all or any portion of any Common Area to any Owner for the exclusive or non-exclusive use of such Owner and such Owner's Occupants upon such conditions as may be established by the Board;

(f) the right of the Association to permit the use of any Common Area, at such charge or no charge as the Board may determine appropriate, for the purpose of offering and conducting classes or other activities for interested Owners and Occupants, whether offered on a for profit or nonprofit basis;

(g) the right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any Common Area;

(h) the right of the Board to permit use of the Common Areas, including but not limited to the facilities located thereon, upon such conditions and payment of reasonable use fees, if any, established by the Board, by persons other than Owners and Occupants, their families, lessees and guests, including, but not limited to the public and/or the owner of any Private Amenity and/or the members, employees and contractors of such Private Amenity and other owners and residents adjacent to, in the vicinity of, or within Watersound Camp Creek;

(i) the right of Declarant to designate certain facilities and areas as open to the public;

(j) the right of the Board to suspend the right of an Owner or Occupant to use the Common Area pursuant to Section 4.3;

(k) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area as set forth in this Declaration, provided that any deed of conveyance of the Common Area shall be executed by the Association in accordance with the terms of this Declaration and the Act;

(l) the right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(m) the rights of certain Owners and Occupants to the exclusive use, access and enjoyment in and to those portions of the Common Area designated "Exclusive Common Areas", as more particularly described in Section 2.3; and,

(n) the right of the Declarant and Declarant-Related Entities to conduct activities and establish facilities within the Properties as provided in Article 13.

Any Owner may extend his or her right of use and enjoyment to the Occupants of his or her Lot and to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot. Notwithstanding any assignment of such rights, the Owner shall remain responsible for payment of all assessments and other charges.

2.2 Private Streets. Unless otherwise provided by Supplemental Declaration, every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to, over and across any private streets and roads within the Properties ("Private Streets"), whether or not such Private Streets are Common Area, for the purpose of ingress and egress to public rights-of-way. The rights and nonexclusive easements granted herein are appurtenant to the title to each Lot, subject to:

(a) this Declaration and all other Governing Documents;

(b) the right of the Declarant, so long as the Declarant owns the Private Streets, and the Association to adopt, amend and repeal rules regulating the use and enjoyment of the Private Streets, provided that neither the Declarant nor the Association shall, by the adoption of any rule or regulation, bar access of the Owners or the Declarant across the Private Streets;

(c) the right of the Declarant or the Association to dedicate all or any part of Private Streets to the Association or Walton County, Florida, or any other local, state, or federal governmental or quasi-governmental entity without obtaining any membership approval;

(d) the right of the Declarant or the Association to mortgage, pledge, or hypothecate any or all of the Private Streets as security for money borrowed or debts incurred, provided that the Declarant shall not subject the Private Streets to any security instrument without obtaining the agreement of the lender to subordinate its interest in the Private Streets to the easements for the Owners contained in this Section; and

(e) the rights of the Declarant and the Association to maintain the Private Streets.

Any Owner may extend his or her right of use and enjoyment to the Occupants of his or her Lot and the members of his or her family, lessees, and social invitees, as applicable.

With regard to construction on any of the Lots, the contractors, subcontractors, laborers, materialmen, and other Persons providing construction services and materials to any such Lots shall have access to such Lots over the Private Streets subject to any rule or regulation as the Association may adopt; provided, however, the DRB shall have the right to prohibit the use of the Private Streets by certain Persons as set forth in Section 9.8. In addition, during the Development Period, the Declarant shall have the right to designate alternate access easements for such Persons.

2.3 Exclusive Common Area. Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and Occupants of specified Lots. By way of illustration and not limitation, Exclusive Common Areas may include entry features, portions of the Private Streets, parks and open space, landscaped medians, and other portions of the Common Area. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area shall be assessed against the Owners of Lots to which the Exclusive Common Area is assigned as a Specific Assessment.

During the Development Period, any Exclusive Common Area shall be designated as such, and the exclusive use thereof shall be assigned, in the Deed by which the Declarant conveys the Common Area to the Association, or on the subdivision plat relating to such Common Area, or in a Supplemental Declaration. Any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Lots during the Development Period. Following termination of the Development Period, a portion of the Common Area may be assigned as Exclusive Common Area of particular Lots, and Exclusive Common Area may be reassigned, upon the approval of the Board and the vote of a Majority of the Class "A" votes assigned to the Lots to which the Exclusive Common Area is

assigned, if previously assigned, and assigned to the Lots to which the Exclusive Common Area is to be assigned or reassigned. Any such assignment or reassignment shall be set forth in a Supplemental Declaration executed by the Board.

2.4 No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Section shall not prohibit the Board from acquiring and disposing of other real property which may or may not be subject to this Declaration.

2.5 Condemnation. The Association shall be the sole representative with respect to condemnation proceedings concerning a Common Area and shall act as attorney-in-fact for all Owners in such matters. If any part of the Common Area shall be taken by or conveyed under threat of condemnation to any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance. The Board may convey a Common Area under threat of condemnation only if approved by Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association and during the Development Period, the written consent of the Declarant. The award made for such taking or proceeds of such conveyance shall be payable to the Association.

If the taking or conveyance involves a portion of the Common Area on which Improvements have been constructed, the Association shall restore or replace such Improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) Days after such taking the Members holding at least sixty-seven percent (67%) of the total Class "A" vote of the Association and, during the Development Period, the Declarant shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board and the DRB. The provisions of Section 6.1(d) regarding funds for the repair of damage or destruction shall apply.

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

2.6 View Impairment. Neither the Declarant, any Declarant-Related Entity, the Association, nor the owner of any Private Amenity guarantees or represents that any view from Lots over and across any lake, other water body, Common Area, park, trail, Private Amenity, including golf courses, or other facility will be preserved without impairment. The owners of such areas shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping or to install Improvements or barriers (both natural and artificial) to such areas from time to time. Furthermore, any owner of a Private Amenity, including the owner of any golf course, may, in its discretion, but shall not be obligated to, change the location, size, configuration, landscaping, topography, hydrology, and elevation of the tees, bunkers, fairways, greens, buildings, improvements, landscaping, and water features on such golf course. Any additions or changes to any lake, other water body, Common Area, park, trail, Private Amenity, or other facility may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Owner, by acceptance of a Deed, acknowledges that any view of a lake, other water body, Common Area, park, trail, Private Amenity or other facility which the Lot may enjoy as of the date of the purchase of the Lot may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of Improvement or barriers (both natural and artificial) within such areas.

Neither Declarant, any Declarant-Related Entity, the Association nor the owner of any Private Amenity, shall have any liability whatsoever to any Owner for any claim based on degradation or impairment of any view from the Owner's Lot, including, without limitation, claims for loss of value. No Owner shall have the right to object to the construction of Improvements on any adjacent or nearby Lot based on the impact of such Improvements on the Owner's view. The right of each Owner to construct on the Owner's Lot Improvements that comply with the terms and conditions of the Governing Documents and have been approved by the DRB pursuant to Article 9, and the right of the Declarant to designate building envelopes, and the right of the Declarant to construct Improvements on all Lots, Common Areas and the Additional Property, as reserved or established in the Governing Documents or by common law, shall be superior to any claim by any other Owner of a right to prohibit or limit the construction of such Improvements based on any impact on, or impairment of, any views.

2.7 Additional Covenants. The Owner of any property within Watersound Camp Creek may impose additional covenants on its property with such approval as may be required pursuant to Article 13. If the provisions of any such additional covenants are more restrictive than the provisions of this Declaration, the more restrictive provisions control. The Association shall have standing the power, but not the obligation to enforce any such additional covenants.

ARTICLE 3
MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation, and the restrictions on voting set forth in Section 3.2 and in the By-Laws and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners hereunder. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, member, manager, partner or trustee of such Owner, or by any individual designated from time to time by the Owner in a written instrument provided to the secretary of the Association.

3.2 Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners. Each Class "A" Member shall have one (1) equal vote for each Lot in which he or she holds the interest required for membership under Section 3.1; provided, there shall be only one vote per Lot. In any situation where there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it. No vote shall be exercised on behalf of any Lot if any assessment for such Lot is delinquent. In addition, no vote shall be exercised for any property which is exempt from assessment.

(b) Class "B". The Class "B" Members shall be the Declarant and all Declarant-Related Entities. The rights of the Class "B" Members and the Declarant, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Articles, are specified in the relevant sections of this Declaration, the By-Laws and the Articles. The Declarant may appoint the members of the Board of Directors until: (i) three (3) months after ninety percent (90%) of the Lots proposed under the Master Plan have been deeded to Class "A" Members other than the following: (A) Declarant or a Declarant-Related Entity; and/or (B) a successor developer of all or any portion of the Properties; or (ii) earlier, when, in its discretion, the Declarant expressly so determines in writing delivered to the Association. Thereafter, the Declarant may appoint one (1) member of the Board of Directors for so long as the Declarant

or any Declarant-Related Entity owns at least five percent (5%) of the Lots proposed under the Master Plan. At such time as the Declarant or any Declarant-Related Entity own less than five percent (5%) of the Lots proposed under the Master Plan, the Class "B" membership shall terminate. Until three (3) months after ninety percent (90%) of the Lots proposed under the Master Plan have been deeded as set forth above, Declarant shall have a right to disapprove actions of the Board, the DRB, and committees as provided in this Declaration.

(c) Additional Classes of Membership. The Declarant may, by Supplemental Declaration, create additional classes of membership for the Owners of Lots within any Additional Property made subject to this Declaration pursuant to Article 7, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration. In addition, the Declarant may, by Supplemental Declaration, create other classes of non-voting membership for the owners and members of any Private Amenity, with such other rights, privileges and obligations as may be specified in such Supplemental Declaration.

ARTICLE 4
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility and all Improvements thereon, to the extent it is not managed, maintained, operated and controlled by a governmental authority. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt pursuant to Article 10. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Florida.

4.2 Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. The Declarant and its designees, including but not limited to any Declarant-Related Entity, with the Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in Exhibits "A" or "B," personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the Deed or other instrument transferring such property to the Association. The Declarant shall not be required to make any Improvements or repairs whatsoever to property to be conveyed and accepted pursuant to this Section, including, without limitation, dredging or otherwise removing silt from any lake, pond or other body of water that may be conveyed. During the Development Period, the Association shall reconvey to the Declarant any portions of the Properties originally conveyed by the Declarant to the Association for no consideration upon written request by the Declarant, or, alternatively, the Declarant may prepare and execute a deed of reconveyance as attorney-in-fact on behalf of the Association and such deed shall have the same effect as if it had been executed by the Association.

The Association agrees that the Common Area, including all Improvements thereon, shall be conveyed in its "where is, as is" condition and without recourse, and the Declarant disclaims and makes no representations, warranties or other agreements, express or implied with respect thereto, including without limitation, representations or warranties of merchantability or fitness for the ordinary or any particular purpose, and representations or warranties regarding the conditions, design, construction, accuracy, completeness, adequacy of the size or capacity in relation to utilization or the future economic performance or operations of the Common Area. No claim shall be made by the Association or any Owner relating to the condition, operation, or completeness of the Common Area or for incidental or consequential damages arising therefrom. The Declarant will transfer and assign to the Association, without recourse, all warranties

which it receives from manufacturers and suppliers relating to any of the Common Area which exist and are assignable.

4.3 Enforcement. The Board or any committee established by the Board, with the Board's approval, may impose sanctions for violation of the Governing Documents, after compliance with the notice and hearing procedures set forth in the By-Laws. Subject to any express limitations set forth in Section 720.305 of the Act, such sanctions may include, without limitation:

(a) imposing monetary fines, up to the maximum, if any, permitted by the Act (and, if the Act sets forth no such maximum fine, then no limit shall apply), which may accrue from the date of notice and which shall, to the extent permitted by the Act, constitute a lien upon the violator's Lot;

(b) filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents;

(c) suspending an Owner's right to vote;

(d) suspending any Person's right to use any Common Areas and any portion of the Exclusive Common Areas; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot; and

(e) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) Days delinquent in paying any assessment or other charge owed to the Association.

In the event that any Occupant of a Lot violates the Governing Documents, the Board or any committee established by the Board, with the Board's approval, may sanction the Occupant and/or the Owner of the Lot that the violator is occupying or visiting. If a fine is imposed, the fine may first be assessed against the Occupant; provided however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.

In addition, the Board, or the covenants committee if established, may elect to enforce any provision of the Governing Documents by exercising self-help (specifically including, but not limited to the filing of liens in the Public Records for nonpayment of any assessments or fees, the towing of vehicles that are in violation of parking rules, the removal of signs that are in violation of sign restrictions, or the correction of any maintenance, construction or other violation of the Governing Documents) without the necessity of compliance with the procedures set forth in the By-Laws. The Association may levy a Specific Assessment to cover all costs incurred in exercising self-help and bringing a Lot into compliance with the terms of the Governing Documents in accordance with Section 8.5(c).

The Association may also elect to enforce any provisions of the Governing Documents by suit at law to recover monetary damages or in equity to enjoin any violation or both without the necessity of compliance with the procedures set forth in the By-Laws.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action or remedy taken by the Association to enforce the provisions of the Governing Documents, if the Association prevails, it shall be entitled to recover, to the maximum extent permissible, all costs, including, without limitation, reasonable attorneys' fees and court costs, incurred in such action.

The Association's decision to exercise its enforcement rights in any particular case shall be made in the Board's sole discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: (a) the Association's position is not strong enough to justify taking any or further action; or (b) the covenant, restriction, or rule to be enforced is, or is likely to be construed as, inconsistent with applicable law; or (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (d) it is not in the Association's best interests, considering, among other things, hardship, expense, or other reasonable criteria, to pursue enforcement action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision under any circumstances or stop the Association from enforcing any other covenant, restriction or rule.

The Association may, but is not required to, by contract or other agreement, enforce county, city, state and federal laws and ordinances, if applicable, and permit local and other governments to enforce laws and ordinances on the Properties for the benefit of the Association and its Members.

In the event that the Association fails to enforce any provision of the Governing Documents, the Declarant may, upon not less than ten (10) Days' notice and opportunity to cure such failure, exercise any means of enforcement described in this Section and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

4.4 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Articles, or by applicable law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

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

The officers, directors, DRB members and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, willful misconduct, or bad faith. The officers and directors, DRB members and committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors, DRB members or committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director DRB member and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, DRB member or committee member may be entitled.

The Association shall also indemnify and forever hold harmless the Declarant to the extent that any officer, director or employee of the Declarant serves as an officer, director or committee member of the Association and the Declarant incurs any damages or expenses, including attorneys' fees, in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding) by reason of having its officers, directors or employees serve as officers, directors, or committee members of the

Association, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles and Florida law. This right to indemnification shall not be exclusive of any other rights to the Declarant may be entitled.

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

4.6 Conveyance or Dedication of Common Area and Roads. The Association, or the Declarant, during the Development Period, may dedicate or convey portions of the Common Area and/or any roads within Watersound Camp Creek to Walton County, Florida, or any other local, state, or federal governmental or quasi-governmental entity without obtaining any membership approval. Any dedication of roadways or other property shall be made free and clear of all encumbrances, including but not limited to, this Declaration unless otherwise agreed to by the governmental or quasi-governmental entity. Notwithstanding the foregoing, each Owner, on behalf of itself and its Occupants agrees to comply with any and all use restrictions, rules, covenants, and restrictions established pursuant to the Governing Documents, including but not limited to provisions regarding vehicles, parking, street vending, and use of any dedicated roadways and other property.

4.7 Grant of Easements on Common Area. The Association, or the Declarant during the Development Period, may grant easements across portions of the Common Area to Walton County, Florida, or to any other local, state, or federal governmental or quasi-governmental entity, or to any public or private utility company, without obtaining any membership approval.

4.8 Development Orders, Zoning, and Master Plan.

(a) Development Orders. All development and uses within Watersound Camp Creek, including, without limitation, the Common Area within the Properties, shall be consistent with all Development Orders and other requirements. Any changes or modifications to the Common Area which are inconsistent with the Development Order issued by Walton County for Watersound Camp Creek shall require written approval or consent of the necessary Walton County officials. In the event of a conflict between a Development Order and a provision contained in the Governing Documents, the more restrictive provision shall apply. All Development Orders shall be binding upon the Association and all Owners.

Further, during the Development Period, no Owner or any other Person may apply or join in an application to amend, vary or modify any Development Order or rezone or apply for any zoning variance or waiver as to all or any portion of the Properties without the prior written consent of the Declarant where such amendment, variance or modification will materially affect the development or uses of a Lot or Lots within the Properties.

(b) Changes in Master Plan. Each Owner acknowledges that Watersound Camp Creek is a master planned community, the development of which is likely to extend over many years. Declarant or any Declarant-Related Entity may apply for rezoning, and/or changes to the Development Order as to any portion of the Properties owned by it at any time. Each Owner agrees not to protest, challenge or otherwise disagree with any (a) changes in use or density of Lots or dwellings within Watersound Camp Creek, (b) changes in the Master Plan relating to property outside of the phase in which such Owner's Lot is located; or (c) changes to other documents proposed by Declarant, including but not limited to the Declaration.

Notwithstanding anything contained in any written letter, document or materials, or oral statement received by any Owner, each Owner further acknowledges and agrees that the Master Plan and the present plans and themes for development within Watersound Camp Creek may change in Declarant's discretion

and that no notice or consent is required for such changes except as may be required by law. No representations, warranties, or assurances are made by any Person, and none shall be relied upon by any Owner (a) that any Lots, or other property or facilities will be added, modified, or eliminated within Watersound Camp Creek; or (b) as to the financial or other impact of such action on any Owner. Each Owner acknowledges and agrees that he or she is not entitled to rely upon and has not received or relied upon any representations, warranties or guarantees whatsoever as to: (a) the design, construction, completion, development, use, benefits, or value of property within Watersound Camp Creek; (b) number, types, sizes, or prices of any residential or non-residential structures or improvements built or to be built in any part of Watersound Camp Creek; or (c) use or development of any property adjacent to or within the vicinity of Watersound Camp Creek.

