

ARTICLES OF INCORPORATION**OF****SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida
corporation not for profit**

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

ARTICLE I.**NAME OF CORPORATION**

The name of the corporation is SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit (hereinafter called the "Association").

ARTICLE II.**PRINCIPAL OFFICE AND MAILING ADDRESS OF THE ASSOCIATION**

The principal office and mailing address of the Association is located at 1105 Kensington Park Drive, Altamonte Springs, Florida, 32714.

ARTICLE III.**REGISTERED OFFICE AND REGISTERED AGENT**

The street address of the initial registered office of the Association is 215 North Eola Drive, Orlando, Florida, 32801, and the name of the initial registered agent at that address is William A. Beckett, Esquire.

ARTICLE IV.**PURPOSE AND POWERS OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed is to make payment for maintenance and preservation of all Common Area infrastructure, including retention areas, if any, within that certain tract of property described in Exhibit "A" to these Articles of Incorporation, and any additional property that may be annexed and/or included in accordance with these Articles and the Declaration, as hereinafter defined, and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such purposes and to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Conditions, Covenants, Easements, and Restrictions for Southport Bay Master Homeowners' Association, Inc. (hereinafter called the "Declaration"), applicable to the Property and recorded or to be in the

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Public Records of Osceola County, Florida, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Make payment for maintenance and improvements of Common Area infrastructure within the property described in Exhibit "A" to these Articles of Incorporation;

(d) Borrow money, and with the assent of a majority the total cumulative votes of both classes of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of a majority of the total cumulative votes of both classes of members;

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

ARTICLE V. MEMBERSHIP

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

ARTICLE VI. VOTING RIGHTS

The Association shall have two classes of voting membership:

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

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to nine (9) votes for each Lot owned by the Class B Member. Notwithstanding the foregoing, Greater and Arnco acknowledge and agree that control and decision-making of the Association shall be shared on a 50/50 basis. The Class B membership shall cease and terminate (i) at such time as ninety percent (90%) of the maximum number of Residences allowed for the Property have been conveyed to Class A Members, or (ii) sooner if required by the provisions of Chapter 617, Florida Statutes, or at the election of the Declarant, whereupon the Class A Members shall be obligated to elect the Board of Directors and assume control of the Association. Upon termination of the Class B membership as provided for herein, the Class B membership shall convert to Class A membership with voting strength as set forth above for Class A membership.

ARTICLE VII. BOARD OF DIRECTORS

The affairs of this Association shall be managed initially by a Board of three (3) Directors who shall serve until the organizational meeting and thereafter by a Board of three (3) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Charles W. Gregg	1105 Kensington Park Drive Altamonte Springs, FL 32714
Hampton P. Conley	1105 Kensington Park Drive Altamonte Springs, FL 32714
George Arnold	P.O. Box 450037 Kissimmee, Florida 34741

At the first annual meeting, the members shall elect three (3) Directors for a term of one (1) year. At each annual meeting thereafter the members shall elect three (3) Directors for a term of one (1) year.

ARTICLE VIII.
INITIAL OFFICERS

The affairs of the Association shall be managed by a President, Vice-President, and Secretary and Treasurer, and such other officers as are permitted in the Bylaws. The names and addresses of those persons who shall act as officers of the corporation until the election of their successors are:

<u>OFFICE</u>	<u>NAME</u>	<u>ADDRESS</u>
President	Charles W. Gregg	1105 Kensington Park Drive Altamonte Springs, FL 32714
Vice-President	George Arnold	P.O. Box 450037 Kissimmee, Florida 34741
Secretary	Hampton P. Conley	1105 Kensington Park Drive Altamonte Springs, FL 32714
Treasurer	Simon Snyder	1105 Kensington Park Drive Altamonte Springs, FL 32714

The above-named officers shall serve until the first and organizational meeting of the Board of Directors of the corporation. The officers shall be elected by the Directors at the first meeting of the Board of Directors and shall hold office for a one (1) year period from the date of their election.

ARTICLE IX.
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by members holding a majority of the total cumulative votes of both classes of members. In the event of a permanent dissolution of the Association, (i) all assets of the Association shall be conveyed to a non-profit organization with similar purposes, or (ii) all Association assets may be dedicated to Osceola County, Florida or any applicable municipal or other governmental authority. Said successor non-profit organization or governmental entity shall provide for the continued maintenance and upkeep of the Common Area and such other property as may be contemplated the Declaration. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. This procedure shall be subject to court approval upon dissolution pursuant to Chapter 617, Florida Statutes.

ARTICLE X.
DURATION

The Corporation shall exist perpetually.

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ARTICLE XI
AMENDMENTS

Amendment of these Articles shall require the assent of a majority of the total cumulative votes of both classes of members entitled to vote thereon, in the manner as set forth under Chapter 617, Florida Statutes. A majority of each class shall not be required, so long as a majority of the cumulative total of votes of the two classes combined is satisfied. Amendment of these Articles may be proposed by the Board of Directors and shall be voted on at a Special Meeting of the Membership duly called for that purpose, or at an annual meeting of the Membership.

