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**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR TESORO**

JOANNE HOLMAN, CLERK OF THE CIRCUIT COURT - SAINT LUCIE COUNTY
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TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	3
Section 1. "ADDITIONAL PLAT"	3
Section 2. "ADDITIONAL PROPERTY"	3
Section 3. "AMENDMENT(S)"	4
Section 4. "ARCHITECTURAL CONTROL COMMITTEE" or "COMMITTEE"	4
Section 5. "ARTICLES"	4
Section 6. "ASSESSMENT"	4
Section 7. "BOARD"	4
Section 8. "BUILDER"	4
Section 9. "BYLAWS"	4
Section 10. "CDD"	4
Section 11. "CITY"	4
Section 12. "COMMITTED PROPERTY"	4
Section 13. "COUNTRY CLUB PROPERTY"	5
Section 14. "COUNTY"	5
Section 15. "DECLARANT"	5
Section 16. "DESIGN GUIDELINES"	5
Section 17. "DEVELOPMENT PERIOD"	5
Section 18. "DIRECTOR"	5
Section 19. "DISTRICT"	5
Section 20. "DRAINAGE SYSTEM"	5
Section 21. "EXCLUSIVE POA PROPERTY"	6
Section 22. "HOME"	6
Section 23. "IMPROVED LOT"	6
Section 24. "IMPROVED LOT OWNER"	6
Section 25. "IMPROVEMENT"	6
Section 26. "INSTITUTIONAL MORTGAGE"	6
Section 27. "INSTITUTIONAL MORTGAGEE OR INSTITUTIONAL LENDER"	6
Section 28. "INTEREST"	6
Section 29. "LAKE LOT"	7
Section 30. "LEGAL FEES"	7
Section 31. "LOT"	7
Section 32. "MAINTENANCE AND COST SHARING AGREEMENT"	7
Section 33. "MASTER DECLARATION"	7
Section 34. "MEMBERS"	7
Section 35. "NEIGHBORHOOD"	7
Section 36. "NEIGHBORHOOD ASSESSMENTS"	7
Section 37. "NEIGHBORHOOD ASSOCIATION"	8
Section 38. "NEIGHBORHOOD EXPENSES"	8
Section 39. "NOTICE AND HEARING"	8
Section 40. "OPERATING EXPENSES"	8
Section 41. "OWNER"	8
Section 42. "PLAT(S)"	8
Section 43. "POA"	8

Section 44.	"POA PROPERTY".....	8
Section 45.	"SUPPLEMENTAL DECLARATION".....	9
Section 46.	"TESORO".....	9
Section 47.	"TESORO DOCUMENTS".....	9
Section 48.	"TOTAL PROPERTY".....	9
Section 49.	"TURNOVER DATE".....	9
Section 50.	"UNCOMMITTED PROPERTY".....	9
Section 51.	"UNIMPROVED LOT".....	10
Section 52.	"UNIMPROVED LOT OWNER".....	10
Section 53.	"VOTING DELEGATE".....	10
ARTICLE II	DESCRIPTION OF TESORO.....	10
Section 1.	GENERAL PLAN OF DEVELOPMENT.....	10
Section 2.	COMMITTED AND UNCOMMITTED PROPERTY.....	11
Section 3.	POA PROPERTY.....	12
Section 4.	NEIGHBORHOODS.....	16
Section 5.	EXCLUSIVE POA PROPERTY.....	17
Section 6.	COUNTRY CLUB PROPERTY.....	17
Section 7.	UNIFORM COMMUNITY DEVELOPMENT DISTRICT.....	18
Section 8.	SPECIAL ASSESSMENT DISTRICT.....	20
ARTICLE III	ADDITIONS TO AND WITHDRAWALS FROM THE PROPERTY; CONVEYANCE OF POA PROPERTY.....	20
Section 1.	ADDITIONS.....	20
Section 2.	DESIGNATION OF ADDITIONAL POA PROPERTY.....	21
Section 3.	DISCLAIMER OF IMPLICATION.....	21
Section 4.	ABSENCE OF OBLIGATION.....	21
Section 5.	WITHDRAWAL.....	21
Section 6.	TITLE TO THE POA PROPERTY.....	21
Section 7.	ADDITIONAL COVENANTS.....	22
ARTICLE IV	OWNERS' PROPERTY RIGHTS.....	23
Section 1.	OWNERS' EASEMENTS.....	23
Section 2.	DELEGATION OF USE.....	24
Section 3.	RECOGNITION OF EXISTING EASEMENTS.....	24
Section 4.	EASEMENTS FOR VEHICULAR TRAFFIC.....	24
Section 5.	ACCESS EASEMENT.....	24
Section 6.	GRANT AND RESERVATION OF EASEMENTS.....	25
Section 7.	PRIVATE USE.....	26
Section 8.	MODELS.....	27
Section 9.	GOLF EASEMENTS.....	27
Section 10.	GOLF CART PATH EASEMENT.....	28
Section 11.	ASSUMPTION OF RISK AND INDEMNIFICATION.....	28
Section 12.	CONSERVATION AREAS.....	29
Section 13.	ASSIGNMENTS.....	30
Section 14.	PRESENCE AND MANAGEMENT OF WILDLIFE.....	30
Section 15.	VIEW IMPAIRMENT.....	30
Section 16.	RELATIONSHIP WITH TAX-EXEMPT ORGANIZATIONS.....	31
Section 17.	MAINTENANCE AND COST SHARING AGREEMENTS.....	31