4.9 Future Development. Each Owner acknowledges, understands and covenants to inform the Occupants of its Lot that the Properties and areas adjacent to the Properties are subject to further development and expansion, and therefore, there may be certain inconveniences during any period of construction, and each Owner as well as any of its Occupants of its Lot waives all claims with respect thereto. Each Owner agrees that if Owner or Owner's Occupants enter onto any area of construction, they do so at their own risk, and that the Declarant, all Declarant-Related Entities, the Association, and their respective contractors, agents or employees shall not be liable for any damage, loss or injury to such persons.

4.10 Security. Each Owner and Occupant of a Lot shall be responsible for their own personal safety and the security of their property in the Properties. The Association, the Declarant, or any Declarant-Related Entity may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the Declarant, any Declarant-Related Entity, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measure, including mechanisms or systems for limiting access to any portion of the Properties, if any, cannot be compromised or circumvented, nor that any such systems or measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. No representation or warranty is made that the lighting facilities or systems (including the placement thereof) will adequately illuminate or attempt to adequately illuminate all the Common Areas, or that such facilities or systems will be designed with safety measures in mind. Each Owner acknowledges, understands and covenants to inform all Occupants of its Lot that the Association, its Board of Directors and committees, the Declarant, any Declarant-Related Entity, and any successor Declarant are not insurers or guarantors of safety and security within the Properties and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties. Any costs incurred by the Association to provide such services shall be paid by the Association and shall be charged either to all Lots, as a General Assessment or a Special Assessment, as determined by the Board in its sole discretion.

4.11 Restricted Access and Gates. At the Declarant's or Board of Director's sole and absolute discretion, access to portions of the Properties may be restricted by a fence and one or more gates within the Properties. Vehicular access into such portions of the Properties may be restricted by electronically operated or other controlled access entry gates located at the entrance to such portions of the Properties, and pedestrian access may be restricted by pedestrian gates at other points as well. Any restricted access gates may or may not be staffed, at the discretion of the Declarant or Board of Directors. Any such gate staffing may be modified or eliminated at any time without notice. The use and operation of any restricted access gate may be limited or eliminated from time to time by the Declarant or the Board of Directors. Notwithstanding the foregoing, the Association shall not, by the adoption of any rule or regulation, bar or limit access or admittance of the Declarant or any Declarant-Related Entities through any gate, nor require

the payment of any fee or charge or otherwise impose any unreasonable or discriminatory requirement for admittance through any gate.

4.12 Sidewalks and Trails. The Declarant reserves for itself, its successors and assigns, and the Association, the right to designate certain areas within the Properties, including the Common Area, to be used as recreational bike and pedestrian pathways and trails ("sidewalk and trail system"). Use of the sidewalk and trail system shall be subject to the reasonable rules and regulations of the Association, provided that the Association may not restrict access to the sidewalk and trail system without Declarant's consent. Any individual using the sidewalk and trail system shall do so at his/her own risk. Each Owner acknowledges, understands and covenants to inform the Occupants of such Owner's Lot, that the Properties may contain a sidewalk and trail system, that such sidewalk and trail system may connect with a public trail system and that there may be certain inconveniences and loss of privacy associated with the ownership of Lots adjacent to such sidewalk and trail system resulting from the use of the sidewalk and trail system by the Declarant, Declarant-Related Entities, the Association, the Owners, Occupants, and the public.

4.13 Access by General Public. Watersound Camp Creek is bordered by public highways or waterways that are used by the general public. Neither the Declarant nor the Association shall have any obligation to construct or install walls or fences, or to implement any other measures to secure the perimeter boundaries of Watersound Camp Creek in order to prevent or restrict entry into Watersound Camp Creek by unauthorized persons. Certain facilities and areas within the Properties may be open for use and enjoyment of the public, whether by operation of law or by designation as provided in this Section. Such facilities and areas may include, by way of example, greenbelts, trails and paths, roads, sidewalks, medians, parks, and other neighborhood spots conducive to gathering and interaction. The Declarant may designate such facilities and areas as open to the public during the Development Period, or the Board may so designate at any time thereafter. Use of such facilities and areas shall be subject to the reasonable rules and regulations of the Association. Each Owner acknowledges, understands and covenants to inform the Occupants of such Owner's Lot, that the Properties may contain such public areas and that there may be certain inconveniences and loss of privacy associated with the ownership of Lots near or adjacent to such public areas resulting from the use of public areas by the Declarant, the Association, its Members, their tenants, Occupants, guests and invitees and the public. If any portion of the Properties is designated for the use and enjoyment of the public, the Association may not thereafter restrict access to such areas without Declarant consent.

4.14 Bodies of Water.

(a) Each Owner acknowledges and agrees that wetlands, lakes and other bodies of water within or adjacent to Watersound Camp Creek are not designed as aesthetic features and due to fluctuations in water elevations within the immediate area, water levels will rise and fall. Each Owner further acknowledges that Declarant has no control over such elevations. Each Owner agrees to release and discharge the Declarant and any Declarant-Related Entity from and against any and all losses, claims, demands, damages, costs and expenses of whatever nature or kind, including reasonable attorneys' fees and costs at all tribunal levels, related to or arising out of any claim relating to such fluctuations in water elevations. Owners shall not alter, modify, expand or fill any bodies of water or wetlands located within or in the vicinity of Watersound Camp Creek without the prior written consent of the Declarant and any local, state, or federal regulatory or permitting authorities as may have relevant jurisdiction over such matters.

(b) Any Person using any wetlands, lakes, and other bodies of water and rel facilities within or adjacent to Watersound Camp Creek, including any dock or pier, or any boat la shall be responsible for his or her own personal safety in connection with such use and shall assu risks of personal injury, including death, relating to such use. Neither the Association, the Declarant, any Declarant-Related Entity nor any successor Declarant shall in any way be a gua insurer of safety in connection with the presence or use of any water bodies or features within or

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to Watersound Camp Creek and shall not be held liable for any loss or damage by reason of use of any lake or other body of water for any purpose by Owners or Occupants. Each Owner acknowledges, understands and covenants to inform all Occupants of its Lot that the Association, its Board of Directors, DRB and committees, the Declarant, any Declarant-Related Entity, and any successor Declarant are not insurers and that each Person using any wetlands, lakes or other bodies of water shall do so only as permitted under the Governing Documents and any applicable governmental laws, ordinances, rules and regulations. Each Person assumes all risks of personal injury, and loss or damage to property, including Lots, resulting from or associated with use of any wetlands, lakes, or other bodies of water.

4.15 Presence of Wildlife. Each Owner and Occupant acknowledges that the Properties are located adjacent to and in the vicinity of wetlands, bodies of water and other natural areas. Such areas may contain wildlife, including without limitation, deer, opossums, feral hogs, bears, coyotes, reptiles, alligators, and snakes. Neither the Association, the Board, the Declarant, nor any Declarant-Related Entity shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence of such wildlife on the Properties. The habitat within the Properties may create a favorable environment for snakes, alligators and other wild animals regardless of the wildlife management practices, if any, of Declarant and the Association. Each Owner and Occupant, and each tenant, guest, and invitee of any Owner or Occupant, acknowledges that neither the Declarant nor the Association can eliminate the threat of snakes, alligators and other wild animals. Each Owner and Occupant of a Lot shall assume all risk of personal injury, illness, or other loss or damage arising from the presence of such wildlife and further acknowledges that the Association, the Board, the Declarant or any Declarant-Related Entity have made no representations or warranties, nor has any Owner or Occupant relied upon any representations or warranties, expressed or implied, relative to the presence of such wildlife.

The Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, to engage in wildlife and fishery management plans and practices on the Properties to the extent that such practices are permitted by applicable state and federal law. For the purpose of illustration and not limitation, this includes the right to manage and control any populations of white-tailed deer, feral hogs, raccoons, alligators and other wildlife through a variety of techniques, including organized hunting, shooting, trapping, relocating, sterilization, and habitat manipulation. Declarant may, in its sole discretion, commission environmental studies and reports relating to the Properties and the wildlife habitats located thereon, and may elect to follow or disregard any recommendations resulting from such studies. The Declarant may assign these management rights to the Association in which event the expenses of such activities shall be funded by General Assessments.

4.16 Hurricane Preparedness. Watersound Camp Creek is located in a region that is vulnerable to the dangerous effects of hurricanes, including extremely high winds, floods, ocean surges, flying debris, and lightning. Each Owner and occupant of a Lot shall be responsible for his or her own safety in the event of a hurricane and should take appropriate safety precautions (which may include evacuating the Properties and/or the region) to avoid personal injury, including death, and property damage. Each Owner and occupant of a Lot shall be obligated to adhere to any established hurricane plan for Watersound Camp Creek.

4.17 Relationships with Other Properties. The Association may consent on behalf of all Owners to contracts with third parties and/or the imposition of covenants, including the Bay-Walton Sector Plan Covenants, binding the Association and the Owners with respect to costs and obligations associated with (a) maintenance and operation of mutually beneficial properties or facilities; (b) the provision of mutually beneficial services; and/or (c) restrictions and easements consistent with the development of the Bay-Walton Sector Plan.

4.18 Provision of Services. The Association may provide or contract for services and facilities for the Owners and their Occupants. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including the Declarant or any Declarant-Related Entities, to provide such services and facilities. By way of example, some services and facilities which may be provided include landscape maintenance, garbage collection, recycling collection, bike-sharing services, car-sharing services, pest control service, cable, digital, satellite or similar television service, internet, intranet, data and other computer related services, security, caretaker, fire protection, utilities, and similar services and facilities.

The costs of services and facilities provided by the Association may be funded by the Association as a Common Expense. In addition, the Board shall be authorized to charge use and consumption fees for services and facilities through Specific Assessments or by requiring payment at the time the service or facility is provided. As an alternative, the Association shall be further permitted to require Owners to utilize services delivered by a provider designated by the Association. By way of example, but not limitation, the Association shall have the right, but not the obligation, to designate one weed control company to provide service for all Lots within the Properties. The Association may arrange for the costs of the services and facilities to be billed directly to Owners by the provider(s) of such services and facilities. Unimproved Lots need not be assessed for services only available to improved Lots (e.g. cable television).

Any Association contract for services or facilities may require Owners to execute separate agreements directly with the Persons providing such services or facilities in order to gain access to or obtain specified services or facilities. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or Occupant of a Lot, may result in termination of such benefits to the Owner's Lot. Any such termination and any failure or refusal to participate shall not relieve the Owner of the continuing obligation to pay assessments for any portion of the charges for such service or facilities that are assessed against the Lot as a Common Expense.

The Board, without the consent of the Class "A" Members of the Association, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to the services and facilities, if any, which will be provided by the Association.

4.19 Community Systems. Without limiting the generality of this Section, the Association is specifically authorized to provide, or to enter into contracts with Persons to provide Community Systems. Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to the Community Systems as the Board determines appropriate. The Association shall have no obligation to utilize any particular provider(s). However, except for cause (as defined by written agreement with the provider), the Association may not, without the Declarant's consent, terminate any contract entered into while the Declarant held the Class "B" membership.

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

In recognition of the fact that interruptions in cable television and other Community Systems services will occur from time to time, neither the Declarant nor any Declarant-Related Entity, successors, or assigns shall in any manner be liable for, and no Community System user shall be entitled to refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems services, regardless of whether such interruption is caused by reasons within the service provider's control.

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

4.20 Opportunities for Community Interaction. The Association may make use of computers, the internet, and expanding technology to facilitate interaction and encourage participation in Association activities. For example, the Association may sponsor a Watersound Camp Creek cable television channel, create and maintain a community intranet or internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and Occupants to interact and participate in Association-sponsored activities. To the extent Florida law permits, and unless otherwise specifically prohibited in the Governing Documents, the Association may send notices electronically, hold interactive web conferencing Board or Association meetings permitting attendance and voting by electronic means, and electronically send and collect assessments and other invoices.

4.21 Community Education and Training. In recognition of the fact that Owners and other residents who are well-informed regarding their community's structure and governance and their rights and responsibilities in the community, have greater capacity to participate in civic life and in the affairs of the community, the Board may establish education, training, and orientation programs relating to community governance, including "continuing" education programs, for everyone in the Properties. The Board may utilize any appropriate method to achieve these education goals, including a community intranet, learning centers, computer centers, business centers, and coordinated activities with any Association committees and Board members.

4.22 Education as an Amenity. The Association may provide or provide for continuing education and learning opportunities. The range of continuing education opportunities offered in Watersound Camp Creek may be determined by interest, participation, and satisfaction, as well as the budget. In the event the Association elects to provide or provide for such opportunities, the Association may make every effort to provide or provide for a variety of continuing education opportunities that reflect the diverse interests of the Watersound Camp Creek community, *i.e.*, finance, art, music, exercise, community wellness, gardening, environmental preservation, sports, and recreation.

4.23 Municipal Services. The Association may, but is not obligated to, contribute funds to Walton County, Florida or other applicable governmental authorities, for the purpose of increasing such entity's capacity to provide municipal services, including, without limitation, enhanced infrastructure Improvements (i.e., curbing, alternative paving surfaces, road and street improvements, traffic control devices, street and directional signage, etc.), and police and fire protection services, within Watersound Camp Creek. The Association may also enter into agreements with Walton County, Florida or other applicable governmental authorities for the purpose of maintaining or contributing to the costs of maintaining any roads, related drainage easements, and sidewalks within Watersound Camp Creek.

4.24 Governmental Permits. To the extent permitted by law, Declarant shall have the right in its discretion to assign, delegate, and/or otherwise transfer to the Association any of its continuing obligations and/or responsibilities under governmental permits and approvals with respect to the Properties, including, without limitation, its continuing obligations under any permit. The Association shall accept and assume such obligations and responsibilities without condition or consideration. Such assignment, delegation, or transfer and assumption shall be effective without the consent of, or any further action by the Association,

but upon Declarant's request, the Association shall promptly execute any documents which Declarant requests to evidence the assignment, delegation, or transfer and assumption of such obligations and/or responsibilities. The Association shall comply in all respects with the terms of, and shall not undertake any activity inconsistent with, such permits and approvals. The Association shall indemnify, defend and hold Declarant harmless from and against any claims or losses arising out of the violation or failure to comply with any permit(s), or out of the operation, maintenance or use of any improvement or facility authorized by the permit(s), provided such claim or loss first occurs after the effective date of the assignment, delegation, transfer (or tender of the assignment, delegation, or transfer, if wrongfully refused by an Association).

ARTICLE 5
MAINTENANCE

5.1 Association's Responsibility.

(a) The Association shall maintain and keep in good repair the Area of Common Responsibility, which may include, but need not be limited to:

(i) all Common Areas;

(ii) all buffers, landscaping and other flora, parks, structures, and Improvements, including any fences, Private Streets, alleys, bike and pedestrian pathways/trails, and sidewalks situated upon the Common Area;

(iii) any buffers, landscaping and other flora, parks, bike and pedestrian pathways/trails, structures and Improvements within public rights-of-way within or abutting the Properties or upon such other public land adjacent to or within the Properties as deemed necessary in the discretion of the Board;

(iv) all lakes, ponds, streams and/or wetlands located within the Common Areas which serve as part of the drainage and storm water retention system for the Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith;

(v) any property and facilities owned by the Declarant or any Declarant-Related Entity and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as the Declarant revokes such privilege of use and enjoyment by written notice to the Association;

(vi) all storm water management facilities and retention basins serving the Properties (if not maintained by a governmental authority or located on or within a Lot);

(vii) all planter strips and landscaping within any public or private rights-of-way or medians of the roadways within or adjacent to the Properties to the extent that the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard;

(viii) all entry signs and features, including any fences or gates, serving the Properties constructed by or on behalf of the Declarant;

(ix) all signage within or adjacent to public rights-of-way within or adjacent to the Properties which the Board, in its sole and absolute discretion, deems appropriate; and

(x) such additional portions of any property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, any Development Order or any contract or agreement for maintenance thereof entered into by the Association.

The Association may, as a Common Expense, maintain other property and Improvements which it does not own, including, without limitation, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(b) The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole and absolute discretion of the Board, to perform required maintenance or repairs, unless Members representing sixty-seven percent (67%) of the Class "A" votes in the Association and during the Development Period, the Declarant agree in writing to discontinue such operation.

(c) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (i) such maintenance responsibility is otherwise assumed by or assigned to an Owner; (ii) such maintenance responsibility is otherwise assumed by an owner or operator of a Private Amenity pursuant to a Cost Sharing Agreement entered into by the Association; or (iii) such property is dedicated to any local, state, or federal governmental or quasi-governmental entity; provided however, that in connection with any such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means during the Development Period except with the prior written consent of the Declarant.

(d) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Lots as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the Owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, any Cost Sharing Agreement, the Governing Documents, any recorded covenants, or any agreements with the Owner(s) thereof. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Specific Assessment against the particular Lots to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

(e) In the event that the Association fails to properly perform its maintenance responsibilities hereunder and to comply with the Community-Wide Standard, the Declarant may, upon not less than ten (10) Days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

5.2 Owner's Responsibility. Each Owner shall maintain its Lot and those additional areas located in rights-of-way to the back of the curb immediately adjacent to the Owner's Lot and all

Improvements located thereon, including without limitation, all structures, irrigation systems, landscaping, and other Improvements in a manner consistent with the Community-Wide Standard and all Governing Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a governmental agency pursuant to this Declaration, any Supplemental Declaration or other covenants applicable to such Lot, including, but not limited to, the Design Guidelines and a Development Order. Such maintenance includes, but is not limited to the following, unless otherwise provided in the Design Guidelines:

(a) Lawn mowing on a regular basis such that the grass level on developed land is not higher than 4";

(b) Removal of all litter, trash, refuse and waste at least once a week and keeping lawn areas in a neat condition;

(c) Tree and shrub pruning;

(d) Keeping exterior lighting in working order;

(e) Keeping plant materials within lawn and garden areas alive;

(f) Promptly removing and replacing any dead plant material;

(g) Keeping parking areas and driveways in good repair; and

(h) Repair of exterior damage to Improvements and keeping exterior Improvements in good repair.

Every Owner shall also be responsible for the security and safety of its Lot notwithstanding any security systems or measures which may be provided by the Association.

In addition to any other enforcement rights, if an Owner fails to properly perform its maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner in accordance with Section 8.5. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation. Entry by the Association or its designee under this Section shall not constitute a trespass. This Section 5.2 shall not apply to the Declarant or any Declarant-Related Entity.