ARTICLE XII
BYLAWS

The Bylaws of this corporation shall be adopted by the Board of Directors and may be altered, amended, or rescinded by a majority vote of the total cumulative votes of both classes of members entitled to vote thereon in person or by proxy. A majority of each class shall not be required, so long as a majority of the cumulative total of votes of the two classes combined is satisfied.

ARTICLE XIII
SUBSCRIBER

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

William A. Beckett, Esquire
Lowndes, Drosdick, Doster, Kantor & Reed
215 North Eola Drive
Orlando, Florida 32801

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Florida, I, the undersigned, as subscriber and incorporator of this Association, have executed these Articles of Incorporation this 6th day of June, 2005.


William A. Beckett

ACCEPTANCE OF REGISTERED AGENT

The undersigned hereby accepts the designation as Registered Agent of SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC.


William A. Beckett

**WRITTEN CONSENT TO ACTION OF THE BOARD OF DIRECTORS
TAKEN IN LIEU OF FIRST AND ORGANIZATIONAL MEETING OF
SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC.**

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

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

2. **RESOLVED**, that the seal containing the name of the Corporation and the words and figures "Florida Not-For-Profit Corporate Seal 2005," as shown impressed upon this page immediately below is hereby approved and adopted as the seal of the Corporation.

[CORPORATE SEAL]

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

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

Charles W. Gregg	President
George Arnold	Vice President
Hampton P. Conley	Secretary
Simon Snyder	Treasurer

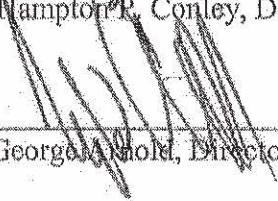
5. **RESOLVED**, that the fiscal year ending December 31 of each year is hereby adopted as the fiscal year of the Corporation.

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

Dated effective as of the 9th day of June, 2005

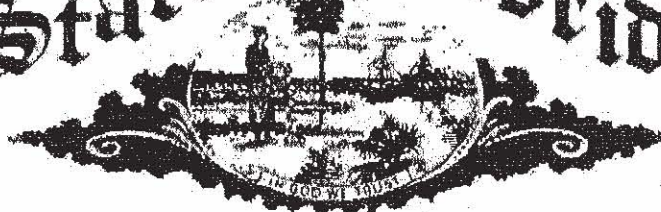

Charles W. Gregg, Director


Hampton R. Conley, Director


George Arnold, Director

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State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, filed on June 9, 2005, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H05000143963. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N05000005992.

Authentication Code: 605A00040683-061005-N05000005992-1/1



Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Tenth day of June, 2005

Glenda E. Hood
Glenda E. Hood
Secretary of State



FLORIDA DEPARTMENT OF STATE

Glenda E. Hood
Secretary of State

June 10, 2005

SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC.
1105 KENSINGTON PARK DRIVE
ALTAMONTE SPRINGS, FL 32714

The Articles of Incorporation for SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC. were filed on June 9, 2005, and assigned document number N05000005992. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H05000143963.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file/effective date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting Form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have questions regarding corporations, please contact this office at the address given below.

Claretha Golden
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 605A00040683

BYLAWS
OF
SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC.,
a Florida corporation not for profit

ARTICLE I.
NAME AND LOCATION

The name of the corporation is SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit, hereinafter referred to as the "Association." The principal office of the Association shall be located at 1105 Kensington Park Drive, Altamonte Springs, Florida, 32714, but meetings of members and Directors may be held at such places within the State of Florida, Counties of Osceola, Lake, Seminole or Orange, as may be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS

Section 1. "Assessment" means and refers to a share of the funds required for payment of the expenses of the Association, which funds shall be assessed against a Lot Owner from time to time.

Section 2. "Association" means and refers to SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit, its successors and assigns.

Section 3. "Board of Directors" means and refers to the board of directors of the Association.

Section 4. "Common Area" means and refers to all joint infrastructure, linear park, lawn, landscaping and similar improvements, which areas shall include those in Tracts L1, L2, L3, L4, P1, P2, P3, R1 and W within the Plat to the extent not owned or maintained by a Municipal Service Taxing Unit, Southport Bay Phase I Homeowners' Association or Southport Bay Phase 2 Homeowners' Association.

Section 5. "Declaration" means and refers to the Declaration of Conditions, Covenants, Easements, and Restrictions for Southport Bay Master Homeowners' Association, Inc., as recorded in the Public Records of Osceola County, Florida, and as the same may be amended from time to time.