5.3 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard, all Development Orders and all Governing Documents. Neither the Association nor any Owner shall be liable for any damage or injury occurring on, or arising out of the condition of, property which such Person does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

5.4 Party Walls and Similar Structures.

(a) General Rules of Law to Apply. Each wall, fence, sidewalk, driveway or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this

Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

5.5 Cost Sharing Agreements. Within or in the vicinity of Watersound Camp Creek, there may be certain residential, nonresidential or recreational areas, including without limitation single family residential developments, retail, commercial, or business areas, and Private Amenities, which are not subject to this Declaration and which are neither Lots nor Common Area as defined in this Declaration (hereinafter "adjacent properties"). The owners and operators of such adjacent properties shall not be Members of the Association, shall not be entitled to vote, and shall not be subject to assessment under Article 8 of this Declaration.

The Association may enter into one (1) or more Cost Sharing Agreements with the owners or operators of portions of the adjacent properties:

(a) to obligate the owners or operators of such adjacent properties to perform and/or to share in certain costs associated with, the maintenance, repair, replacement and insuring of portions of the Area of Common Responsibility, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the Owners within the Properties;

(b) to permit use of any facilities located on the Common Areas by the owners or operators of such adjacent properties;

(c) to permit use of any recreational and other facilities located on such adjacent properties by the Owners of all Lots;

(d) to obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of such adjacent properties, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the Owners within the Properties; and/or

(e) to establish rules and regulations regarding the use of areas that benefit jointly the owners or operators of such adjacent properties and the Owners within the Properties.

The owners or operators of such adjacent properties shall be subject to assessment by the Association only in accordance with the provisions of such Cost Sharing Agreement(s). If the Association is obligated to share costs incurred by the owners of such adjacent properties, such payments by the Association shall be deemed to constitute Common Expenses of the Association unless the Cost Sharing

Agreement provides otherwise. The owners or operators of the adjacent properties shall not be subject to the restrictions contained in this Declaration except as otherwise specifically provided herein.

ARTICLE 6
INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

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

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable Improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured Improvement.

(ii) Commercial general liability insurance on all public ways located within the Properties and all Areas of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least two million dollars ($2,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits.

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

(iv) Directors and officers liability coverage.

(v) Fidelity insurance meeting the requirements of Florida Statute §720.3033(5), as amended from time to time.

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable.

In the event that any portion of the Common Area is or shall become located in an area identified by the Federal Emergency Management Agency ("FEMA") or its successor entity as an area having special flood hazards, a "blanket" policy of flood insurance on the Common Area must be maintained in the amount of one hundred percent (100%) of current replacement cost of any affected Improvements and other insurable property or the maximum limit of coverage available, whichever is less.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the General Assessment. In the event of an insured loss, the deductible shall be treated as a Common Expense and assessed in the same manner as the premiums for the applicable insurance

coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one (1) or more Owners or Occupants, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Lots pursuant to Section 8.5. Pursuant to Section 720.303(4)(h) of the Act, the Association shall keep and maintain copies of all of the Association's insurance policies for at least seven (7) years.

The Association shall have no insurance responsibility for any portion of the Private Amenities.

(b) Policy Requirements. The Association shall arrange for periodic reviews of the sufficiency of insurance coverage by one (1) or more qualified Persons, at least one (1) of whom must be familiar with insurable replacement costs in the Walton County, Florida, area.

All Association policies shall provide for a certificate of insurance to be furnished to the Association and to each Member upon written request. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1(a).

In addition, the Board shall use reasonable efforts to secure insurance policies that list the Owners as additional insureds and are written:

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

(ii) in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members, and their Mortgagees, as their interests may appear;

(iii) to not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees;

(iv) to contain an inflation guard endorsement;

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

(vi) to include an endorsement requiring at least thirty (30) Days prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

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

(i) a waiver of subrogation as to any claims against the Association's Board, agents, officers, employees, and manager(s), and the Owners and Occupants;

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

(iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any

curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

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

(v) a cross liability provision; and

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

(d) Damage and Destruction. In the event of any insured loss covered by insurance held by the Association, only the Board or its duly authorized agent may file and adjust insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or Improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and during the Development Period the Declarant, decide within sixty (60) Days after the loss either (i) not to repair or reconstruct; or (ii) construct alternative Improvements.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty (60) Day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional Days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative Improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

6.2 Owners' Insurance. By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association to carry liability and property insurance for the full replacement cost of all insurable Improvements on its Lot, less a reasonable deductible. Each Owner further covenants and agrees that in the event of damage to or destruction of the Improvements, structures or landscaping on or comprising its Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged Improvement, structure or landscaping in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 9. Alternatively, the Owner

shall clear the Lot of all debris and ruins and maintain the Lot in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

6.3 Limitation of Liability. Notwithstanding the duty of the Association to maintain and repair portions of the Common Area, neither the Association, its Board of Directors, its successors or assigns, nor any officer or director or committee member, employee, agent, contractor (including the management company, if any) of any of them shall be liable to any Owner or Occupant for any injury or damage sustained in the Area of Common Responsibility, the Common Area or other area maintained by the Association, or for any injury or damage caused by the negligence or misconduct of any Owner, or Occupant whether such loss occurs in the Common Area or in individual Lots.

Each Owner, by virtue of the acceptance of title to its Lot, and each other Person having an interest in or right to use any portion of the Properties, by virtue of accepting such interest or right to use, shall be bound by this Section and shall be deemed to have automatically waived any and all rights, claims, demands, and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed under this Section.

ARTICLE 7
ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1 Annexation by the Declarant. Until all property described on Exhibit "B" has been subjected to this Declaration or forty (40) years from the recording of the Original Declaration in the Public Records, whichever is earlier, the Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the Additional Property. Notwithstanding the foregoing, if at the expiration of such forty (40) year period, over ten percent (10%) of the Additional Property remains to be subjected to this Declaration, the Declarant shall have the unilateral right to amend the Declaration to extend the 40-year period for an additional period of twenty (20) years. The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property being annexed. Such Supplemental Declaration shall not require the consent of any Members or Owners, but shall require the consent of the owner of the property to be annexed, if other than the Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Declarant intends to develop the Properties in accordance with the Master Plan, but reserves the right to modify the Master Plan and any plat or any portion of the Properties from time to time in its discretion and at its option. Declarant shall not be required to follow any predetermined order of improvement and development within the Master Plan or Properties, and it may annex Additional Property and develop it before completing the development of the Properties. Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the Additional Property in any manner whatsoever.

7.2 Annexation by Membership. The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members representing a Majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and during the Development Period, the written consent of the Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

7.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration during the Development Period for the purpose of removing any portion of the Properties from the coverage of this Declaration. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Board shall execute a written consent to such withdrawal, with such consent by the Association deemed to be given upon the filing of a Supplemental Declaration in the Public Records.

7.4 Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the Properties to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association. Such additional covenants and easements shall be set forth in a Supplemental Declaration, filed either concurrently with or after the annexation of the subject property, and shall require the written consent of the owner(s) of the property affected by such additional covenants and easements, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property for such purposes as deemed appropriate in the Declarant's sole and absolute discretion, including but not limited to modifications to reflect the different character and intended use of such property as well as modifications to the types, allocations or amounts of the various assessments.

7.5 Amendment. This Article 7 shall not be amended during the Development Period without the prior written consent of the Declarant.

ARTICLE 8
ASSESSMENTS

8.1 Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be three (3) types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Lots; (b) Special Assessments as described in Section 8.4; and (c) Specific Assessments as described in Section 8.5. Each Owner, by accepting a Deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments and other charges, together with interest, late charges in such amount as the Board may establish by resolution, costs of collection, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Lot against which the assessment or charge is made until paid, as more particularly provided in Section 8.6. Each such assessment or charge, together with interest, late charges, costs, and reasonable attorneys' fees, also shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

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

as a Specific Assessment, any costs or expenses incurred by the Association in responding to the request for the certificate or estoppel.

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first Day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on such Owner's Lot, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. Any assessment or installment thereof shall be considered delinquent on the fifteenth (15th) Day following the due date unless otherwise specified by Board resolution.

No Owner may exempt itself from liability for assessments by non-use of Common Area, including Exclusive Common Area reserved for such Owner's use, abandonment of its Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or Improvements, or from any other action taken by the Association or Board. The Association is specifically authorized to fully or partially exempt certain Lots from liability for and payment of assessments based on the Owner of and/or use of such Lots or portions thereof as the Board may from time to time determine in its sole and absolute discretion; provided, however, that such exemption shall be granted only to property that is owned by a charitable corporation, nonprofit corporation, quasi-governmental authority or public agency.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant, Declarant-Related Entity, or other entities for payment of Common Expenses; provided, however, that the fair market value of the "in kind" contribution of services, materials, or a combination of services and materials provided is of equal or greater value than the share of Common Expenses deemed satisfied by such contribution.

8.2 Computation of General Assessment. At least thirty (30) Days before the beginning of each fiscal year, and in accordance with the requirements of the Act, the Board shall prepare and adopt a budget for the estimated Common Expenses of the Association during the coming year. The budget may also include a contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.3.

Each Lot shall pay an equal amount of the General Assessment. The aggregate amount of the assessments shall be set at a level which is reasonably expected to produce income for the Association equal to the total budgeted Common Expenses, including any reserves. In determining assessments, the Board may consider other sources of funds available to the Association, including any surplus from prior years, any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year, and any income expected to be generated from any Cost Sharing Agreement.

During the Development Period, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy and/or any contributions of services and materials. Any anticipated payment or contribution by the Declarant shall be disclosed as a line item in the Common Expense budget. Payments by the Declarant in any year shall under no circumstances obligate the

Declarant to continue such payments in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner in accordance with the requirements of the Act, as amended from time to time.

If the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. Any revised budget prepared and adopted by the Board shall become effective unless disapproved in accordance with the requirements of the Act, as amended from time to time.

8.3 Reserve Budget. The Board may, but is not obligated to, annually prepare reserve budgets for general purposes which take into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the general budgets reserve amounts sufficient to meet the projected needs of the Association. So long as the Board exercises business judgment, which may include relying in good faith on the advice of its accountants or other professional advisers in determining the amount or necessity of the reserve fund, the amount shall be considered adequate.

8.4 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against all lots, if such Special Assessment is for Common Expenses.

Special Assessments shall be allocated equally among all Lots subject to such Special Assessment. Any Special Assessment shall be adopted by the Board.

Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.5 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Lot or Lots as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot(s) or Occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and Occupants (which might include, without limitation, landscape maintenance, garbage collection, pest control service, cable, digital, satellite, and similar services, internet, intranet, data and other computer-related services, street cleaning, recycling collection, bike-sharing and car-sharing services, security, caretaker, fire protection, utilities, and similar services and facilities), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner;

(b) to cover the costs associated with maintenance, repair, replacement and insurance of any Exclusive Common Area assigned to one (1) or more Lots;

(c) to cover all costs incurred in bringing the Lot(s) into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or Occupants of the Lot; and

(d) to cover any costs or expenses incurred by the Association in responding to requests for assessment certificates and estoppels pursuant to Section 8.1.

In addition, fines levied by the Association pursuant to Section 4.3 and capitalization fees levied pursuant to Section 8.10 shall constitute Specific Assessments.

8.6 Lien for Assessments. The Association shall have a lien against each Lot to secure payment of assessments and other charges, as well as interest at a rate to be set by the Board (subject to the maximum interest limitation of Florida law), late charges in such amount as the Board may establish (subject to the limitations of Florida law), costs of collection and attorneys' fees. Such lien shall be superior to all other liens except as otherwise set forth herein and unless otherwise provided by Florida law as amended from time to time. Such lien may be enforced by suit, judgment, and judicial or non-judicial foreclosure.

Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the Association's failure to execute and record any such document shall not affect the validity, enforceability, or priority of the lien.

The Declarant, a Declarant-Related Entity or the Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment allocated to the Lot owned by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. The sale or transfer of any Lot pursuant to foreclosure or deed in lieu of foreclosure (hereinafter "Foreclosure") by a first mortgagee shall extinguish the lien only to the extent required by the Act, as amended from time to time.

The grantee of the Lot under a Foreclosure (the "Foreclosure Grantee") shall be personally liable for assessments on such Lot due prior to such Foreclosure except as otherwise provided by the Act, as amended from time to time. Any unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8.8, including such Foreclosure Grantee, its successors and assigns. Foreclosure Grantee's obligations hereunder are without prejudice to any right the Foreclosure Grantee may have to recover from the previous owner the amounts paid hereunder by Foreclosure Grantee. The person or entity acquiring title, including Foreclosure Grantee, shall pay the amount owed to the Association within thirty (30) Days after transfer of title. Failure to pay the full amount owed when due shall entitle the Association to record a claim of lien against the Lot and proceed in the same manner as provided in this section for the collection of unpaid assessments.

All other Persons acquiring liens or encumbrances on any Lot after this Declaration has been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

8.7 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Lot on date which the Lot is conveyed to a Person other than the Declarant or a Declarant-Related Entity. The first annual General Assessment levied on each Lot shall be adjusted

according to the number of Days remaining in the fiscal year at the time assessments commence on the Lot, and shall be due and payable on the date of conveyance.

8.8 Failure to Assess. Failure of the Board to establish assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.9 Exempt Property. The following property shall be exempt from payment of General Assessments and Special Assessments:

(a) All Common Area and such portions of the property owned by the Declarant or a Declarant-Related Entity as are included in the Area of Common Responsibility pursuant to Section 5.1;

(b) All Private Amenities;

(c) Any property that is owned by a charitable nonprofit corporation or public agency whose primary purposes include the acquisition and preservation of open space for public benefit and held by such agency or organization for recreational and open space purposes;

(d) Any property dedicated or otherwise conveyed to and accepted by any governmental authority or public utility, including, but not limited to any, including any fire, police and Utility facilities, parks and streets, unless otherwise specified by Declarant in a Supplemental Declaration applicable to such property.

8.10 Capitalization of Association. The Association may, but shall not be obligated to, levy against each Lot, upon acquisition of record title by the first Owner thereof other than the Declarant or any Declarant-Related Entity and each subsequent transfer thereafter, a contribution to the working capital of the Association in an amount totaling not more than one-quarter (25%) of the annual General Assessment for such Lot for that year. This amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessment. This amount shall be collected and disbursed to the Association at closing of the purchase and sale of the Lot for use in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents. Notwithstanding the above, no capitalization fee shall be levied upon transfer of title to a Lot:

(a) to the Declarant, any Declarant-Related Entity;

(b) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;

(c) to an entity wholly owned by the grantor or to a family trust created by the grantor for the benefit of grantor, his or her spouse, and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the capitalization fee shall become due;

(d) to an institutional lender pursuant to a Mortgage or upon foreclosure of a Mortgage; or

(e) under circumstances which the Board, in its discretion, deems to warrant classification as an exempt transfer (e.g., a transfer made solely for estate planning purposes may be, but is not required to be, deemed exempt from payment of the fee).

8.11 Contributions by the Declarant. For so long as Declarant has the right to appoint the members of the Board pursuant to Section 3.2, the Declarant shall be excused from payment of assessments for Lots that it owns and shall not be obligated to fund reserves; provided, however, Declarant shall be obligated to pay any operating expenses incurred that exceed the assessments receivable from other members and other income of the Association. Notwithstanding the above, it is not the intention of the Declarant to forfeit refundable reserves or deposits paid by the Declarant, nor to pay for deficits created by the nonpayment of assessments by other Owners.

8.12 Transfer Fee. The St. Joe Community Foundation, Inc. ("Foundation") has been established as a tax-exempt entity under Section 501(c) of the Internal Revenue Code to provide funding for various programs, projects, services, and activities which, in the judgment of its board, provide benefit to the people of the Northwest Florida region and/or the areas within and around the Watersound Camp Creek community. (The term "Foundation" shall include any successor or assign which meets the qualifications for tax-exempt status required under Section 501(c) of the Internal Revenue Code, as it may be amended.) Upon each initial transfer of title to a Lot by the Declarant, the Declarant shall pay to the Foundation a transfer fee equal to one-half percent (0.50%) of the gross selling price of the Lot. Upon each subsequent transfer of title to a Lot, the purchaser shall pay to the Foundation a transfer fee equal to (0.50%) of the gross selling price of the Lot. Such transfer fee shall be due and payable at the closing of each transfer of title to a Lot.

Notwithstanding the above, any transfer of a Lot to the Declarant, or any entity controlled by or under common control with the Declarant, shall be exempt from the payment of the transfer fee and the Foundation, in its discretion, may exempt certain other transfers from the payment of the transfer fee. For example, without limitation, a transfer made solely for legitimate estate planning purposes, but which does not change the beneficial ownership of the Lot, may be deemed exempt. The classification of any transfer as exempt shall not be deemed a waiver of the Foundation's right to collect the transfer fee on future title transfers under similar circumstances. The Association shall cooperate with the Foundation in the collection of the transfer fee by, among other things, notifying the Foundation, or its designee, of any pending transfer.

The obligation to pay such transfer fee shall be the obligor's personal obligation. In addition, the Foundation shall have a lien against each Lot to secure payment of such transfer fee, as well as interest (in the amount of 12% per annum) and any costs of collection (including attorneys' fees). Such lien shall be superior to all other liens except: (a) the Association liens under Article 8; (b) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; and (c) the lien or charge of any recorded first Mortgage made in good faith and for value. The Foundation may enforce its lien and the obligor's personal obligation to pay by suit, judgment, and judicial or non-judicial foreclosure in the same manner as the Association under this Declaration; provided, the Foundation's lien rights as to a particular transfer shall expire if action to enforce the lien is not commenced within five years following the date of the closing of the transfer of such Lot.

This Section may not be amended without the Foundation's written consent, and any amendment without such consent shall be void and of no force and effect.

ARTICLE 9
ARCHITECTURAL STANDARDS

9.1 General. No Improvements shall be placed, erected, installed, constructed, or altered upon any Lot except in compliance with this Article, and approval of the DRB under Section 9.3.

All Improvements constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a person licensed in the State of Florida to practice architecture, engineering, or landscape architecture, or other work consistent with the intended construction in accordance with applicable laws, rules and regulations, unless otherwise acceptable to the DRB, in its sole and absolute discretion. All plans and specifications shall be subject to review as provided herein.

This Article shall not apply to the activities of the Declarant or any Declarant-Related Entity, nor to Improvements to the Common Area by or on behalf of the Association. This Article may not be amended during the Development Period without the Declarant's written consent.

9.2 Design Review Board. Each Owner, by accepting a Deed or other instrument conveying any portion of the Properties acknowledges that, as the developer of the Properties, the Declarant has a substantial interest in ensuring that all structures and Improvements within the Properties enhance Declarant's reputation as a community developer and do not impair the Declarant's ability to market, sell or lease any portion of Watersound Camp Creek. Therefore, the Declarant may, on its behalf, establish a DRB to be responsible for administration of the Design Guidelines, and review of all applications for construction, modifications, renovations and additions under this Article shall be handled by the DRB.

The DRB shall consist of at least one, but not more than five, persons and shall have exclusive jurisdiction over all original construction, modifications, renovations or additions on any portion of the Properties. The members of the DRB need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the DRB. The Declarant retains the right to appoint all members of the DRB who shall serve at the Declarant's discretion until the termination of the Development Period. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by the Declarant. Upon expiration or surrender of such rights, the Board shall appoint the members of the DRB, who shall thereafter serve and may be removed in the Board's discretion.

9.3 Guidelines and Procedures.

(a) Design Guidelines. The Declarant may prepare and amend from time to time design and construction guidelines and application and review procedures for the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary according to housing types and from one portion of the Properties to another depending upon the location, unique characteristics, and intended uses. By way of illustration but not limitation, the Design Guidelines may impose stricter requirements on those portions of the Properties adjacent to or visible from any Private Amenity or any lake, pond, stream or other body of water. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern to the committees in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the committees and compliance with the Design Guidelines does not guarantee approval of any application.

The DRB shall adopt such Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of Improvements and structures

previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the DRB is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The DRB shall make the Design Guidelines available to Owners who seek to engage in development or construction within the Properties.

(b) Procedures. No activities within the scope of Section 9.1 shall commence on any portion of the Properties until an application for approval of the proposed work has been submitted to and approved by the DRB. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and Improvements shall be submitted to the DRB for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, grading, landscaping and other features of proposed construction shall be submitted as applicable and as required by the Design Guidelines. Either committee may require the submission of application forms and information as it deems necessary to consider any application and may require multiple stages of application and review for any construction or modification.

In the event that the DRB fails to approve or to disapprove in writing any stage of application within thirty (30) Days after submission of all information and materials reasonably requested, the application shall be deemed denied unless an extension of such time period is agreed to by the DRB and the applicant.

The DRB may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. In addition, the DRB may require the posting of deposits or bonds while construction is pending on any Lot, to ensure completion of all work in compliance with plans approved by the DRB, in conformance with all Design Guidelines, and without damage to the Properties.

Notwithstanding the above, the DRB by resolution may exempt certain activities from the application and approval requirements of this Article, provided that such activities are undertaken in strict compliance with the requirements of such resolution. However, no approval whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the DRB pursuant to Section 9.6.

In addition, no prior approval is necessary to repaint the exterior of existing structures using the most recently approved color scheme or to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures. Generally, no approval is required for work done to the interior of a structure; however, modifications to the interior of screened porches, patios, and any other portions of a structure visible from outside of the structure do require prior approval.

(c) Copyright. Each application to the DRB shall be deemed to contain a representation and warranty by the Owner that use of plans submitted does not violate any copyright associated with the plans. Neither the submission of the plans to the DRB, nor the distribution and review of the plans by the DRB shall be construed as publication in violation of the designer's copyright, if any. Each Owner submitting plans to the DRB shall hold the members of the DRB, the Association and the Declarant harmless and shall indemnify said parties against any and all damages, liabilities, and expenses incurred in connection with the review process of this Declaration.

(d) Delinquent Assessments and Other Charges. Notwithstanding the provisions of subsection (b) above, any application for the approval of plans and specifications as set forth in this Article shall be deemed to be disapproved unless and until any and all delinquent assessments and other charges permitted by the Declaration have been paid current by the Owner submitting such plans and specifications for approval.

(e) Governmental Approvals. Approval under this Article shall be obtained prior to requesting any building or other permit or submitting any documentation to any governmental authority whose review or approval may be required for the proposed work. The Declarant and the Association shall have the right and standing to take action to suspend or enjoin processing of any request for review or approval by a governmental authority submitted prior to any necessary approval being granted hereunder. Approval under this Article is not a substitute for any approvals or reviews required by Walton County or any municipality or governmental agency or entity having jurisdiction over architectural or construction matters.

(f) Basis of Approval. In reviewing and acting upon any request for approval, the DRB shall be acting solely in the Declarant's interest and shall owe no duty to any other person during the Development Period. Thereafter, the DRB shall act solely in the Association's interest. The DRB may consider (but shall not be limited to consideration of) the quality of workmanship and design, harmony of external design with existing Improvements and structures, and location in relation to surrounding Improvements, structures, topography, setbacks and finish grade elevation, among other things. Decisions of the DRB may be based solely on aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as committee members change over time. The DRB shall have the sole and absolute discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and whether proposed improvements are consistent with Design Guidelines.

Review of the plans shall be based on general adequacy of site dimensions, conformity and harmony of the exterior design, location with neighboring Improvements, structures and sites, relation of finished grades and elevations to neighboring sites, and conformity to both the specific and general restrictions and covenants set forth herein, and in the Design Guidelines. The DRB shall have the right to disapprove any submitted plans of any Lot if such plans are not in conformity with the provisions of this Declaration or the Design Guidelines, or if the DRB, acting pursuant to Article 9 hereof in its discretion determines that such plans are not in the best interest of the contemplated development of the Properties as a master planned residential development as described by this Declaration.

Approval by the DRB of any plans and specifications or the granting of a variance with respect to this Declaration, the Design Guidelines or any rules and regulations of the Association, shall not in any way be construed to set a precedent for approval, alter in any way this Declaration, the Design Guidelines or any rules and regulations of the Association or be deemed a waiver of the DRB's right, in its discretion, to disapprove similar plans and specifications, use of any Improvement, or any of the features or elements which are subsequently submitted for use in connection with any other Lot.

(g) Construction Periods. As part of any approval, all work shall be commenced and completed within such period as provided in the Design Guidelines or as the DRB may specify in the notice of approval, unless commencement or completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole and absolute discretion of the DRB. In the event construction of the work called for by the approved plans has not substantially commenced within such period then approval shall be deemed expired and no construction shall thereafter commence unless a written renewal is granted by the DRB. Once construction is commenced, construction shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or unless the DRB, in its discretion, grants an extension in writing. Completion of construction shall be evidenced by

issuance by the applicable government agency of a certificate of occupancy or written approval of final inspection for the single family residence on the Lot, and installation of all landscaping and related site improvements to the Declarant's or Declarant's designee's satisfaction.

(h) Easements and Common Area Dedications. As a prerequisite of approval of plans, the DRB shall have the power to require an Owner who has submitted plans to grant any reasonable Utility and drainage easements as may be required for the enjoyment and benefit of the Owners or the Association. Where possible, the DRB shall attempt to locate any such required easements along the perimeter of the Lot, within existing or proposed rights-of-way, within other existing or proposed easements, or in such a manner as to not materially impair the proposed use of the Lot.

(i) Stop Work Orders. During special events (including but not limited to, educational, cultural, entertainment, promotional, charitable, sporting and other similar events) that are held, hosted or otherwise conducted within Watersound Camp Creek or a Private Amenity, national, state, and religious holidays, and other days as may be designated by Declarant, the DRB may, and upon request of the Declarant shall, issue "stop work" orders. "Stop work" orders may prohibit the commencement of or suspend the work on any architectural change, construction, addition, alteration, change, maintenance, repair, reconstruction or other work that is visible or audible from outside a Lot or that may cause an increase in traffic flow, from being performed by an Owner or Occupant within the Properties. Any stop work order shall be set forth in writing, shall identify the Lots subject to the stop work order (if not applicable to all of the Properties), shall set forth the scope of the prohibited and suspended activities and shall specify the start and stop dates for such stop work order, which period of time shall not exceed seven (7) consecutive Days unless unique circumstances dictate otherwise in the DRB's sole discretion.

(j) Architect, Builder and General Contractor Approval. In order to ensure that appropriate standards of construction are maintained throughout the Properties, the DRB may require that all architects, builders and general contractors be approved by the DRB prior to engaging in any construction activities within the Properties. The DRB may implement an approval process utilizing established criteria and requiring the submission of a written application for approval. Approval of any plans may be withheld until such time as the Owner's architect, builder or contractor has been approved by the DRB. Approval of an architect, builder or general contractor may be conditioned upon an agreement with the DRB to maintain certain insurance coverages required by the DRB, pay construction deposits to ensure completion of a project without damage to the Properties, and pay fees determined by the DRB, from time to time. Both the criteria and the application form are subject to change in the sole and absolute discretion of the DRB. Approval of architects, builders and contractors may not be construed as a recommendation of a specific architect, builder or contractor by the DRB or the Declarant, nor a guarantee or endorsement of the work of such architect, builder or contractor. The criteria and requirements established by the DRB for approval of architects, builders and contractors are solely for the Declarant's protection and benefit and are not intended to provide the Owner with any form of guarantee with respect to any approved architect, builder, or contractor. Owner's selection of an architect, builder, or contractor shall be conclusive evidence that the Owner is independently satisfied with any and all concerns Owner may have about the qualifications of such architect, builder or contractor. Furthermore, Owner waives any and all claims and rights that Owner has or may have now or in the future, against the DRB or the Declarant with respect to the selection of or performance by such architect, builder or contractor arising from or connected with approval or disapproval of architects, builders or contractors.

(k) Displays. No provision of this Declaration or any rule of the Association shall abridge an Owner's right to display on his or her Lot one (1) United States flag and political, religious, or holiday symbols and decorations of the kinds normally displayed in single-family residential neighborhoods, nor regulate the content of political signs. However, the Association may adopt time, place,

and manner restrictions with respect to flags, signs, symbols, and displays visible from outside structures on the Lot, including reasonable limitations on size, number, and design of such displays.

(l) Final As-Built Plans. Upon completion of structural improvements approved pursuant to this Article, the Owner shall submit to the DRB, a final, "as-built" site plan, utility plan, and elevations.

9.4 No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9.5 Variance. The DRB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations, or advancements in technology or products warrant such deviation. Such variances may be granted, however, only when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the DRB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance. Additionally, the approval of any plans or the granting of any variances by the DRB shall not supersede any requirement for approval of such plans by the City and shall not serve as a representation or warranty by the DRB that such plans shall be approved by the City.

9.6 Limitation of Liability. The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties only and shall not create any duty to any Person. Neither the Declarant, the Association, the Board, or the DRB shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, any defects in plans revised or approved hereunder, or the adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all Improvements are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property Owners. Neither the Declarant, the Association, the Board, the DRB, any committee nor any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. Furthermore, neither the Declarant nor the DRB shall be held liable for the selection of or performance for any architect, builder or contractor arising from or connected with any approval or disapproval of such architect, builder or contractor pursuant to Section 9.3(j). In all matters, the Declarant, the Board, the DRB, and their members shall be defended and indemnified by the Association as provided in Section 4.5.

9.7 Enforcement. The Declarant, any member of the DRB, the Board, and the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Lot to inspect the same for the purpose of ascertaining whether any Improvement is in violation of this Article. Any Improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written notice from the DRB, the Board or the Declarant, Owners shall, at their own cost and expense, cure any violation or remove such structure or Improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to cure any violation or remove and restore the property as required, any authorized agent of the Declarant, the DRB, or the Board shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. Entry for such purposes and in compliance with this Section shall not constitute a trespass. In addition, the Board may enforce the decisions of the Declarant, and the DRB by

any means of enforcement described in Section 4.3. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Specific Assessment.

Unless otherwise specified in writing by the committee granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the By-Laws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment.

The DRB, the Association, the Declarant, and the members, officers or directors of the foregoing shall not be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the DRB from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, nor directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the DRB.

ARTICLE 10
USE RESTRICTIONS AND RULES

10.1 General. This Article sets forth certain use restrictions which must be complied with by all Owners and Occupants of any Lot. The Declarant has established the Properties as a residential community. Unless otherwise provided in a Supplemental Declaration, the Properties shall be used only for purposes consistent with the Development Orders and this Declaration and shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, sales offices for Declarant, one or more information centers and/or sales offices for any real estate broker retained by the Declarant to assist in the sale of property described on Exhibits "A" or "B," offices for any property manager retained by the Association, business offices for the Declarant or the Association and related parking facilities) consistent with this Declaration and any Supplemental Declaration.

10.2 Plan of Development; Applicability; Effect. The Declarant has established a general plan of development for the Properties as a master planned residential development in order to enhance all Owners' quality of life and collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the master planned residential development and to regulate and control the Area of Common Responsibility. The Properties are subject to the Master Plan, the Development Orders, the Design Guidelines, the land development, architectural, and design provisions described in Article 9, the other provisions of this Declaration governing individual conduct and uses of and actions upon the Properties, any applicable Supplemental Declaration, and the rules promulgated pursuant to this Declaration, all of which establish affirmative and negative covenants, easements, and restrictions on the Properties, and which are enforceable by the Association as set forth in this Declaration.

All provisions of the Governing Documents shall apply to all Owners, Occupants, employees, lessees, clients, customers, guests and invitees of any Lot. Any lease of any Lot shall provide that the lessee and all Occupants of the leased Lot shall be bound by the terms of the Governing Documents.

10.3 Rules and Regulations. In addition to the use restrictions set forth in this Article, the Board may, from time to time, without consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Properties. Such rules shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled, or modified in a regular or special meeting by Members holding at least a Majority of the total Class "A" votes. To the extent required by Section 720.303(2) of the Act, written notice of any meeting at which amendments to rules and regulations regarding the use of Lots will be considered must be provided to the Members and Owners and posted conspicuously within the Properties or broadcast on closed-circuit television not less than 14 Days prior to the meeting.

10.4 Occupants Bound. All provisions of the Governing Documents governing the conduct of Owners and establishing sanctions against the Owners shall also apply to all Occupants even though Occupants are not specifically mentioned.

10.5 Residential and Related Uses. Lots may be used only for residential purposes of a single family and for ancillary business or home office uses. A business or home office use shall be considered ancillary so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (b) the activity conforms to all zoning requirements for the Properties; (c) the activity does not involve regular visitation of the Lot by employees who do not reside in the Lot, clients, customers, suppliers, or other invitees or door-to-door solicitation of residents within Watersound Camp Creek; (d) the activity does not increase traffic or include frequent deliveries within Watersound Camp Creek; and, (e) the activity is consistent with the residential character of Watersound Camp Creek and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board; and (f) does not involve real estate brokerage or sales activities as the agent of an Owner other than the Declarant, unless the Declarant has specifically approved such activities in writing.

No real estate brokerage firms, real estate sales offices, or any other business directly or indirectly selling, leasing and/or managing real property or improvements shall be permitted within Watersound Camp Creek except with the Declarant's prior written approval which approval may be denied at the Declarant's sole discretion. No other business, trade, or similar activity shall be conducted upon a Lot without the prior written consent of the Board. Notwithstanding the foregoing, the holding of any "open houses" by the Declarant for purposes of marketing a dwelling during the Development Period shall not require the prior written approval of the Board. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

The leasing of a Lot for residential purposes shall not be considered a "business" or "trade" within the meaning of this Section. In addition, the leasing of a Lot by an institutional lender taking title following foreclosure of its security interest in the Lot or upon acceptance of a deed in lieu of foreclosure shall not be considered a "business" within the meaning of this subsection. This Section shall not apply to any activity conducted by the Declarant with respect to its development and sale of the Properties or its use of any Lots which it owns within the Properties, including the operation of a timeshare or similar program.

10.6 Leasing. Lots may be leased for only residential purposes in accordance with Section 10.5, except as otherwise may be permitted by the Declarant with respect to construction, marketing and sales activities of the Declarant.

Any dwelling that is leased shall be leased only in its entirety; separate rooms, floors, or other areas within a dwelling may not be separately leased. All leases shall be in writing and shall require, without limitation, that the tenant acknowledge receipt of a copy of the Governing Documents. The lease shall also obligate the tenant to comply with the foregoing. The Owner shall be responsible for making a copy of the Governing Documents available to the tenant prior to execution of the lease and shall monitor enforcement and compliance with the Governing Documents by the tenant and all Occupants of the leased Lot. The tenant shall comply with all provisions of the Governing Documents and shall control the conduct of all other Occupants and guests of the leased Lot in order to ensure compliance with the foregoing.

Prior to a tenant taking occupancy under a lease or rental agreement of any kind, the Owner shall notify the Board or the Association's managing agent of the lease and provide any additional information the Board may reasonably require.

The Board shall have the right to make and enforce reasonable rules and regulations, to require the inclusion of standard lease term provisions, to require Owners to use Board-approved lease forms, to impose a reasonable review or administrative fee in connection with the Board's review of a lease, and to fine, in accordance with the Governing Documents, in order to enforce the provisions of this Section. Any transaction which does not comply with this Section shall be voidable at the option of the Board. Notwithstanding the foregoing, no rule or regulation shall prohibit leasing or require approval prior to leasing.

In addition to the foregoing, no lease, rental, occupancy or other similar agreement affecting any Lot shall be for a term or duration that is less than twelve (12) full calendar months; provided, however, that such minimum lease term or duration shall not apply, (i) to any leases or licenses entered into by, or with written consent of the Declarant or a Declarant-Related Entity or, (ii) to any lease entered into as a result of an undue hardship, as set forth below. Except as provided below, any purported lease or rental agreement of a Lot entered into by an Owner or Occupant for a term that is less than twelve (12) full calendar months shall be null and void, and such Owner, Occupant, tenant, or any related third-party shall be jointly and severally liable for any fines resulting therefrom, and shall be subject to any rights, including, without limitation, summary eviction rights, or remedies granted to the Association under the Declaration or at law or in equity.

Notwithstanding the minimum lease term set forth above, in the event of an undue hardship, the Board of Directors shall be empowered to allow leasing of a Lot for less than twelve (12) full calendar months to avoid undue hardship. For example, the Board may, but shall not be required to, determine that an undue hardship exists (i) where an Owner must relocate their residence outside of the Walton County and Bay County area, and cannot, within six (6) months from the date that the Lot was placed on the market, sell the Lot for a price no greater than the current appraised market value, after having made reasonable efforts to do so; (ii) where the Owner dies and the Lot is being administered by Owner's estate; and (iii) where the Owner takes a leave of absence from their employment or temporarily relocates and intends to return to reside at the Lot.