Section 6. "Declarant" means and collectively refers to The Greater Construction Corp., a Florida corporation (hereinafter "Greater"), and Arneo Land Company, LLC, a Florida limited liability company (hereinafter "Arneo"), and their successors and assigns, by

virtue of such written instruments assigning the rights and obligations of Declarant under the Declaration recorded in the Public Records of Osceola County, Florida. Upon recordation of any such assignment, the initial Declarant shall be released and absolved from any obligations on the part of the Declarant as may arise by or through the Declaration. A Lot purchaser, Lot Owner or Lot mortgagee shall not be deemed to be the Declarant by the mere act of purchase or mortgage of a Lot.

Section 7. "Entitled To Vote" means and refers to that Lot Owner who shall cast a vote for a Lot at an Association meeting. If more than one person or legal entity shall own any Lot, the Owners thereof shall determine among themselves who shall be the Member Entitled To Vote. Said determination shall be manifested upon a voting certificate, signed by all Owners of said Lot and given to the Association Secretary for placement in the Association records. Notwithstanding anything contained herein to the contrary, all Lot Owners, whether Entitled To Vote or not, are assured of all other privileges, rights, and obligations of Association membership and shall be Members of the Association. In no event shall any mortgagee or other party holding any type of security interest in a Lot or the Residence constructed thereon be Entitled To Vote for purposes hereof, unless and until any of said parties obtain or receive fee simple title to such Lot.

Section 8. "Institutional Lender" or "Institutional Mortgagee" means and refers to a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, pension fund, pension trust or any other generally recognized institutional-type lender or its loan correspondent, the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Federal Housing Administration (FHA) or the Veteran's Administration (VA) and to any successor or assignee thereof.

Section 9. "Lot" means and refers to any Lot on a Plat of the Property and any other property hereafter declared as a Lot by the Declarant and thereby made subject to this Declaration. Notwithstanding the foregoing, Lot shall also mean to include those fifty-two (52) proposed lots which are contained within Tract F of the Plat with respect to the property owned by Arneo, however should the actual number of lots contained within Tract F of the Plat exceed fifty-two (52) then those additional lots shall also be considered a Lot for purposes of this definition.

Section 10. "Member" means and refers to all those Owners who are Members of the Association as provided in the Declaration.

Section 11. "Owner" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Property including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Plat" means and refers to the plat of Southport Bay, as recorded in the Public Records of Osceola County, Florida.

Section 13. "Property" or "Properties" means and refers to the property as described in the Declaration, and additions thereto, as are now or hereafter made subject to said Declaration and to the jurisdiction of the Association, except such as are withdrawn from the provisions thereof in accordance with the procedures of the Declaration or hereinafter set forth.

Section 14. "Residence" means and refers to any residential building constructed on a Lot for which a certificate of occupancy has been duly issued.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or upon written request of the members who are entitled to vote one-half ($\frac{1}{2}$) of all of the cumulative votes of the Class A and Class B membership combined.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote there at, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Notice and Quorum for any Action Authorized under the Declaration. Written notice of any meeting called for the purpose of taking any action authorized under the Declaration shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the total cumulative votes of the Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, a majority of the votes of both classes of membership combined shall constitute a quorum for any action except as otherwise provided in the Articles of

Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV.

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed initially by a Board of three (3) directors, who need not be members of the Association, who shall serve until the organizational meeting. Notwithstanding the foregoing, Greater and Arncos acknowledge and agree that control and decision-making of the Association shall be shared on a 50/50 basis.

Section 2. Term of Office. At the first annual meeting the members shall elect three (3) directors for a term of one (1) year.

Section 3. Removal. Any director may be removed from the Board with or without cause by a majority vote of the votes of both classes of membership combined of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V.

NOMINATION AND ELECTION OF BOARD OF DIRECTORS

Section 1. Nomination. Following termination of the Class B membership, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such

appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmembers.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Notwithstanding the foregoing or anything in the Articles of Incorporation or Bylaws of the Association to the contrary, the Declarant shall have the right to appoint a majority of the Board of Directors of the Association for not less than ten (10) years from the date hereof.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the payment for and maintenance of the Common Area infrastructure and improvements;
- (b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary to prescribe their duties; and

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

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at any meeting of the members or at any special meeting when such statement is requested in writing by one-half ($\frac{1}{2}$) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) if deemed appropriate by the Board of Directors, foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay same;

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

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

- (f) cause the Common Area to be maintained.

ARTICLE VIII.
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, vice-president, secretary and treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

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

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

Section 7. Multiple Offices. Any two (2) or more offices may be held by the same person.

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

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments.

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

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

the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures when requested by the Board of Directors. All checks of the Association shall be co-signed by any two officers or agents of the Association approved and designated for check signing by the Board of Directors.

ARTICLE IX. COMMITTEES

The Board of Directors shall appoint committees as deemed appropriate in carrying out its purpose.

ARTICLE X. BOOKS AND RECORDS

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

ARTICLE XI. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than One Hundred and no/100 Dollars (\$100.00) may be imposed and all such sums, including administrative fees, costs and all charges shall bear interest from the date of delinquency at the maximum rate of interest permitted by law per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability from the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII.
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC.