Any Owner who believes they must lease their Lot for less than twelve (12) full calendar months to avoid undue hardship shall submit a written application to the Board setting forth the circumstances of the hardship created by the minimum lease term and such other information as the Board may reasonably require. Leasing for less than twelve (12) full calendar months in the case of undue hardship shall be permitted only upon the Board's written approval of the Owner's application. Those Owners who have complied with this Section have demonstrated that the inability to lease their Lot for less than twelve (12) full calendar months would result in undue hardship, as determined in the sole discretion of the Board, and have obtained the requisite written approval of the Board, may lease their Lot for such duration as the Board reasonably determines is necessary to prevent undue hardship. The Owner shall provide the Board with

the name and phone number of the lessee and the Owner's address other than at the Lot and other such information as the Board may reasonably require within ten (10) days after a lease has been signed by both parties. An undue hardship exception granted pursuant to this paragraph shall extend for such period as set forth in the notice of approval, and if no period is set forth in the notice of approval, the period shall extend for one (1) year. Upon expiration of the approval period, the Owner must reapply for renewal of the hardship exception prior to entering into a lease for less than twelve (12) full calendar months that commences after the expiration of such approval period.

The Owner shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Lot are fully liable and may be sanctioned for any violation of the Governing Documents. In the event that the tenant, or a person living with the tenant, violates the Governing Documents and a fine is imposed, notice of the violation shall be given to the Owner and the tenant, and such fine may be assessed against the tenant or the Owner in accordance with the Governing Documents. Unpaid fines shall constitute a lien against the Lot.

In addition, the Association shall have the right to enforce the covenants, conditions, and restrictions set forth in the Governing Document against the Owner, the tenant, and/or any Occupant of the Lot, individually or collectively. The Association shall not be bound by any provision in the lease or other agreement between Owner and such Owner's tenant, including, without limitation, those requiring prior notice or imposing other conditions on the rights of the Association. Any violation of the Governing Documents by the tenant, any Occupant, or any person(s) living with the tenant, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the tenant in accordance with Florida law. The Association shall be deemed a third party beneficiary of all leases of Lots, and the Owner of each Lot hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the tenant for breaches resulting from the violation of the Governing Documents, including the power and authority to evict the tenant as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the tenant, any costs, including attorneys' fees, court costs and other legal fees, associated with the eviction shall be an assessment and lien against the Lot. Notwithstanding the foregoing, the Association's failure to object to any term or condition of a lease or occupancy arrangement shall not be deemed to be consent or approval of any term or condition of the lease, nor shall the Association have any obligation whatsoever for the performance of any obligation of Owner or tenant contained in the lease or otherwise.

10.7 Timesharing. No Lot shall be used for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, unless such program is established by the Declarant or with the Declarant's prior written approval.

10.8 Garage Sales. A garage sale, moving sale, rummage sale, auction or similar activity may be conducted upon a Lot only with the prior written consent of the Board and in compliance with any rules adopted by the Board.

10.9 Parking and Vehicles.

(a) Parking of the following vehicles is restricted: commercial vehicles or equipment, construction vehicles or equipment, motor homes, recreational vehicles, boats and other water craft, trailers, stored vehicles or inoperable vehicles. The foregoing vehicles may be parked only in enclosed garages approved in accordance with Article 9 of the Declaration or other areas as may be designated by the Board. Construction vehicles and equipment shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary for construction within a Lot or the Common Area. In the sole

and absolute discretion of the Board, limitations may be placed on the parking areas, times for parking and points of entry for construction and commercial vehicles.

(b) Owners are prohibited from operating any non-street legal motorbikes, mini bikes, or all-terrain vehicles either on or off Private Streets within Watersound Camp Creek. Golf carts are permitted on the Private Streets within Watersound Camp Creek, subject to any rules, regulations and prohibitions regarding the time, place and manner of the use of such vehicles as may be established by the Board.

(c) Operation of motorized vehicles on bike paths and sidewalks maintained by the Association is prohibited unless specifically permitted in the discretion of the Declarant, Declarant's designee, or the Board. Any use of bike paths and sidewalks maintained by the Association for motorized vehicles shall be subject to local laws and ordinances, and any restrictions established by the Board in permitting such use.

(d) No portion of any Lot may be used as a trailer court, mobile home park, or recreational vehicle campground.

(e) Nothing herein contained shall interfere with any provision under the Americans with Disabilities Act or any similar state or local law, ordinance or regulation.

10.10 Private Streets. Any Private Streets within Watersound Camp Creek shall be subject to the provisions of this Declaration regarding use of Common Area. Additionally, Owners of Lots and other permitted users of the Private Streets shall be obligated to refrain from any actions which would deter from or interfere with the use and enjoyment of the Private Streets by other authorized users of the Private Streets. Prohibited activities shall include without limitation obstruction of any of the Private Streets. All Persons shall operate vehicles on Private Streets within Watersound Camp Creek in compliance with designated speed limits.

10.11 Alleys. Owners of Lots located adjacent to alleys and other permitted users of any alley shall be obligated to refrain from any actions which would deter from or interfere with the use and enjoyment of the alley by other authorized users of the alley. Prohibited activities shall include, without limitation, obstruction of any of the alleys. For the purposes of this Section, the term "alley" shall refer to a thoroughfare providing access to, through or within Lots which may be more particularly described on a recorded subdivision plat for such Lots.

10.12 Common Area, Plazas, Sidewalks, Bike and Pedestrian Pathways and Trails. Owners and Occupants shall refrain and shall ensure that their pets refrain from any actions which deter from the enjoyment by other Owners and Occupants of areas within the Properties designated as Common Area, sidewalks, bike ways, Private Streets, lanes and alleys. The Owners or Occupants of Lots shall be solely responsible for the actions of their employees, lessees, invitees, clients, customers, guests and pets. Prohibited activities shall include without limitation, activities which obstruct the Common Area or any other greenspace, maintenance of dogs or other pets under conditions which interfere with the use of the specified areas by other Owners, their tenants and invitees, playing of loud radios or musical instruments, holding of large gatherings without advance approval of the Board, loitering, erecting tents, stages or other temporary structures, installing vending machines, and soliciting. Such activities shall be permitted only for events approved in advance by the Board and otherwise permitted under this Declaration. The Board may promulgate other rules and restrictions for the use of these areas.

10.13 Animals and Pets.

(a) Unless otherwise permitted by the Declarant, raising, breeding or keeping of animals, livestock, or poultry of any kind is restricted within the Properties to the keeping of no more than two (2) domestic pets (i.e. dogs, cats, or other usual and common household pets) on a Lot. Under no circumstances shall any dog whose breed is noted for its viciousness or ill-temper, in particular, the "Pit Bull" (as hereinafter defined), Mastiff, Rottweiler, Presa Canario, or any crossbreeds of such breeds, be permitted. A "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one or more of such breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of such breeds. The Board, in its sole and absolute discretion, may make further restrictions regarding pets, including without limitation restrictions on the number, size, and types of pets permitted within Lots.

(b) Pets shall be kept on a leash or otherwise confined in a manner acceptable to the Board, and shall not be permitted to roam free, or, in the sole and absolute discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Owners of Lots and their tenants and invitees. Pets shall be registered, licensed and inoculated as required by law. The owners of the pet shall be responsible for all of the pet's actions. Pet waste shall be promptly removed and disposed of in proper receptacles. If, in the sole opinion of the Board, any animal becomes dangerous, makes an objectionable noise, or constitutes an inconvenience, annoyance or nuisance in the Properties or to nearby or adjacent properties or destructive of wildlife, they shall be removed from the Properties. By way of explanation and not limitation, this Section may be enforced by exercising self-help rights provided in Section 4.3 of the Declaration.

(c) Nothing herein contained shall interfere with any provision under the Americans with Disabilities Act or any similar state or local law, ordinance or regulation.

10.14 Obnoxious or Offensive Activity. No obnoxious or offensive activity shall be allowed on the Properties, nor shall any use or practice be allowed which is a source of annoyance, embarrassment or discomfort to Owners or their tenants or invitees, or which interferes with the peaceful possession and proper use and enjoyment of the Properties, nor shall any improper, unsightly, offensive or unlawful use be made of any Lot or of the Common Area, and all laws, Development Orders, and regulation of all governmental bodies having jurisdiction shall be observed; however the Board shall have no obligation to take action to enforce such laws, Development Orders, or regulations to prevent a violation. Restricted and prohibited activities include without limitation the following:

(a) The use, enjoyment and occupancy of the Properties shall be in such a manner so as not to cause or produce any of the following effects discernible outside the building located thereon, or affect the adjoining property or any portion by its volume, duration, pounding beat, frequency or shrillness; smoke, dust, or dirt; unusual fire or explosive hazards; or vibration or light; or odor.

(b) No accumulation of rubbish, trash, or garbage shall be made except between regular garbage pickups, and then only in approved containers and screened from view from streets and other Lots.

(c) No use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device shall be audible to Occupants of other Lots, except alarm devices used exclusively for fire and security alarm purposes.

(d) Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties are prohibited.

(e) Structures, equipment or other items on a Lot which have become rusty, dilapidated or otherwise fallen into disrepair are prohibited and shall be removed or repaired by the Owner of the Lot at the request of the Board. If an Owner fails to honor such request, the Board may remove the offending structure, and charge the costs of removal thereof to the Owner as a Specific Assessment.

(f) Pursuing hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Lot.

10.15 Public Protests. Picketing, protest marches, sit-in demonstrations, protest speeches, and other forms of public protest or conduct, including, without limitation, displaying signs or placards on a Lot or any vehicle, apparatus or otherwise within public view in the Properties, which tends to vilify, ridicule, denigrate, or impugn the character of Declarant, a Declarant-Related Entity, the Association, their respective officers, directors or employees, or any Owner or Occupant shall be prohibited. Each Owner, by acceptance of the deed to any Lot, shall be deemed to have accepted the foregoing prohibitions as reasonable limitations on such Owner's constitutional right of free speech.

10.16 Fuel Storage and Dispensing. On site storage and dispensing of gasoline, heating, or other fuels is prohibited, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank approved by the DRB, provided that operation and installation of such facilities shall be according to applicable laws, ordinances, and regulations, including without limitation all Development Orders.

10.17 Environmental Protection. Except as permitted by the DRB, any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Properties or adjoining buffer zones or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution are prohibited. Restricted and prohibited activities include without limitation the following:

(a) Capturing, trapping, or killing animals or wildlife, except that the Declarant, the Association, and its contractors, agents, and employees may engage in such activities as part of a continuing resource management plan for Watersound Camp Creek as set forth in Section 4.15.

(b) Dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any buffer zone, drainage or irrigation ditch, swale, stream, pond, wetlands, creek or lake, or elsewhere within the Properties or adjoining areas is prohibited, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff.

(c) Outside burning of trash, leaves, debris, or other materials, except that the Declarant, the Association and its contractors, agents and employees may engage in ecological burning as part of a continuing resource management plan. Notwithstanding the foregoing, the use of outdoor fireplaces, firepits, and similar items approved in accordance with Article 9 shall be permitted.

(d) Obstruction, rechanneling or any other interference with drainage flows after location and installation of drainage swales, storm sewers, or storm drains is prohibited, except that the Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent.

(e) Sprinkler or irrigation systems or wells of any type which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Properties are prohibited unless approved by the DRB, except that the Declarant and the Association shall

have the right to draw water from such sources. Neither the Declarant nor the Association make any representations as to the suitability of the water for any purpose.

(f) Living trees shall be removed from the Properties only in conformance with the Design Guidelines.

(g) All areas designated on a recorded plat as "wetlands" shall be generally left in a natural state, and any proposed alteration of the wetlands must be in accordance with any restrictions or covenants recorded against such property and be approved by all appropriate regulatory bodies. Prior to any alteration of a Lot, the Owner shall determine if any portion thereof meets the requirements for designation as a regulatory wetland. Notwithstanding anything contained in this Section, the Declarant, any Declarant-Related Entity, the Association, and the successors, assigns, affiliates and designees of each may conduct such activities as have been or may be permitted by the U.S. Army Corps of Engineers or any successor thereof responsible for the regulation of wetlands.

10.18 Construction Activities. No construction, erection, or placement of any structure, permanently or temporarily, on the outside portions of the Lot, whether such portion is improved or unimproved is permitted, except in strict compliance with the provisions of Article 9 of the Declaration. The following restrictions shall also apply:

(a) After commencement of construction of any Improvement in the Properties, the Owner shall diligently prosecute the work thereon, to the end that the Improvement shall not remain in a partly finished condition any longer than reasonably and normally necessary for completion thereof.

(b) The Owner of the Lot on which Improvement are being constructed shall at all times keep streets contiguous to the Lot free from excess dirt, mud, garbage, trash or other debris as may be occasioned by construction of the Improvement.

(c) Rocks and trees removed during construction of Improvement shall be disposed of on the Lots under construction in strict conformance with the Design Guidelines.

(d) Storage of construction materials and equipment shall strictly conform to the Design Guidelines. The foregoing materials and equipment shall not be permitted within the natural barriers established under the Design Guidelines prior to construction.

(e) No overhead utility lines, including, but not limited to, lines for cable, digital, satellite or similar television services shall be permitted within the Properties, except for temporary lines during construction as deemed appropriate by the Declarant and lines constructed or installed by or at the request of the Declarant.

Notwithstanding the foregoing, all Owners and Occupants are hereby placed on notice that the Declarant, any Declarant-Related Entity, and/or their agents, contractors, subcontractors, licensees, and other designees, shall conduct development and construction activities within Watersound Camp Creek and that such activities shall be conducted in phases and may cause disturbance and disruption that impact the use and enjoyment of a Lot.

By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest and by using any portion of a Lot or Watersound Camp Creek generally, the Owners and Occupants acknowledge, stipulate, and agree: (a) such activities shall not be deemed nuisances or noxious or offensive activities under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other Persons under their control or direction to enter upon (regardless of whether such entry is a trespass

or otherwise), any property within or in proximity to the Lot or any other portion of Watersound Camp Creek where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that the Declarant, any Declarant-Related Entity and all their agents, contractors, subcontractors, licensees, and other designees, successors, and assigns, shall not be liable but, rather, shall be held harmless for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (d) that any purchase or use of any portion of a Lot or any other portion of Watersound Camp Creek has been and will be made with full knowledge of the foregoing; and (d) this acknowledgment and agreement is a material inducement to the Declarant or Declarant-Related Entity to sell, convey, lease, and/or allow the use of Lots and other facilities within Watersound Camp Creek.

10.19 Signs. No signs, advertisements, billboards, solicitation or advertising structures of any kind shall be erected, modified or maintained on a Lot or within the Properties unless in conformance within the Design Guidelines and unless prior written approval of the DRB is obtained, except that Owners shall be permitted to erect one (1) sign indicating that security services are being provided to the Lot in accordance with Section 720.304(6) of the Act and Owners shall have the right to display flags in accordance with Section 720.304(2) of the Act.

Specifically, no "for sale" or "for lease" signs shall be permitted within any portion of the Properties, including but not limited to, the interior or exterior of any windows on any Improvements located within the Properties. In addition, no brochure racks, information tubes, boxes or any other item or object may be placed on or erected within the Properties or attached to or placed on or adjacent to any permitted sign, either permanently or temporarily, without the prior written consent of the DRB. The Declarant and the DRB reserve the right to prohibit other types of signs and/or displays, and may also restrict the size, content, color, lettering, design and placement of any approved signs. Any approved sign must be in conformance with the Design Guidelines. In addition to all other rights and remedies set forth in the Declaration, the DRB, Declarant and the Board shall have the right to enter property and to remove any sign, display, or advertising structure erected in violation of this provision, and such entry shall not constitute a trespass. The foregoing shall not apply, however, to the activities of the Declarant or any Declarant-Related Entity.

10.20 Fences. No fences shall be erected except in conformance with the Design Guidelines and with prior written DRB approval.

10.21 Lighting. Exterior lighting must be approved by the DRB and installed pursuant to the Design Guidelines. Seasonal decorative lights may be used only pursuant to rules and regulations established by the Board from time to time.

10.22 Air-Conditioning Equipment. No air conditioning equipment which is visible on the exterior of any Improvement shall be permitted in the Properties unless constructed in accordance with the Design Guidelines and approved by the DRB. Approval shall be based on adequacy of screening and/or landscaping of the equipment. The DRB may prohibit or impose strict standards regarding window air conditioning units.

10.23 Accessory Structures. With the approval of the DRB, detached accessory structures may be placed on a Lot to be used for a playhouse, swimming pool, tool shed, dog house, garage or other approved use. A garage may also be an attached accessory structure. Such accessory structures shall conform in exterior design and quality to the dwelling on the Lot. With the exception of a garage that is attached to a dwelling and except as may be provided otherwise by the DRB, an accessory structure placed on a Lot shall be located only behind the dwelling as such dwelling fronts on the street abutting such Lot or in a location approved by the DRB. All accessory structures shall be located within side and rear setback

lines as may be required by the DRB or by applicable zoning law. The Design Guidelines may include requirements with respect to accessory structures on Lots which have not been designated as Lots.

10.24 Temporary Structures. Except as specifically approved in writing in advance by the DRB, no temporary buildings (including construction trailers) shall be erected or placed on the Properties.

10.25 Antennas. Antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind shall be constructed only after written approval of the DRB. Notwithstanding the foregoing, the DRB shall regulate antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind only in strict compliance with all federal laws and regulations. Any permitted equipment shall be installed in the least conspicuous location on the Lot which permits reception of an acceptable signal to the Lot it is serving. Landscaping, painting, or screening may be required by the DRB to minimize visual impact.

10.26 Subdivision. Subdivision of a Lot into two (2) or more Lots, combining Lots, or changing the boundary lines of any Lot after a plat including such Lot has been approved and filed in the Public Records is prohibited, except with the consent of the Declarant, during the Development Period.

10.27 Energy Conservation Equipment. Nothing in this Declaration shall be deemed to prohibit the installation of energy devices based upon renewable resources, such as solar collection panels; provided, however, that they shall be installed only in accordance with the standards adopted from time to time by the DRB. Such standards shall comply with Section 163.04, Florida Statutes, and shall be reasonably calculated to maintain the aesthetic integrity of the Properties without making the cost of the aforesaid devices prohibitively expensive. All energy conservation equipment must be approved in accordance with Article 9 of this Declaration.

10.28 Private Amenities. Owners, Occupants and their pets shall refrain from any actions which would distract from the use of the Private Amenities. Such prohibited activities shall include, but shall not be limited to, burning materials where the smoke will cross a Private Amenity, maintenance of dogs or other pets which interfere with use of Private Amenities due to their loud barking or other actions, or playing of loud radios, televisions, stereos or musical instruments, running, bicycling, skateboarding, walking or trespassing in any way on a Private Amenity.

10.29 Unmanned Aircraft Systems. Subject to the rights set forth in Section 11.18, the Board reserves the right to approve, disapprove or prohibit the use of unmanned aircraft systems ("UAS"), including but not limited to drones, within the Properties on a temporary or permanent basis and may adopt rules, regulations and prohibitions regarding the time, place and manner of the use of such vehicles. Notwithstanding the foregoing, during the Development Period, Declarant may operate and use UAS in its sole discretion.

ARTICLE 11
EASEMENTS

Declarant reserves, creates, establishes, promulgates, and declares the non-exclusive, perpetual easements set forth herein for the enjoyment of the Declarant, the Association, the Members, the Owners, and the owners of any Private Amenities, and their successors-in-title.

11.1 Easements of Encroachment. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent Lots, between each Lot and any adjacent

Common Area, between Common Area and any adjacent Private Amenity, and between each Lot and any adjacent Private Amenity due to the unintentional placement or settling or shifting of the Improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.2 Easements for Utilities, Etc.

(a) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements, for itself and any Declarant-Related Entity during the Development Period, for the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any Utility company) perpetual non-exclusive easements upon, across, over, and under all of the Properties (but not through a structure) to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable, digital, satellite or similar television systems, master television antenna systems, cell towers, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, sidewalks, walkways, alley ways, pathways and trails; lakes, ponds, wetlands, irrigation, and drainage systems; street lights and signage; and all Utilities, including, but not limited to, water, sewer, telephone, gas, and electricity systems, lines, and meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Properties, as necessary, to exercise the easements described above.

Declarant may assign to the local water supplier, sewer service provider, electric company, telephone company, natural gas supplier, internet service provider, cable television, satellite or data service provider or other utility service or submetering company, the easements set forth herein across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility systems, equipment, lines, meters and boxes, as applicable.

(b) Declarant reserves, creates, establishes, promulgates and declares for itself and its designees during the Development Period non-exclusive, perpetual, reciprocal, appurtenant easements and the non-exclusive right and power to grant such specific easements as may be necessary, in the sole and absolute discretion of the Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

(c) Any damage to a Lot resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. Nothing contained herein shall obligate the Declarant, the Association or the Board to pursue legal recourse against any Person damaging a Lot or any portion thereof as a result of the exercise of this easement. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

(d) Declarant reserves unto itself the right, in the exercise of its sole and absolute discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

11.3 Easement for Slope Control, Drainage and Waterway Maintenance. Declarant establishes and reserves for itself and its designees during the Development Period a permanent and perpetual non-exclusive easement appurtenant over, across, under, through and upon each Lot for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Lot which are or may be subject to soil erosion;

(b) controlling drainage of natural or man-made water flow and water areas from any portion of the Properties or any Private Amenity;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Lot or Common Area;

(d) dredging, enlarging, reducing or maintaining any water areas or waterways within the Properties; and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Properties or any Private Amenity.

11.4 Easements for Lake and Pond Maintenance and Flood Water. The Declarant reserves, creates, establishes, promulgates and declares for itself and its successors, assigns, and designees, the Association, or any other local, state, federal governmental or quasi-governmental entity, the nonexclusive, perpetual, appurtenant right and easement, but not the obligation, to enter upon the lakes, ponds, streams, and wetlands located within the Area of Common Responsibility to (a) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (b) remove trash and other debris therefrom and fulfill maintenance responsibilities as provided in this Declaration. The Declarant, the Association, any other local, state, federal governmental or quasi-governmental entity, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of any lake, pond, stream, or wetland to the extent reasonably necessary to exercise their rights under this Section.

Declarant further reserves, creates, establishes, promulgates and declares for itself and its successors, assigns and designees, the Association, or any other local, state, federal governmental or quasi-governmental entity, the non-exclusive, perpetual, appurtenant right and easement of access and encroachment over the Common Area and Lots (but not the structures thereon) adjacent to or within ten (10) feet of lake beds, ponds, streams and wetlands in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, streams, and wetlands within the Area of Common Responsibility; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams, and wetlands; (d) disturb existing landscaping; and (e) pile dirt and plant materials upon such areas. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. All affected areas shall be restored to a neat and attractive condition to the extent practical, as soon as reasonably possible after completion of any construction or maintenance activities authorized in this Declaration. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

11.5 Easements to Serve Additional Property. The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for itself and its duly authorized successors and assigns, including without limitation, the owners of Private Amenities, successors-in-title, agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the Additional Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited

to, a right of ingress and egress over the Common Area for construction of streets and roads, for the posting of signs, and for connecting and installing utilities serving the Additional Property.

11.6 Easement of Entry. The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for the Association to enter upon any Lot for emergency, security, and safety reasons. Such right may be exercised by any member of the Board, the Association's officers, committee members, agents, employees and managers of the Association, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to the Owner. This easement includes the right to enter any Lot to cure any condition which may increase the possibility of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any structure without permission of the Owner, except by emergency personnel acting in their official capacities. Entry under this Section shall not constitute a trespass.

11.7 Easements for Maintenance and Enforcement.

(a) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant rights and easements for the Association to enter all portions of the Properties, including each Lot but excluding the interior of any structure, to (i) perform its maintenance responsibilities under Section 5.1, (ii) to ensure compliance with the Governing Documents; and (iii) to inspect, monitor, test, redesign, and correct any structure, improvement, or condition that may exist on any portion of the Properties, including Lots. Except in emergencies, entry onto a Lot shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

(b) The Association may also enter a Lot, excluding the interior of any structure, to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorneys' fees, may be assessed against the violator as a Specific Assessment.

(c) Entry under this Section shall not constitute a trespass, and prior notice to the Owner shall not be required except as provided in Section 5.2.

11.8 Maintenance, Construction, Utility and Drainage Easements. The Owners of all Lots recognize and agree that temporary construction and permanent and perpetual maintenance easements and all rights of access reasonably necessary to permit construction and maintenance of the Common Area, including reasonable permanent easements to permit installation and maintenance of Utilities, roads, walkways and storm water drainage on the Properties are hereby granted to and retained by the Declarant for the benefit of the Declarant and of the Association and their respective Mortgagees, employees, independent contractors, agents and assigns. Such easements must be granted and conveyed hereafter by each Owner to the Declarant and the Association for the benefit of the Declarant and of the Association and their respective Mortgagees, employees, independent contractors, agents and assigns. Each Owner, by taking title to its respective Lot, hereby grants and conveys and shall be deemed to have consented and agreed to hereafter designate, grant and convey such easements when requested to do so by the Declarant or the Association. Each Owner, by taking title to its respective Lot, shall also be deemed to have agreed to obtain from all appropriate parties, including its Mortgagees and trustees under deeds to secure debt, the written subordination of any and all Mortgages, deeds to secure debt, security interests and all other liens that encumber or in any way affect its respective Lot to such easements and to all other easements, rights-of-way and rights of ingress, egress, access and passage now set forth in or otherwise provided for in or contemplated by this Article and such written subordination instruments shall be provided promptly and

without delay to the Declarant and the Association when requested by the Declarant or the Association. Each Mortgagee, noteholder under a deed to secure debt, trustee under a deed to secure debt and other holders of any security interest in any Lot by accepting a security interest in or legal or equitable title to a Lot, shall be deemed to have consented to and agreed that its security interest or legal or equitable title is subject to said easements and agrees to execute any instrument reasonably required to subordinate its debt and security instruments to such easements, rights-of-way and rights of ingress, egress, access and passage subject to the same not materially adversely affecting the Lot serving as the security for the obligations owed to such Mortgagee or noteholder. Such easements will contain terms and conditions reasonably requested by the Declarant or the Association, as the case may be, but such easements will not unreasonably interfere with the development, use and occupancy of any Lot or unreasonably affect access to, or operation of, any such Lot. All temporary construction easements, and temporary access rights in connection therewith, of the Declarant shall terminate automatically when construction of the Common Area for which such easement is granted or retained is completed, but the permanent and perpetual maintenance easements, and access rights in connection therewith, of the Declarant and the Association shall continue in full force and effect except as hereinafter provided.

11.9 Easement for Walking Trail Access. Declarant hereby reserves, creates, establishes, promulgates and declares perpetual, non-exclusive easements for itself, its successors, assigns and designees, the Association and the Owners, over and across any areas designated as "walking trails" or "paths" on any recorded subdivision plat of the Properties regardless of whether such trails or paths are located on Lots or Common Area. Use of such walking trails or paths shall be governed by operating practices of, and reasonable rules and regulations promulgated by, the Association and those rights set forth in Section 2.1. Additionally, Owners and other permitted users of the walking trails or paths shall be obligated to refrain from any actions which would deter from or interfere with the use and enjoyment of the trails by other authorized users of the trails. Prohibited activities shall include without limitation obstruction of any trail. No Person other than Declarant shall alter any trail without the prior written approval of the owner of the trail, and, during the Development Period, Declarant's prior written consent.

11.10 Easements for Special Events. The Declarant reserves, creates, establishes, promulgates and declares for itself, any Declarant-Related Entity, their successors, assigns and designees a perpetual, non-exclusive, appurtenant easement over the Common Area for the purpose of conducting or allowing its designees to conduct educational, cultural, entertainment, promotional or sporting events, and other activities of general community interest at such locations and times as the Declarant, in its sole and absolute discretion, deems appropriate; provided, however, this provision shall not be deemed to grant the right to limit ingress or egress to or from a Lot. Each Owner, by accepting a Deed or other instrument conveying any interest in a Lot, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the Occupants of its Lot to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

11.11 Lateral Support. The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements over every portion of the Common Area, every Lot, and any Improvement which contributes to the lateral support of another portion of the Common Area, of another Lot, or of a Private Amenity for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to such property.

11.12 Easements for Private Amenities. Declarant reserves, creates, establishes, promulgates and declares for the owners of any Private Amenity the following non-exclusive, perpetual, reciprocal, appurtenant easements which shall benefit the Private Amenity.

(a) The owner of any Private Amenity within or adjacent to any portion of the Properties, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Area reasonably necessary to the operation, maintenance, repair and replacement of its Private Amenity.

(b) There is hereby established for the benefit of the owner of any of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Properties reasonably necessary to travel between the entrance to the Properties and the Private Amenities and over those portions of the Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of the Private Amenities and guests and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located within the Properties at reasonable times before, during, and after special events, tournaments and other similar functions held by or at the Private Amenities to the extent that the Private Amenities have insufficient parking to accommodate such vehicles. The Private Amenities, their guests, invitees, employees, agents, contractors and designees shall have the right to be admitted through any gate, after receipt of clearance from the Private Amenity, without the payment of a fee or charge for ingress or egress or the imposition of any unreasonable or discriminatory requirement, provided that the number of such persons permitted entrance to the Properties at any one time may be limited or otherwise restricted to the reasonable number of parking spaces available at the Private Amenity in order to avoid congestion and the unauthorized parking of vehicles.

(c) Any portion of the Properties immediately adjacent to the Private Amenities are hereby burdened with a non-exclusive easement in favor of the adjacent Private Amenities for overspray of water from the irrigation system serving the Private Amenities. Under no circumstances shall the Association or the owner(s) of the Private Amenities be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(d) The Declarant hereby reserves for itself, its successors and assigns, and may assign to the owner(s) of the Private Amenities, an easement and all rights to draw water from the lakes and ponds within or adjacent to the Properties for purposes of irrigation of the Private Amenities and for access to and the right to enter upon the lakes and ponds within or adjacent to the Properties, if any, for installation and maintenance of any irrigation systems.

(e) The Declarant reserves the right to grant the owner of any Private Amenity temporary and/or permanent easements through the Common Areas to the extent necessary, as determined by the Declarant, for construction, maintenance, repair, replacement or operation of the Private Amenity or for drainage and utilities to the Private Amenity.

(f) Declarant hereby establishes for the benefit of the owners of any Private Amenity and their employees, agents, contractors, and designees, a right and nonexclusive easement of access over any portion of the Properties which is contiguous to the respective Private Amenity, for the owner of the Private Amenity to enter such portions of the Properties, including each Lot, to perform maintenance. In the event that either an Owner or the Association fails to maintain any portions of the Properties which is contiguous to a Private Amenity in accordance with the requirements of this Declaration, the owner of such Private Amenity may perform the maintenance. The owner of the Private Amenity shall provide the owner of such property with at least thirty (30) Days written notice and a reasonable opportunity to cure and correct any deficiency before exercising its rights hereunder. Any and all expenses incurred by the owner of the Private Amenity in performing such maintenance shall be paid by the owner of the property within thirty (30) Days of its receipt of written demand therefore.

(g) Notwithstanding anything contained herein to the contrary, the easements described hereinabove may not be amended or extinguished without the written consent of the owner(s) of the Private Amenities.

11.13 Roadside Access Easements. There is hereby reserved to Declarant, the Association, and Lot Owners an easement for access, adjacent and parallel to all public road rights-of-way and Common Area streets and roads within the Properties, extending from the curb to the far side of any sidewalk or jogging or bicycle path running more or less parallel to the curb, for the purpose of using such sidewalk or path. There is also hereby reserved to Declarant, the Association, and the designees of each, a right to go upon, over and across all property adjacent to public road rights-of-way and Common Area streets and roads within the Properties to maintain, repair, and replace any street trees, street furniture (e.g., park benches), sidewalks and paths, and traffic and directional signs as well as to construct, install and maintain curb cuts as approved by the DRB.

11.14 Easements Reserved on Plats. Plats of all or any portion of the Properties recorded by, or with the approval of, the Declarant may contain and reflect the locations of specific utility, drainage, ingress and egress, non-access and other easements ("Platted Easements"). With respect to any Platted Easement, Declarant hereby reserves for itself, its successors, assigns and designees, as well as the Association, and any of its designees, such easement for the purpose of exercising any right or performing any obligation thereto. The Declarant shall have the unrestricted right, without the approval or joinder of any other Person, to designate the use and to alienate, release, or otherwise assign any Platted Easement, unless such easement has been previously conveyed or dedicated. Such Platted Easements may include, without limitation, easements to construct, maintain, and operate water mains, drainage ditches, sewer lines, and other suitable installations for drainage and sewage disposal as well as easements to install, maintain, transmit, and use electricity, gas, telephone, telecommunications, cable systems, and other utilities, whether or not such easements are shown on the Plat to be for drainage, utilities, or any other purposes. The Owner of any Lot subject to a Platted Easement shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under any such Platted Easement area. The Owner of a Lot subject to any Platted Easement shall not construct any Improvements on such Platted Easement areas, nor alter the flow of drainage, nor landscape such areas with hedges, trees, or other landscape items that might interfere with the exercise of such Platted Easement rights. If any Owner constructs any Improvements or installs any landscaping on any Platted Easement area, the Owner of the Lot shall remove, at the Owner's expense, the Improvements or landscape items upon written request of Declarant, the Association, or the grantee of such Platted Easement. If the Owner fails to promptly remove any Improvements or landscaping located within the Platted Easement area, the Declarant, the Association, or the grantee of the Platted Easement may enter the Lot and remove such Improvements or landscaping at the expense of the Owner, who shall reimburse the cost of removal within fifteen (15) Days of demand. The party removing the Improvements or landscaping shall not be responsible for any damage caused by the removal and shall not be required to restore any portion of the Lot damaged by the removal.

11.15 Easements for Golf Course. Watersound Camp Creek is burdened with an easement permitting golf balls unintentionally to come upon areas adjacent to or in the vicinity of a golf course, and for golfers at reasonable times and in a reasonable manner to come upon the Common Area or the exterior portions of a Lot to retrieve errant golf balls. However, if any Lot is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: the Declarant or any Declarant-Related Entity; the Association or its members (in their capacities as such); the owner of the golf course, its

successors, successors-in-title, and assigns; any officer, director, or partner of any of the foregoing; or any officer or director of any partner.

The owner of any golf course within or adjacent to any portion of Watersound Camp Creek, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair, and replacement of its golf course.

Any portions of Watersound Camp Creek immediately adjacent to any golf course are hereby burdened with a non-exclusive easement in favor of the adjacent golf course for overspray of water from the irrigation system serving the golf course. Under no circumstances shall the Association or the owner(s) of the golf course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

The owner of any golf course within or adjacent to any portion of Watersound Camp Creek, its successors and assigns, shall have a perpetual, exclusive easement of access over Watersound Camp Creek for the purpose of retrieving golf balls from bodies of water within the Common Areas lying reasonably within range of golf balls hit from its golf course.

11.16 Release of Easements. The Declarant reserves unto itself the right, in the exercise of its sole and absolute discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (a) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Article, or (b) to define the limits of any such easements.

11.17 General Development Easements. The Declarant reserves for itself, its successors, assigns and designees a blanket easement over the Properties, to allow the Declarant to take whatever action it determines is appropriate, necessary or beneficial to the construction, development, sales or operation of the Properties, including but not limited to the Lots. This blanket easement is for the purpose of enabling the Declarant to construct Improvements within the Properties, whether on Common Areas, or Lots, in the manner that it deems appropriate. The Declarant shall have access and use of any Lot or Common Area as is appropriate, necessary and/or beneficial to construct any Improvement within the Properties. This easement is for the further purpose of allowing the Declarant, if it deems appropriate or necessary, to repair, relocate, construct, or maintain any of the Improvements installed in the Properties.