ARTICLE XIII.
AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. A majority of each class shall not be required, so long as a majority of the cumulative total of votes of the two classes is satisfied.

ARTICLE XIV.
MISCELLANEOUS

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

ARTICLE XV.
LIABILITY AND INDEMNIFICATION

As more particularly set forth in the Declaration, neither Declarant, the Association, nor the individual members, directors or officers thereof shall be personally liable to the Owners of the Sites or to any third parties whatsoever for any mistake of judgment or for any other acts or omissions of any nature whatsoever while acting in their official capacity, except for any acts or omissions found by a court to constitute gross negligence or actual fraud.

In the event of any dispute or disagreement between any Owners relating to the Property, or any questions or interpretation or application of the provisions of the Declaration or these Bylaws, the determination thereof by the Board of Directors shall be final and binding on each and all such Owners.

Except as otherwise provided in the Declaration with respect to Association actions brought to collect or enforce any Assessment levied in accordance with the terms of the Declaration or to foreclose an assessment lien, in the event there arises any dispute with respect to any matters contained in the Declaration, the Articles of Incorporation of the Association or herein, between the Declarant, the Association or the Owner of any Site, such dispute shall be resolved by binding arbitration as provided for in the Declaration.

ARTICLE XVI.
MERGER AND CONSOLIDATION

Upon a merger or consolidation of the Association with another association, its

properties, rights and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may be added to the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions established by the Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by the Declaration pertaining to the Property except as otherwise provided in the Declaration.


ARTICLE XVII
PRIORITY OF GOVERNING DOCUMENTS

In the event of a conflict between the Declaration, the Articles of Incorporation of the Association, and these Bylaws, or any two of them, these Bylaws shall be controlled by the Articles of Incorporation of the Association, and these Bylaws and Articles of Incorporation of the Association shall be controlled by the Declaration.

IN WITNESS WHEREOF, we, being all of the directors of Southport Bay Master Homeowners' Association, Inc., a Florida corporation not for profit, have hereunto set our hands this _____ day of April, 2005.



Charles W. Gregg, Director



Hampton R. Conley, Director



George Arnold, Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit; and

THAT the foregoing Bylaws were adopted by the Written Consent to Action in lieu of First and Organizational Meeting of the Board of Directors effective as of the _____ day of April, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this _____ day of April, 2005.

This instrument was prepared by
and should be returned to:
William A. Beckett, Esquire
Lowndes, Drosdick, Doster, Kantor
& Reed, Professional Association
215 North Eola Drive
Orlando, Florida 32801
(407) 843-4600

LARRY WHALEY
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

15P

CL 2005153821 OR 2832/1882
LMC Date 07/07/2005 Time 14:01:51

**DECLARATION OF CONDITIONS, COVENANTS,
EASEMENTS, AND RESTRICTIONS FOR
SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC.**

THIS DECLARATION is made this ____ day of May, 2005, by THE GREATER CONSTRUCTION CORP., a Florida corporation, whose address is 1105 Kensington Park Drive, Altamonte Springs, Florida, 32714; (hereinafter "Greater") and by ARNCO LAND COMPANY, LLC, a Florida limited liability company, whose mailing address is Post Office Box 450037, Kissimmee, Florida 34741 (hereinafter "Arnco"), which declare hereby that the "Property" described in Article II of this Declaration is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth.

ARTICLE I
DEFINITIONS

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

1.1 "Assessment" means and refers to a share of the funds required for payment of the expenses of the Association, which funds shall be assessed against a Lot and its Owner from time to time.

1.2 "Association" means and refers to SOUTHPORT BAY MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit, its successors and assigns.

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

1.4 "Common Area" means and refers to all joint infrastructure, linear park, lawn, landscaping and similar improvements, which areas shall include those in Tracts L1, L2, L3, L4, P1, P2, P3, R1 and W within the Southport Bay plat to the extent not owned or maintained by a Municipal Service Taxing Unit, Southport Bay Phase I Homeowners' Association or Southport Bay Phase 2 Homeowners' Association.

1.5 "Declaration" means and refers to this Declaration of Conditions, Covenants, Easements, and Restrictions for Southport Master Homeowners' Association, Inc. a Florida corporation not for profit, as recorded in the Public Records of Osceola County, Florida, and as the same may be amended and supplemented from time to time.

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1.6 "Declarant" means and refers to Greater and Arnco and their successors and assigns, by virtue of such written instruments assigning the rights and obligations of Declarant hereunder recorded in the Public Records of Osceola County, Florida. Upon recordation of any such assignment, the initial Declarant shall be released and absolved from any obligations on the part of the Declarant as may arise by or through this Declaration. A Lot purchaser, Lot Owner or Lot mortgagee shall not be deemed to be the Declarant by the mere act of purchase or mortgage of a Lot.

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

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

1.9 "Lot" means and refers to any Lot on a Plat of the Property and any other property hereafter declared as a Lot by the Declarant and thereby made subject to this Declaration. Notwithstanding the foregoing, Lot shall also mean to include those fifty-two (52) proposed lots which are contained within Tract F of the Plat with respect to the property owned by Arnco, however should the actual number of lots contained within Tract F of the Plat exceed fifty-two (52) then those additional lots shall also be considered a Lot for purposes of this definition.

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

1.11 "Owner" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Property including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.12 "Plat" means and refers to the plat of Southport Bay, as recorded in the Public Records of Osceola County, Florida.

1.13 "Property" or "Properties" means and refers to the property as described in Section 2.1 of this Declaration, as are now or hereafter made subject to this Declaration and to

CL 2005153821 OR 2832/1884
the jurisdiction of the Association, except such as are withdrawn from the provisions hereof in accordance with the procedures hereinafter set forth.

1.14 "Residence" means and refers to any residential building constructed on a Lot for which a certificate of occupancy has been duly issued.

ARTICLE II.
PROPERTY SUBJECT TO THIS DECLARATION;
ADDITIONS THERETO

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

Lots 1 through 65, and Tract F of SOUTHPORT BAY, according to the plat thereof, as recorded in Plat Book 17, Pages 25 and 26 of the Public Records of Osceola County, Florida,

all of which real property, and all additions thereto, is herein referred to collectively as the "Property."

ARTICLE III.
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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

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

Class A. Class A Membership shall be all Owners of Lots. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, but the vote for such Lot shall be exercised only by that

CL 2005153821 OR 2832/1985
one person who is Entitled To Vote. In no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to nine (9) votes for each Lot owned by the Class B Member. Notwithstanding the foregoing, Greater and Aruco acknowledge and agree that control and decision-making of the Association shall be shared on a 50/50 basis. The Class B membership shall cease and terminate (i) at such time as ninety percent (90%) of the maximum number of Residences allowed for the Property have been conveyed to Class A Members, or (ii) sooner if required by the provisions of Chapter 617, Florida Statutes, or at the election of the Declarant, whereupon the Class A Members shall be obligated to elect the Board of Directors and assume control of the Association. Upon termination of the Class B membership as provided for herein, the Class B membership shall convert to Class A membership with voting strength as set forth above for Class A membership.

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

ARTICLE IV. PROPERTY RIGHTS IN THE COMMON AREAS; OTHER EASEMENTS

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

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

A. The right and duty of the Association to levy Assessments against each Lot for the purpose of maintaining the Common Area and facilities in compliance with the provisions of this Declaration and with the restrictions on the Plats of portions of the Property from time to time recorded;

B. The right of the Association to suspend the Member's and/or Owner's voting rights for any period during which any Assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of lawfully adopted and published rules and regulations;

C. The right of the Association to adopt at any time and from time to time and enforce rules and regulations governing the use of the Lots and Common Area and all facilities at any time situated thereon, including the right to fine Owners and Members as

hereinafter provided. Any rule and/or regulation so adopted shall apply until rescinded or modified as if originally set forth at length in this Declaration; and

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D. The right to the use and enjoyment of the Common Area and facilities thereon shall extend to all permitted user's immediate family who reside with him subject to regulation from time to time by the Association in its lawfully adopted and published rules and regulations.

4.2 Easements Appurtenant. The easements provided in Section 4.1 shall be appurtenant to and shall pass with the title to each Lot.

4.3 Maintenance. The Association shall at all times maintain in good repair and manage, operate, and insure, and shall replace as required, the Common Area, together with the paving, drainage structures, masonry walls, lighting fixtures and appurtenances, landscaping, sprinkler systems, entrance markers and features, signs, improvements and other structures that may (but will not necessarily) be installed by the Declarant or the Association situated on the Common Area, if any. In order to maintain, manage, and operate the Common Area, and such appurtenances as are described above, the Association shall have the right and authority to enter into such contracts or agreements (including without limitation agreements with the Declarant) as the Board of Directors of the Association deem appropriate. Maintenance of any lighting fixtures shall include and extend to payment for all electricity consumed in their illumination. Without limiting the generality of the foregoing, the Association shall assume all of Declarant's responsibility to Osceola County of any kind with respect to the Common Area and shall indemnify and hold the Declarant harmless with respect thereto.

Each Owner shall be responsible for the maintenance, replacement, and repair of all walls, gates, paving, drainage facilities, structures and improvements located on his Lot, other than those specifically provided to be maintained by the Association.

All work pursuant to this Section and all expenses incurred hereunder shall be paid for by the Association through Assessments (either general or special) imposed in accordance herewith. No Owner may waive or otherwise escape liability for Assessments by non-use of the Common Area or Lots or abandonment of the right to use the Common Area.