11.18 Easement for Avigation. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements, for itself and any Declarant-Related Entity, a perpetual non-exclusive easement upon, across, and over, all of the Properties (but not through a structure) to the extent reasonably necessary for the purpose of operating UAS as part of a business in and through the airspace at any height and altitude above that the Properties to the extent such operation of UAS as part of a business is permitted under federal and state law (the "Avigation Easement Area"). The foregoing easement includes the right of UAS to cause noise, vibrations, fumes, deposits of dust, fuel particles (incidental to the normal operation of UAS), fear, interference with sleep or communication and any other effects associated with the normal operation of UAS taking off, landing or operating within and in the vicinity of the Properties. The easement granted herein includes on behalf of the Declarant, any Declarant-Related Entity and its successors and assigns a perpetual right of ingress and egress in and to the Avigation Easement Area and the right to remove any new structure or vegetation or other improvement within the Common Areas that interferes with the use of the Avigation Easement Area.

11.19 Liability for Use of Easements. No Owner shall have a claim or cause of action against the Declarant, any Declarant-Related Entity, the Association, or their successors or assigns, arising out of the

exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Properties, except in cases of willful or wanton misconduct.

ARTICLE 12
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

12.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) Days, or any other violation of the Declaration or By-Laws relating to such Lot or the Owner or Occupant which is not cured within sixty (60) Days;

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders pursuant to Federal Home Loan Mortgage Corporation requirements.

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

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

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

ARTICLE 13
DECLARANT'S RIGHTS

13.1 Transfer or Assignment. Any or all of the special rights and obligations of the Declarant set forth in the Governing Documents may be transferred or assigned in whole or in part to the Association, to a Declarant-Related Entity, or to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. Upon any

such transfer, the Declarant shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

13.2 Development and Sales. The Declarant and Declarant-Related Entities authorized by Declarant may maintain and carry on the Properties such activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction, sale, or rental of Lots, such as sales activities, tournaments, charitable events, and promotional events, and restrict Members from using the Common Area during such activities. Such activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Members' use and enjoyment of the Common Area. The Declarant and Declarant-Related Entities shall have easements over the Properties, including the roadways located within the Properties, for access, ingress and conducting such activities. The Declarant and Declarant-Related Entities, their guests, invitees, employees, agents, contractors and designees shall have the right to be admitted through any gate, after receipt of clearance from the Declarant, without the payment of a fee or charge for ingress or egress or the imposition of any unreasonable or discriminatory requirement.

In addition, the Declarant and Declarant-Related Entities may establish within the Properties, such facilities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Lots, including, but not limited to, business offices, signs, flags (whether hung from flag poles or attached to a structure), model units, tents, sales offices, sales centers and related parking facilities. During the Development Period, Owners may be excluded from use of all or a portion of such facilities in the Declarant's sole discretion. In addition, if reasonably required, convenient, or incidental to construction or sales activities, the Declarant and its employees, agents, and designees may park vehicles in designated parking areas. The Declarant and Declarant-Related Entities shall have easements over the Properties for access, ingress, and egress and use of such facilities.

Declarant may permit the use of any facilities situated on the Common Area by Persons other than Owners without the payment of any use fees.

13.3 Improvements to Common Areas. Declarant may elect to construct and/or install Improvements upon portions of the Common Area, but is not obligated to do so, and may elect to leave portions of the Common Area in their natural unimproved state. During the Development Period, Declarant shall have the absolute right and discretion to determine what Improvements, if any, will be located on the Common Area. Declarant and its employees, agents and designees shall have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such Improvements to the Common Area as it deems appropriate in its sole discretion. Declarant and its employees, agents and designees shall also have a right and easement over and upon each and every Lot, the boundary line or lines of which form a portion of the perimeter of the Properties for the purpose of constructing and installing a fence or wall along all or a portion of the perimeter of the Properties, if deemed appropriate by the Declarant, in its sole discretion. All Owners acknowledge that if the Declarant constructs a fence or wall along all or a portion of the perimeter of the Properties, such fence or wall may be built in phases and may not completely encircle Watersound Camp Creek. In addition, the Declarant may replat property that it owns and convert Lots it owns into Common Area.

13.4 Inspection of Common Areas. Declarant hereby reserves the right, in addition to other rights and remedies, at all times after conveyance of the Common Area to the Association, to exercise all rights and easements reserved hereby, including but not limited to, the right to create easements over the Common Area pursuant to Article 11 and to enter the Common Area, without prior notice, and to inspect the condition thereof and the Improvements and facilities thereon, if any. If Declarant determines, in its

sole discretion, that the Association has failed to maintain any portion of the Common Area in a manner consistent with the Community-Wide Standard, it may so notify the Association, in writing, and the Association shall promptly perform the required maintenance or repairs. Failure of the Association to maintain the Common Area in a manner consistent with the Community-Wide Standard shall relieve Declarant and any predecessor Declarant of any liability to the Association or to any Member for any condition of the Common Area. Declarant shall have the right to make a record of its inspections by any means available, including, but not limited to, photographing, filming, and/or videotaping the Common Area, and shall have the right to perform tests or examinations to determine the condition of the Common Area. Notwithstanding the foregoing, Declarant shall have no obligation to perform inspections of the Common Area owned by the Association, and the Association shall not be relieved of its obligation to maintain the Common Area because of the election of Declarant or any predecessor Declarant to inspect or not to inspect or report to the Association the condition of the Common Area.

13.5 Right to Notice or Design of Construction Claims. No Person, including the Association, shall retain an expert for the purpose of inspecting the design or construction of any Improvements within the Common Areas in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant has been first notified in writing and given an opportunity to meet with the Person and conduct an inspection.

13.6 Exclusion of Declarant's Other Properties. By accepting a deed to a Lot, each Owner specifically acknowledges that nothing contained in this Declaration shall, in any way, either expressly or by implication, restrict, limit, or otherwise affect the use or disposition by Declarant or any Declarant-Related Entity of any property owned by them, whether contained within, contiguous to or in the vicinity of the Properties. Declarant and Declarant-Related Entities shall have full, free, and unrestricted use of its and their other lands, including the Additional Property, notwithstanding any incompatibility of such use with restrictions this Declaration imposes upon the Lots. By accepting a deed to a Lot, each Owner, specifically and expressly disclaims any reciprocal negative easement in any property owned by Declarant or any Declarant-Related Entity.

13.7 Liability for Association Operations. The Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Declarant and any predecessor Declarant (including, without limitation, their respective Declarant-Related Entities, successors, and assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, legal costs), which relate to or arise out of Association management and operations, including, without limitation, improvement, maintenance, and operation of the Area of Common Responsibility and the collection of assessments.

13.8 Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, declaration of condominium, easements, or similar instrument affecting any portion of the Properties without the Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records. No such instrument recorded by any Person, other than the Declarant pursuant to Section 7.4, may conflict with the Declaration, By-Laws or Articles.

13.9 Master Covenants. The Declarant reserves for itself during the Development Period the right to subject Watersound Camp Creek to the Bay-Walton Sector Plan Covenants, including the obligation for Owners to pay lien-supported assessments and other charges provided for in such covenants. If there are conflicts between or among any of the Governing Documents and the Bay-Walton Sector Plan Covenants, then the Bay-Walton Sector Plan Covenants shall control.

13.10 Community Systems. The Declarant reserves for itself, Declarant-Related Entities, and their respective successors and assigns, a perpetual right and easement over all property in the Properties to install and operate such Community Systems as the Declarant, in its discretion, deems appropriate to serve any portion of the Properties. Such right shall include, without limitation, the Declarant's right to select and contract with companies licensed to provide telecommunications, cable television, and other Community Systems services in the region. The Declarant also has the right to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable.

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

13.11 Right of the Declarant to Disapprove Actions. Until three (3) months after ninety percent (90%) of the Lots proposed under the Master Plan have been deeded to the Class "A" Members other than the following: (A) Declarant or a Declarant-Related Entity; and/or (B) a successor developer of all or any portion of the Properties, the Declarant shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or any Declarant-Related Entity under the Governing Documents, or interfere with development of, construction on, or marketing of any portion of Watersound Camp Creek, or diminish the level of services being provided by the Association.

(a) For so long as the right exists, the Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given in accordance with the By-Laws and shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at such meeting. The Declarant may waive its right to receive notice in the same manner as provided in the By-Laws.

(b) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee.

(c) No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met and the time period set forth in subsection (d) below has expired.

(d) The Declarant, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within ten (10) Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) Days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Declarant exercises its right to disapprove. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

13.12 Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Design Guidelines shall be effective without prior notice to and the written consent of the Declarant, during the Development Period. In addition, this Article

may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate two years following the termination of the Development Period.

ARTICLE 14
PRIVATE AMENITIES

14.1 General. Private Amenities shall not be a portion of the Common Area, and neither membership in the Association nor ownership or occupancy of a Lot shall confer any ownership interest in or right to use any Private Amenity, except as may be provided in the Club Declaration. Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the respective owners of the Private Amenities. Subject to the Club Declaration, the owners of the Private Amenities shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories of use, extent of use privileges, and number of users; and to require the payment of a purchase price, membership contribution, initiation deposit, dues, use charges and other charges for use privileges; and to change, eliminate or cease operation of any or all of the facilities; and to reserve use rights; and to terminate use rights altogether, subject to the terms of any written agreements. Pursuant to the Club Declaration, the Association may be responsible for the collection of certain fees on behalf of the owner of a Private Amenity.

14.2 Conveyance of Private Amenities. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant, the Association, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity. Further, the ownership or operation of the Private Amenities may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity; or (c) the conveyance of any Private Amenity to one (1) or more affiliates, shareholders, employees, or independent contractors of the Declarant. No consent of the Association or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien or other encumbrance.

14.3 Cost Sharing Agreements. The Association may enter into a contractual arrangement or Cost Sharing Agreement with the owner of any Private Amenity obligating the Private Amenity or the Association to contribute funds for, among other things, shared property or services and/or a higher level of Common Area maintenance in accordance with Section 5.5.

14.4 Architectural Control. Following the termination of the Development Period, neither the Association, nor any committee thereof, shall approve or permit any construction, addition, alteration, change, or installation on or to any portion of the Properties which is contiguous to or within one hundred (100) feet of any Private Amenity without giving the owner of such Private Amenity at least fifteen (15) Days prior written notice of its intent to approve or permit the same together, with copies of the request and all other documents and information finally submitted in such regard. The owner of such Private Amenity shall then have fifteen (15) Days to approve or disapprove the proposal in writing delivered to the appropriate committee or Association, stating in detail the reasons for any disapproval. The failure of the owner of such Private Amenity to respond to the notice within the fifteen (15) Day period shall constitute a waiver of the owner of such Private Amenity's right to object to the matter. If in the reasonable opinion

of the owner of the Private Amenity, the construction or modification being reviewed would have material adverse impact on the Private Amenity whether by restriction of view, creation of hazards to persons or otherwise, then the requesting party shall resubmit to the DRB a revised plan to take into account the objection of the owner of such Private Amenity. The review and approval process set forth in this Section shall apply to the re-submitted plans. This Section shall also apply to any work on the Common Area contiguous to any Private Amenity. This Section shall not be applicable during the Development Period.

14.5 Use Restrictions. Upon request of the owner of any Private Amenity, the Association shall enforce its use restrictions and rules against any Owner or occupant violating such regulations within such Private Amenity, including but not limited to the exercise of the Association's self-help rights for violation of sign and pet restrictions.

14.6 Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenities, no amendment to this Article, and no amendment in derogation of any other provisions of this Declaration benefiting any Private Amenity, may be made without the written approval of the owner(s) of the affected Private Amenity. The foregoing shall not apply, however, to amendments made by the Declarant.

14.7 Jurisdiction and Cooperation. It is Declarant's intention that the Association and the Private Amenities shall cooperate to the maximum extent possible in the operation of the Properties and the Private Amenities. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines. The Association shall have no power to promulgate use restrictions or rules affecting activities on or use of the Private Amenities without the prior written consent of the owners of the Private Amenities affected thereby.

ARTICLE 15
GENERAL PROVISIONS

15.1 Duration.

(a) Unless terminated as provided in Section 15.1(b), the provisions of this Declaration shall run with, bind the Properties and remain in effect perpetually to the extent permitted by Florida law; provided, however, so long as Florida law limits the period during which covenants restricting lands to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land for so long as permitted by Florida law. To the extent that Florida law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by Florida law, this Declaration may be terminated at any time by recordation of an instrument signed by all of the Owners subject to this Declaration and their first mortgagees agreeing to terminate this Declaration; provided, however, that no such termination will be effective without the written consent and joinder of Declarant (irrespective of whether Declarant is an Owner of any Lot), which joinder and consent may be withheld in Declarant's sole and absolute discretion.

15.2 Amendment.

(a) By the Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, to the fullest extent permitted by law, until the termination of the Declarant's right to appoint the majority of the members of the Board of Directors as set forth in Section 3.2(b) above, Declarant may unilaterally amend this Declaration for any purpose, subject to any applicable approval requirements set forth in Article 12 and applicable Florida law. Thereafter, and until termination of the Development Period, Declarant may, to the fullest extent permitted by law, unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD, or VA, to make, purchase, insure, or guarantee mortgage loans on the Lots; (d) to satisfy the requirements of any local, state, or governmental authority; or (e) for any other purpose which does not materially adversely affect title to any Lot, unless the Owner of such Lot consents to such amendment.

(b) By the Board. The Board shall be authorized to amend this Declaration without the consent of the Owner (i) to correct scrivener's errors and other mistakes of fact; (ii) to remove provisions creating impediments to the implementation, use and operation of advancements in technology or products within the Properties; and (iii) for the purposes of bringing any provision contained herein into compliance with the Fair Housing Amendment Act of 1988, as more fully set forth in Section 15.4; provided that amendments under this provision have no material adverse effect on the title to any Lot unless the Owner of such Lot consents. During the Development Period, any such amendments shall require the written consent of the Declarant.

(c) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding sixty-seven percent (67%) of the total Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(d) Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of the Declarant, any Declarant-Related Entity or the Class "B" Member without the written consent of the Declarant, any Declarant-Related Entity or the Class "B" Member, respectively (or the assignee of such right or privilege).

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

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

15.3 Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

15.4 Fair Housing Amendments Act. The provisions of the Governing Documents shall be subordinate to the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601, et seq., (hereinafter referred to as "FHAA"), and shall be applied so as to comply with the FHAA. In the event that there is a conflict between or among the Governing Documents and the FHAA, the FHAA shall prevail. Notwithstanding anything to the contrary contained herein, in the event that any provision of this Declaration conflicts with the FHAA, the Board of Directors, without the consent of the Members or of the Declarant, shall have the unilateral right to amend this Declaration for the purpose of bringing this Declaration into compliance with the FHAA. Furthermore, notwithstanding Section 2.3 hereof, the Board shall have the unilateral right to assign portions of the Common Area as Exclusive Common Area or to reassign Common Area previously assigned as Exclusive Common Area to one (1) or more Lots to one (1) or more Owner(s) or Occupant(s) should such action be required in order to make a reasonable accommodation under the FHAA.

15.5 Dispute Resolution. It is the intent of the Association and the Declarant to encourage the amicable resolution of disputes involving the Properties and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association, the Declarant and each Owner covenants and agrees that it shall attempt to resolve all claims, grievances or disputes involving the Properties, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Governing Documents through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures. Except as may be required in Section 720.311 of the Act, participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that such discussions have become unproductive or unwarranted, then the parties may proceed with litigation, subject to any of the requirements of Section 720.311 of the Act.

Participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that such discussions have become unproductive or unwarranted, then the parties may proceed with litigation.

15.6 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Owners holding at least seventy-five percent (75%) of the total Class "A" votes in the Association, and during the Development Period, the written consent of the Declarant. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of Governing Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 8; (c) proceedings involving challenges to property taxation; (d) counter claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods and services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

15.7 Non-Merger. Notwithstanding the fact that the Declarant is the current owner of the Properties, it is the express intention of the Declarant that the easements established in the Declaration for the benefit of the Properties and owners shall not merge into the fee simple estate of individual Lots conveyed by the Declarant or its successor, but that the estates of the Declarant and individual Lot Owners shall remain as separate and distinct estates. Any conveyance of all or a portion of the Properties shall be subject to the terms and provisions of this Declaration, regardless of whether the instrument of conveyance refers to this Declaration.

15.8 Grants. The parties hereby declare that this Declaration, and the easements created herein shall be and constitute covenants running with the fee simple estate of the Properties. The grants and reservations of easements in this Declaration are independent of any covenants and contractual agreements

undertaken by the parties in this Declaration and a breach by either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted or reserved in this Declaration.

15.9 Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any additional recorded covenants, restrictions, and declarations applicable to any portion of the Properties. In the event of a conflict between or among this Declaration and such additional covenants, restrictions, or declarations, and/or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Articles, and use restrictions and rules of the Association shall prevail over such additional covenants, restrictions, or declarations and/or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants, restrictions, and declarations applicable to any portion of the Properties from containing additional covenants, restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

15.10 Use of the Word "Watersound Camp Creek". No Person shall use the word "St. Joe," "The St. Joe Company," "Camp Creek Residential Development, LLC," and all similar or derivative names, along with the logos associated therewith, that are the proprietary trade names and service marks of The St. Joe Company, the Declarant or their affiliates. No Person shall use such trade names or service marks, or the name "Watersound Camp Creek" or any similar or derivative name, along with the logos associated therewith, for advertising or any other purpose in any printed or promotional material, whether printed, audio, video or otherwise, in any signage, in any logo or depiction, or website without the prior written consent of the Declarant or the Person who owns such mark. In addition, due to the integrated nature of Watersound Camp Creek as a planned community and the public identification of Lots within Watersound Camp Creek, any name or logo to be used in connection with or displayed on any Lot, and any sales or other materials or documentation related to the use of the Lots, shall be subject to Declarant's prior written consent.

The Declarant or the mark or trademark owner may condition the Association's or any Owner's use of protected trade names or marks upon the signing of one or more license agreement(s), which are intended to protect the trade names and service marks from unauthorized use by others. Such license agreement(s) shall be non-exclusive, non-transferable, and in form and substance acceptable to the owner of the mark.

Notwithstanding the above, Owners may use the term "Watersound Camp Creek" in printed or promotional matter where such term is used solely to specify that particular property is located within Watersound Camp Creek, and the Association, the Declarant, Declarant-Related Entities and the owner of any Private Amenity shall be entitled to use the words "Watersound Camp Creek" in their names (subject, however, to such terms and conditions as the Declarant may impose in order to protect its registered trade names and service marks).

15.11 Compliance. Every Owner and Occupant of any Lot shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association, the Declarant or, in a proper case, by any aggrieved Lot Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3.