4.4 Ownership. In accordance with the dedication set forth on the Plat, the Common Area is hereby dedicated non-exclusively to the joint and several use, in common, of the Owners of all Lots that may from time to time constitute part of the Property and such Owners' tenants, guests, and invitees. Declarant shall convey the Common Area to the Association, which shall accept such conveyance. Beginning on the date this Declaration is recorded, the Association shall be responsible for the maintenance of the Common Area (whether or not then conveyed to the Association), such maintenance to be performed in a continuous and satisfactory manner. It is intended that all real estate taxes and assessments, if any, assessed against that portion of the Common Area owned or to be owned by the Association shall be proportionally assessed against and payable as part of the taxes of the Lots within the Property. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Area, the Association shall be responsible for the payment of the

CL 2005153821 OR 2832/188
same, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date this Declaration is recorded.

4.5 Declarant Offices. Notwithstanding anything herein to the contrary, but subject to approval by Osceola County, if required by its laws and ordinances, the Declarant shall have the specific right to maintain upon any portion of the Property sales, administrative, construction or other offices without charge, and appropriate easements of access and use are expressly reserved unto the Declarant and its successors, assigns, employees and contractors, for this purpose.

4.6 Sidewalks. Public sidewalk easements, if any, may be referred to on the Plat(s) or created by separate instrument.

ARTICLE V.
ASSOCIATION-COVENANT
FOR MAINTENANCE ASSESSMENTS

5.1 Creation of the Lien and Personal Obligations of the Assessments. Except as provided elsewhere herein, the Declarant, for all Lots within the Property, hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association annual Assessments or charges for the maintenance, management, operation, and insurance of the Common Areas and other properties that may be otherwise used for the benefit of the Property as provided elsewhere herein, including such reasonable reserves as the Association may deem necessary, including capital improvement Assessments, as provided elsewhere herein and all other charges and Assessments hereinafter referred to, all such Assessments to be fixed, established and collected from time to time as herein provided. In addition, individual assessments may be levied against particular Owners and Lots for expenses incurred against particular Lots and/or Owners to the exclusion of others and other charges against specific Lots or Owners as contemplated in this Declaration. The annual, special, and other Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the Assessment fell due. Except as provided herein with respect to individual Assessments that may be imposed on one or more Lots and Owners to the exclusion of others, all Assessments imposed by the Association and/or the Master Association shall be imposed against all Lots subject to its jurisdiction equally. Reference herein to Assessments shall be understood to include reference to any and all of said charges whether or not specifically mentioned.

5.2 Purpose of Assessments. The regular Assessments levied by the Association shall be used exclusively for payments and purposes described herein and in paragraph 5.1 above and for operation, maintenance, repair, renovation, and construction upon the Common Areas, including the maintenance and repair of such other properties as may be used for the benefit of the Property, as specifically provided herein, capital improvements, reserves, operating costs of the Association and to promote the health, safety, welfare, and aesthetics of the Members of the

Association and their families residing with them, their guests and tenants, all as provided for herein. CL 2005153821 OR 2832/1888

5.3 Reserves for Replacement. The Association may establish and maintain a reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Area. The reserve fund may be maintained from annual Assessments. Notwithstanding the foregoing, if the Declarant elects to pay the amount of any deficits incurred by the Association for expenses in excess of the amounts collected as Assessments, in accordance with the provisions of Section 5.14 of this Declaration, then the Declarant shall not be required to contribute to a reserve fund.

5.4 Initiation Fee; Initial Assessment Payment. The Board of Directors may fix the initial annual Assessment and any maximum annual Assessments.

5.5 Capital Improvements. Funds necessary for the addition of capital improvements (as distinguished from repairs and maintenance) relating to the Common Area or other properties used for the benefit of the Property and which have not previously been collected as reserves or are otherwise available to the Association shall be levied by the Association as special Assessments only upon approval by a majority of the total cumulative vote of the Members voting in person or by proxy at a meeting duly called for such purpose.

5.6 Notice and Quorum for Any Action Authorized Under Sections 5.5 and 5.7. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.5 or 5.7 shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of the total cumulative vote of the Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

5.7 Date of Commencement of Annual Assessments; Due Dates. The annual Assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent annual Assessment shall be imposed for the year beginning January 1 and ending December 31. The annual Assessments shall be payable in advance by one (1) annual payment, or by monthly, quarterly or biannual installments in the discretion of the Board of Directors of the Association. At the time of the closing of the sale of any Lot, the purchaser thereof shall pay to the Association an amount equal to the lesser of: (i) the full annual Assessment multiplied by a fraction, the numerator of which is the number of days remaining in the year of closing (including the date of closing) and the denominator of which is 365, or (ii) the portion of the full annual Assessment otherwise due and owing for the remainder of the year. The due date of any special Assessment shall be fixed in the Board of Directors resolution authorizing such assessment.