15.12 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to its Lot shall give the Board at least seven (7) Days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. After the transfer of title, the transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

15.13 Merger or Consolidation. Upon a merger or consolidation of the Association with any other association, the property, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the property, rights and obligations of another association may, by operation of law, be added to the property, rights and obligations of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Properties together with the covenants and restrictions established upon any other property as one scheme; however, no such merger or consolidation shall effect any revocation, change or addition to the covenants established by this Declaration.

15.14 Conflict or Ambiguity. In the event of any conflict or ambiguity in the terms and provisions of this Declaration, the general rules of construction relating to construction against the Declarant or the DRB or any committee thereof are hereby waived by each Owner.

15.15 Standards for Review. Whenever in this Declaration the Declarant, the Association or the DRB has the right to approve, consent or require any action to be taken pursuant to the terms hereof, such approval, consent or required action shall, except as otherwise specifically provided herein, be in the sole and absolute discretion of the Declarant, the Association or the DRB, respectively, and such approval, consent or required action shall be final and conclusive. Unless otherwise expressly limited in the Governing Documents or by law, anyone authorized in the Governing Documents to exercise its discretion or make a determination may do so without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action, or inaction.

15.16 Exhibits. Exhibits "A" and "B," attached to this Declaration are incorporated herein by this reference and amendment of such exhibits shall be governed by the provisions of Section 15.1. All other exhibits are attached for informational purposes and may be amended as provided therein.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this_____ day of _____, 2020.

CAMP CREEK RESIDENTIAL DEVELOPMENT, LLC, a Florida limited liability company

Witness Christine McClure

Witness Grace Angus

By: Bridget Precise

Name Bridget Precise

Its President

STATE OF FLORIDA §
§
COUNTY OF ~~WALTON~~ BAY §

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization on this the 23rd day of November, 2020, by Bridget Precise, the President of Camp Creek Residential Development, LLC, a Florida limited liability company. He/She is personally known to me and did/did not take an oath.

Name: Christine McClure

CHRISTINE M MCCLURE
Commission # GG 201564
Expires May 7, 2022
Bonded Thru Budget Notary Services

My Commission Expires:_____

[Notary Seal]

EXHIBIT A

Land Initially Submitted

Watersound Camp Creek – Phase 1, according to the plat thereof as recorded in Plat Book 23, Page 13, Public Records of Walton County, Florida.

EXHIBIT B

Land Subject to Annexation

Any real property within a twenty-five (25) mile radius of the real property described in Exhibit "A" to this Declaration.

Note to clerk and title examiners:

This Declaration is not intended to create an encumbrance on title to the property described on this Exhibit "B." Such title may be encumbered only with the consent of the owner by filing a Supplemental Declaration in accordance with Article 7.

EXHIBIT C

By-Laws of Watersound Camp Creek Community Association, Inc.

BY-LAWS

OF

WATERSOUND CAMP CREEK COMMUNITY ASSOCIATION, INC.

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BY-LAWS

OF

WATERSOUND CAMP CREEK COMMUNITY ASSOCIATION, INC.

ARTICLE 1: NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1 Name. The name of the corporation is Watersound Camp Creek Community Association, Inc. (the "Association"), a Florida nonprofit corporation.

1.1 Principal Office. The principal office of the Association shall be located in Walton or Bay County, Florida. The Association may have such other offices, either within or outside the State of Florida, as the Board of Directors may determine or as the affairs of the Association may require.

1.2 Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Declaration of Covenants, Conditions and Restrictions for Watersound Camp Creek filed in the Public Records, as it may be amended (the "Declaration"), unless the context indicates otherwise. The term "Act," as used in these By-Laws means Florida Statutes, Title XL (Real and Personal Property), Chapter 720 (Homeowners' Associations), as amended from time to time.

ARTICLE 2: ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

2.1 Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B," as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference. The Declarant may establish additional classes of membership as set forth in the Declaration.

2.2 Change of Membership. Change of membership in the Association shall be established by recording a deed or other instrument conveying record fee title to any Lot. The grantee named in such instrument shall, by acceptance of such instrument, become a Member of the Association, and the membership of the prior Owner shall terminate. The new Owner shall deliver a copy of the conveyance instrument to the Association within fourteen (14) Days after the conveyance and the new Owner shall not be entitled to voting privileges until the same has been received by the Association. The foregoing shall not, however, limit the Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Lot acquired.

2.3 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient to the Properties as is possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.4 Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the Members. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.5 Special Meetings. The president may call special meetings of the general membership. In addition, it shall be the duty of the president to call a special meeting of the general membership within thirty (30) Days if so directed by resolution of the Board or upon a petition signed by Members holding at least five percent (5%) of the total Class "A" votes in the Association or upon written request of the Declarant.

2.6 Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than fourteen (14) Days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

2.7 Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting shall be deemed a waiver of any objection as to notice of the time, date, and place thereof, unless a specific objection as to the lack of proper notice is given at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.8 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than twenty (20) Days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed in Section 2.6.

2.9 Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or remote communication in accordance with Florida law.

2.10 List for Voting. After setting a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Member and the number of votes each is entitled to vote at the meeting. The list for voting shall be made available for inspection in accordance with Florida law.

2.11 Proxies. At all meetings of the Members, each Member may cast its votes in person (if a corporation, partnership, limited liability company, or trust, through any officer, director, partner, member, manager or fiduciary duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Florida law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws. Every proxy shall be in writing specifying the Lot(s) for which it is given, signed by the Member or such Member's duly authorized attorney-in-fact, dated, and filed with the secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any

conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Lot for which it was given, (b) receipt of notice by the secretary of the death or judicially declared incompetence of a Member who is a natural person, (c) written revocation, or; (d) ninety (90) Days from the date of the proxy, unless a shorter period is specified in the proxy.

2.12 Quorum. The presence, in person or by proxy, of twenty percent (20%) of the Class "A" votes entitled to be cast shall constitute a quorum at all meetings of the Association.

If a quorum is present at a duly called or held meeting, business may be continued until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.13 Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.14 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by all Members entitled to vote on such matter. Such consents shall be signed within sixty (60) Days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Florida. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) Days after receiving authorization for any action by written consent, the secretary shall give written notice to all Members summarizing the material features of the authorized action.

ARTICLE 3: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Class "B" Member or serving as a representative of the Declarant, the directors shall be eligible Members or residents; provided however, no Owner and resident representing the same Lot may serve on the Board at the same time. No Owner or resident shall be eligible to serve as a director if any assessment for such Owner's or resident's Lot is delinquent. A "resident" for the purposes of these By-Laws shall mean any natural person eighteen (18) years of age or older whose principal place of residence is a Lot within the Properties. In the case of a Member that is not a natural person, any officer, director, partner, member, manager, employee, or fiduciary of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member, provided that a Member that is not a natural person may not have more than one (1) such representative on the Board at a time, except in the case of directors appointed by or serving as representatives of the Class "B" Member or the Declarant.

3.2 Number of Directors. The Board shall consist of three (3) to five (5) directors, as provided in Sections 3.3 and 3.5 below. The initial Board shall consist of three (3) directors appointed by the Class "B" Member as provided in Section 3.3 and shall increase as provided in Section 3.5. After the termination of the Class "B" membership, the Board may, by resolution, increase or decrease the number of directors.

3.3 Directors During Class "B" Membership. Subject to the provisions of Section 3.5 and Section 3.2 of the Declaration, the Declarant may appoint the members of the Board of Directors until: (i) three (3) months after ninety percent (90%) of the Lots proposed under the Master Plan have been deeded to Class "A" Members other than the following: (A) Declarant or a Declarant-Related Entity; and/or (B) a successor developer of all or any portion of the Properties; or (ii) earlier, when, in its discretion, the Declarant expressly so determines in writing delivered to the Association. Directors appointed by or serving as representatives of the Class "B" Member or the Declarant shall serve at the pleasure of the Declarant and shall not be subject to the qualifications for directors set forth in Section 3.1. Thereafter, the Declarant may appoint one (1) member of the Board for so long as the Class "B" membership exists.

3.4 Nomination and Election Procedures.

(a) Nomination of Directors. Nominations shall be permitted from the floor at a annual meeting of the Association. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. Directors appointed by or serving as representatives of the Class "B" Member or the Declarant shall not be subject to these nomination requirements.

(b) Election Procedures. Each Member may cast the vote(s) assigned to his or her Lot(s) for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5 Election and Term of Office. Notwithstanding any other provision of these By-Laws: At the first Association annual meeting occurring after the termination of the Class "B" membership, or whenever the Class "B" Member earlier determines, the directors appointed by the Declarant shall resign, the Board shall be increased to five (5) directors, and an election shall be held. Four (4) directors shall be elected by the Members. Two (2) directors shall serve a term of two (2) years, and two (2) directors shall serve a term of one (1) year, as such directors determine among themselves.

Until termination of the Development Period, the Declarant shall be entitled to appoint, remove and replace one (1) director. Upon termination of the Development Period, the director appointed by the Declarant shall resign and the remaining directors shall be entitled to appoint a director to serve until the next annual meeting, at which time the Members shall be entitled to elect a director to fill such position. Such director shall be elected for a term of two (2) years.

Upon the expiration of the term of office of each director elected by the Members, the Members entitled to elect such director shall elect a successor to serve a term of two (2) years. The directors elected by the Members shall hold office until their respective successors have been elected.

3.6 Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by Members representing a Majority of the votes entitled to be cast for the election of such director, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director in accordance with the procedures set forth in Section 303 of the Act.

Any director elected by the Members who has three (3) or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) Days delinquent (or is the resident of a Lot that is delinquent or is an officer, director, partner, member, employee, or trust officer of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Members entitled to fill such directorship may elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of an elected director or the adoption of a Board resolution increasing the number of directors, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members entitled to fill such directorship may elect a successor for the remainder of the term. Any director that the Board appoints shall be selected from among Members.

This Section shall not apply to directors appointed by the Class "B" Member nor to any director serving as a representative of the Declarant. The Class "B" Member or the Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member or the Declarant.

B. Meetings.

3.7 Organizational Meetings. Within thirty (30) Days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one (1) such meeting shall be held during each year.

3.9 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two (2) directors.

3.10 Notice. Notice of a regular meeting shall be communicated to directors not less than four (4) Days prior to the meeting. Notice of a special meeting shall be communicated to directors not less than seventy-two (72) hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) electronic mail or e-mail using Internet accessible equipment and services if the director has consented in writing to such method of delivery and has provided the Board with an electronic mail or e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal, overnight or courier delivery, telephone, telecopier, telegraph, electronic mail, or e-mail shall be deemed communicated when delivered, telephoned, telecopied, electronically mailed, e-mailed, or given to the telegraph company.

3.11 Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.13 Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than four (4) nor more than twenty (20) Days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14 Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members holding a Majority of the total Class "A" votes in the Association or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.15 Conduct of Meetings. The president shall preside over all meetings of the Board, and the secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. In the case of a tie vote on a motion or resolution before the Board, the motion or resolution is considered lost.

3.16 Open Meetings. Subject to the provisions of Sections 3.12 and 3.17, all meetings of the Board shall be open to all Members. All Members shall have the right to attend all meetings of the Board and to speak on certain matters subject to any reasonable rules imposed by the Board in accordance with Section 303 of the Act. Notwithstanding the above, the president may adjourn any meeting of the Board, reconvene in executive session, and exclude Persons other than directors, to discuss matters of a sensitive nature, including but not limited to, pending or threatened litigation and personnel matters.

3.17 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent

in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.18 Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done all acts and things which the Governing Documents or Florida law do not direct to be done and exercised exclusively by the membership generally.

3.19 Duties. The duties of the Board shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;

(b) levying and collecting such assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank depository which it shall approve and using such funds to operate the Association, provided any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) contracting for repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association in accordance with the Governing Documents;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the costs of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or DRB or committee member, or former director, officer or DRB or committee member of the Association to the extent such indemnity is required or permitted under Florida law or the Governing Documents; and

(p) assisting in the resolution of disputes between Owners and others without litigation as set forth in the Declaration.

3.20 Management. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board may delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.21 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) cash or accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(f) an annual financial report shall be made available to all Members within twenty-one (21) Days after the annual financial report is completed by the Association or received by a third party, but no later than one-hundred and twenty (120) Days after the close of the fiscal year.

The annual report shall be prepared within ninety (90) days after the close of the fiscal year. Financial reports shall be prepared pursuant to Section 303 of the Act as follows:

(a) A complete set of financial statements in accordance with generally accepted accounting principles, based upon the Association's total annual revenues, as follows:

(i) compiled financial statements for any fiscal year in which the Association has a total annual revenue of $150,000 or more, but less than $300,000;

(ii) reviewed financial statements for any fiscal year in which the Association has a total annual revenue of $300,000 or more, but less than $500,000; and

(iii) audited financial statements for any fiscal year in which the Association has a total annual revenue of $500,000 or more.

(b) A report of cash receipts and expenditures (for any fiscal year in which the Association has total annual revenues of less than $150,000) , which must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including but not limited to, the following, as applicable: costs for security, professional and management fees and expenses; taxes, costs for recreation facilities, expenses for refuse collection and utility services; expenses for lawn care; costs for building maintenance and repair; insurance costs; administration and salary expenses; and reserves if maintained by the Association.

(c) If twenty percent (20%) of the Members petition the Board for a level of financial reporting higher than that required by this subsection, the Board shall duly notice and hold a meeting of Members within thirty (30) days of receipt of the petition for the purpose of voting on raising the level of reporting for that fiscal year. Upon approval of the Members representing at least a majority of the total votes in the Association, the Board shall prepare or cause to be prepared, shall amend the budget or adopt a special assessment to pay for the financial report regardless of any provision to the contrary in the Governing Documents, and shall provide within ninety (90) days of the meeting or the end of the fiscal year, whichever occurs later:

(i) compiled, reviewed, or audited financial statements, if the Association is otherwise require to prepare a report of cash receipts and expenditures;

(ii) reviewed or audited financial statements, if the Association is otherwise required to prepare compiled financial statements;

(iii) audited financial statements if the association is otherwise required to prepare reviewed financial statements.

(g) If approved by a Majority of the Members present at a properly called meeting of the Association, the Association may prepare or cause to be prepared:

(i) a report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement;

(ii) a report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial statement; or,

(iii) a report of cash receipts and expenditures, a compiled financial statement, or a reviewed financial statement in lieu of an audited financial statement.

Within ten (10) business days following its receipt of a written request, the Board shall provide a Member or its authorized agent with a copy of the annual financial report or a written notice that a copy of the annual financial report is available upon request at no charge to the Member. In addition, to the extent Florida law requires, the Association shall send a copy of the annual report to each Member, which may be sent along with the notice of the Association's annual meeting.

3.22 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall obtain the approval of Members holding at least sixty-seven percent (67%) of the total votes allocated to Lots prior to borrowing such money.

3.23 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives and other owners or residents associations, within and outside the Properties.

3.24 Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within fifteen (15) Days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within fifteen (15) Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fifteen (15) Day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the fifteen (15) Day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one (1) year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without further notice to the violator. The Board may adopt a schedule of sanctions for violations of the Governing Documents.

(b) Hearing. If a hearing is requested within the allotted fifteen (15) Day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to

be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board. To exercise this right, a written notice of appeal must be received by the manager, president, or secretary of the Association within fifteen (15) Days after the hearing date.

ARTICLE 4: OFFICERS

4.1 Officers. The officers of the Association shall be a president, vice president, secretary, and treasurer. The president and secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one (1) or more assistant secretaries and one (1) or more assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each election of new directors. Such officers shall serve until their successors are elected.

4.3 Removal and Vacancies. The Board may remove any officer at any time in its sole discretion with or without cause and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall be responsible for preparing minutes of meetings of the Association and the Board and for authenticating records of the Association.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Execution of Instruments. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by Board resolution.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

ARTICLE 5: COMMITTEES

5.1 General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Unless otherwise provided by the Board, committee members shall be eligible Members or residents; provided however, no Class "A" Member may have more than one (1) representative on a committee at any time. No committee appointed by the Board shall be empowered to take any affirmative action or to bind the Board or the Association without the consent of the Board.

5.2 Covenants Committee. In addition to any other committees which the Board may establish pursuant to the Declaration, these By-Laws and, specifically, Section 5.1, the Board may appoint a covenants committee consisting of at least three (3) and no more than seven (7) Members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.24 of these By-Laws.

ARTICLE 6: MISCELLANEOUS

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3 Conflicts. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Florida law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. Except to the extent that Florida law permits the Association to restrict access to certain types of records, the Association's records shall be maintained within the State of Florida and shall be made available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Declaration, By-Laws, and Articles of Incorporation, any amendments and supplements to the foregoing, the rules of the Association, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association, which may include the office of the Association's management agent, if any, or at such other place within the Properties as the Board shall designate during normal business hours. The Association may, at its option, have a copy of the official records available for inspection electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen. The Board shall provide for such inspection to take place within ten (10) business days after receipt by the Board, or its designee, of a written request.

(b) Rules for Inspection. The Board may establish reasonable rules with respect to the frequency, time, location, notice, records to be inspected, and manner of inspections, but may not require an Owner to demonstrate any proper purpose for the inspection, state any reason for the

inspection, or limit an Owner's right to inspect records to less than one eight (8) hour business day per month. The Board may establish fees for the cost of providing copies of the official records, subject to the limitations imposed by Section 303 of the Act.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5 Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

If mailed, any notice shall be deemed to be delivered when deposited in the United States mail addressed with postage prepaid. To increase flexibility, any Person, including the Association, may consent to or request in writing additional methods of receiving notice, including but not limited to, facsimile, electronic mail or e-mail.

6.6 Amendment.

(a) By Declarant. Until termination of the Class "B" membership, the Declarant may unilaterally amend these By-Laws for any purpose. Thereafter, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the U.S. Department of Veterans Affairs, the U.S. Department of Housing and Urban Development, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. In addition, during the Development Period, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

(b) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding sixty-seven percent (67%) of the total Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant.

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

(c) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

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

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

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of Watersound Camp Creek Community Association, Inc., a Florida nonprofit corporation;

That the foregoing By-Laws constitute the original By-Laws of the Association, as duly adopted at a meeting of the Board of Directors thereof held on the 10th day of September, 2020.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 10th day of September, 2020.

_____[SEAL]
Secretary