5.8 Certain Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the Assessment against each

Lot subject to the Association's jurisdiction for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the Assessment shall thereupon be sent to every Owner subject thereto thirty (30) days prior to payment of the first installment or full payment thereof, as required in the discretion of the Board of Directors of the Association, except as to emergency Assessments. Subject to other provisions hereof, the Association shall upon demand at any time furnish to any Owner liable for an Assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any Assessment to the Association therein stated to have been paid. The Association may charge a reasonable fee for such certificate. The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations (including affiliates of the Declarant) for management services or for other services beneficial to the Association or the proper operation and maintenance of the Property. The Association shall have all other powers provided elsewhere herein, in its Articles of Incorporation and its Bylaws.

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

If any installment of an Assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than ONE HUNDRED AND NO/100 DOLLARS (\$100.00) may be imposed and all such sums including administrative fees, costs and all charges shall bear interest from the dates when due until paid at the highest lawful rate, and the Association may bring an action at law against the Owner(s) personally obligated to pay the same or may record a claim of lien against the Lot on which the assessments and late charges are unpaid and may foreclose the lien against the Lot on which the assessments and late charges are unpaid, or may pursue one or more of such remedies at the same time or successively. The Association shall also have the right to recover its attorneys' fees (including paralegal fees) and costs, including without limitation costs and expenses for consultation with an attorney because any such sums have not been paid, and costs and expenses charged by such attorney for services related in any way to the failure by an Owner to pay such sums (such as without limitation fees for telephone calls, preparation of correspondence, attendance at meetings, etc.), whether or not suit is filed. Further, in addition to the foregoing, in the event suit is filed, the Association shall have the right to recover all attorneys' fees, paralegals' fees, and costs incurred before trial, at trial, and upon all appellate levels.

The Association does not intend to collect or receive interest in excess of the maximum legal rate permitted under applicable usury laws. In the event the Association or any court

determines that any charge, fee or interest paid or agreed to be paid in connection with Article V hereto may, under applicable usury laws, cause the interest rate to exceed the maximum rate permitted by law, then such charges, fees or interest shall be reduced to the maximum rate permitted by law and any amounts actually paid in excess of such maximum rate permitted by law shall be repaid directly to the Owner. CL 2005153821 OR 2832/189

In addition to the rights of collection stated above, if any installment of an Assessment is not paid within fifteen (15) days after the due date, the Board of Directors of the Association may impose a fine on the Lot for which the Assessment was not paid (and the fine shall also be the personal obligation of the Owner). The fine shall be imposed by the Board of Directors at a duly called meeting in accordance with the Bylaws of the Association and notice of the fine shall be sent to the Owner by certified mail, return receipt requested, postage prepaid. The Owner may appeal the fine to the respective Board of Directors in accordance with reasonable procedures prescribed by such Board of Directors from time to time. The determination of the Board of Directors with respect to any such appeal shall be final.

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

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

In addition to the rights of collection of Assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the Assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or the enjoyment of the Common Area until such time as all unpaid and delinquent Assessments due and owing from the selling Owner have been fully paid. No sale or other disposition of Lots shall be permitted until an estoppel letter is received from the Association acknowledging payment in full of all Assessments and other sums due; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 5.12 of this Article.

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

5.10 Subordination of the Lien. The lien of the assessments provided for in this Article shall be subordinate to the lien of any first mortgage to any Institutional Lender and which is now or hereafter placed upon any property subject to Assessment; provided, however, that any such mortgagee when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgagee acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgagee, shall hold title subject to the liability and lien of any Assessment coming due after such foreclosure (or

conveyance in lieu of foreclosure). Any unpaid Assessment that cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an Assessment divided equally among, payable by and a lien against all Lots subject to Assessment by the Association, including the Lots as to which the foreclosure (or conveyance in lieu of foreclosure) took place. Failure to pay assessments shall not constitute a default under any first mortgage to an Institutional Lender unless the First Mortgage so provides. CL 2005-153821 OR 2832/1891

5.11 Collection of Assessments. The Association shall collect the Assessments of the Association. Mortgagees are not required to collect assessments.

5.12 Effect on Declarant. Notwithstanding any provision that may be contained to the contrary in this Declaration or the Articles of Incorporation or Bylaws of the Association, for as long as Declarant or its successors or assignees, from time to time, are the Owners of any Lot on which a Residence has not yet been constructed, the Declarant shall be liable for the full Assessments against each Lot so owned; provided, however, the Declarant, in its sole discretion, may elect in any given assessment year, in lieu of payment of the full Assessments for each such Lot, to pay the amount of any deficits incurred by the Association for expenses incurred in excess of the amounts collected as Assessments. In such event, Declarant shall not be required to fund reserves. For purposes hereof, the existence, or nonexistence of a deficit for the Association shall be determined on cash basis accounting instead of accrual basis. When Declarant has sold and conveyed all Lots in the Property, Declarant shall not have further liability of any kind to the Association for the payment of Assessments or for funding any deficits of the Association.

ARTICLE VI. ENFORCEMENT

6.1 Compliance by Owners. Every Owner shall comply with the terms, provisions, restrictions, and covenants set forth herein and any and all rules and regulations that from time to time may be adopted by the Board of Directors of the Association.

6.2 Enforcement. The Declarant, the Association, the Board of Directors, each Owner, or any other party as provided herein shall each have the right (but not the obligation) to enforce this Declaration and the covenants, restrictions and provisions hereof including without limitation bringing the actions and filing and foreclosing the liens described in Article V hereto. Enforcement of this Declaration and the covenants, restrictions, and provisions hereof may be accomplished by any proceeding at law or in equity, including without limitation, an action for damages and injunctive relief. The Association shall have the right to suspend the voting rights and use of the Common Area of any defaulting Owner. Failure to enforce any covenant, restriction or provision hereof shall not be deemed a waiver to do so thereafter. The defaulting and/or offending Owner shall be responsible for all costs incurred in enforcement of this Declaration, including but not limited to, attorney, paralegal and legal assistant fees, costs and expenses, related fees, costs and expense, court costs, and witness and expert fees and costs, whether suit be brought or not, and whether in settlement, in any declaratory action, at trial or on appeal.

ARTICLE VII.
GENERAL PROVISIONS

CL 2005153821

OR 2832/1892

7.1 Duration; Amendment. The covenants and restrictions of this Declaration shall run with and bind the Property for a term of fifty (50) years from the date this Declaration is recorded, after which they shall be automatically extended for successive periods of ten (10) years; unless during the last year of its applicability during the initial term or any extension period no less than seventy-five percent (75%) of the total cumulative vote of the Members at a duly noticed meeting of the Association vote in person or by proxy to terminate this Declaration. Further, no such termination shall have the effect of terminating any easements herein provided or reserved. Except as otherwise provided herein, this Declaration may be amended by an instrument signed by the owner(s) of the majority of the total cumulative votes of the Membership, but not requiring a specified number of votes of Members Entitled to Vote in each class; and in any event, so long as Declarant is the Owner of one (1) or more Lots within the Property, this Declaration may be amended by only Declarant (without the consent of any other party) to clarify ambiguities and scrivener's errors or for reasons which benefit the Property as determined by Declarant, in its reasonable discretion. In addition to the foregoing, so long as Declarant owns any Lots within the Property, all amendments to this Declaration must be approved and joined in by Declarant. If not so joined by Declarant, the amendment shall be null and void. Any amendment to this Declaration must be recorded in the Public Records of Osceola County, Florida.

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

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

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

7.5 Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and Bylaws of the Association and the Articles shall take precedence over the Bylaws.

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

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

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

7.9 Dissolution of Association. In the event of a permanent dissolution of the Association, (i) all assets of the Association shall be conveyed to a non-profit organization with similar purposes, or (ii) all Association assets may be dedicated to Osceola County, Florida or any applicable municipal or other governmental authority. Said successor non-profit organization or governmental entity shall, pursuant to this Declaration, provide for the continued maintenance and upkeep of the Common Area and such other property as may be contemplated herein.

7.10 Litigation: Mediation/Arbitration of Disputes: ^{FL 2005153821} If a dispute arises out of or ^{OR 2832/1894} relates to the Declaration, or the breach thereof, and if said dispute cannot be settled through direct negotiation, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation administered by the American Arbitration Association under its then current Commercial Mediation Rules, before resorting to arbitration. The mediation shall occur within thirty (30) days following a written request for mediation by the Association and/or Declarant. Thereafter, any unresolved controversy or claim (as determined by any party hereto) arising out of or relating to the Declaration, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its then current Commercial Arbitration Rules, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. In the event of any such arbitration brought under the terms of the Declaration, the prevailing party in such arbitration shall be entitled to an award of costs, expenses and reasonable attorneys' fees, including paralegal charges, in addition to any other award of damages made by such panel.

EXECUTED as of the date first above written.

Signed, sealed and delivered
in the presence of:

Sandra K. Merchut
Name: SANDRA K. MERCHUT

Roxane H Stratton
Name: ROXANE H STRATTON

**THE GREATER CONSTRUCTION
CORP.,** a Florida corporation

By: 

Robert A. Mandell
Chief Executive Officer

ARNCO LAND COMPANY, LLC, a
Florida limited liability company

By: _____

George Arnold
President

Name: _____


Name: _____

STATE OF FLORIDA
COUNTY OF SEMIWOLE

The foregoing instrument was acknowledged before me this 23 day of May, 2005, by Robert A. Mandell, as Chief Executive Officer of The Greater Construction, Corp., a Florida corporation, on behalf of the corporation. He is personally known to me and did not take an oath.



Sandra K. Merchut
My Commission DD348026
Expires October 10, 2008


Notary Public
Printed Name: _____
Commission No: _____
My Commission Expires: _____