ARTICLE V	MEMBERSHIP AND VOTING RIGHTS IN THE POA; BOARD; DURATION OF THE POA.....	32
Section 1.	MEMBERSHIP AND VOTING RIGHTS.....	32
Section 2.	BOARD.....	32
Section 3.	DURATION OF POA.....	32
Section 4.	VOTING DELEGATES.....	32
ARTICLE VI	COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS.....	34
Section 1.	AFFIRMATIVE COVENANT TO PAY ASSESSMENTS.....	34
Section 2.	BASE ASSESSMENTS.....	34
Section 3.	NEIGHBORHOOD ASSESSMENTS.....	34
Section 4.	DETERMINING AMOUNT OF ASSESSMENTS.....	35
Section 5.	BUDGET ADOPTION.....	35
Section 6.	ASSESSMENT PAYMENTS.....	36
Section 7.	SPECIAL ASSESSMENTS.....	36
Section 8.	SPECIFIC ASSESSMENTS.....	36
Section 9.	LIABILITY OF OWNERS FOR ASSESSMENTS.....	37
Section 10.	ESTABLISHMENT OF LIENS.....	37
Section 11.	COLLECTION OF ASSESSMENTS.....	38
Section 12.	COLLECTION BY DECLARANT.....	38
Section 13.	RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES TO PAY ASSESSMENTS AND RECEIVE REIMBURSEMENT.....	39
Section 14.	WORKING FUND CONTRIBUTION.....	39
Section 15.	RELATIONSHIP OF POA AND NEIGHBORHOOD ASSOCIATIONS.....	39
Section 16.	WAIVER OF USE.....	41
ARTICLE VII	ARCHITECTURAL CONTROL COMMITTEE.....	41
Section 1.	MEMBERS OF THE COMMITTEE.....	41
Section 2.	REVIEW OF PROPOSED CONSTRUCTION.....	41
Section 3.	MEETINGS OF THE COMMITTEE.....	43
Section 4.	NO WAIVER OF FUTURE APPROVALS.....	43
Section 5.	COMPENSATION OF MEMBERS.....	44
Section 6.	INSPECTION OF WORK.....	44
Section 7.	NON-LIABILITY OF COMMITTEE MEMBERS.....	44
Section 8.	VARIANCE.....	44
Section 9.	ARCHITECT, BUILDER AND GENERAL CONTRACTOR APPROVAL.....	45
ARTICLE VIII	MAINTENANCE AND REPAIR OBLIGATIONS.....	45
Section 1.	BY THE POA.....	45
Section 2.	PROVISION OF SERVICES.....	47
Section 3.	BY THE OWNERS.....	48
Section 4.	DAMAGE TO BUILDINGS.....	49
ARTICLE IX	USE RESTRICTIONS.....	50
Section 1.	ENFORCEMENT.....	50
Section 2.	NUISANCES.....	51

DR BOOK 1603 PAGE 901

Section 3.	GOLF COURSE AREAS.....	52
Section 4.	RESIDENTIAL USE.....	52
Section 5.	PARKING AND VEHICULAR RESTRICTIONS	53
Section 6.	NO IMPROPER USE.....	53
Section 7.	LEASES	53
Section 8.	ANIMALS AND PETS.....	53
Section 9.	ADDITIONS AND ALTERATIONS	54
Section 10.	INCREASE IN INSURANCE RATES	54
Section 11.	SLOPES AND TREES	54
Section 12.	SIGNS.....	54
Section 13.	TRASH AND OTHER MATERIALS.....	54
Section 14.	TEMPORARY STRUCTURES	54
Section 15.	OIL AND MINING OPERATIONS.....	55
Section 16.	SEWAGE DISPOSAL.....	55
Section 17.	WATER SUPPLY.....	55
Section 18.	USE AND PRESERVATION OF THE LAKE.....	55
Section 19.	LAKE LOTS.....	55
Section 20.	FENCES.....	56
Section 21.	CONSTRUCTION REQUIREMENT.....	56
Section 22.	WINTER'S CREEK PERMITTING REQUIREMENTS.....	58
Section 23.	DECLARANT EXEMPTION	58
ARTICLE X	DAMAGE OR DESTRUCTION TO POA PROPERTY.....	58
ARTICLE XI	INSURANCE AND CONDEMNATION	59
Section 1.	CASUALTY INSURANCE.....	60
Section 2.	PUBLIC LIABILITY INSURANCE	60
Section 3.	FIDELITY COVERAGE	60
Section 4.	DIRECTORS' COVERAGE.....	60
Section 5.	OTHER INSURANCE.....	60
Section 6.	CANCELLATION OR MODIFICATION	60
Section 7.	FLOOD INSURANCE.....	60
Section 8.	CONDEMNATION	61
Section 9.	WAIVER OF SUBROGATION	61
ARTICLE XII	GENERAL PROVISIONS.....	61
Section 1.	CONFLICT WITH OTHER TESORO DOCUMENTS	61
Section 2.	NOTICES.....	61
Section 3.	ENFORCEMENT	61
Section 4.	INTERPRETATION.....	61
Section 5.	SEVERABILITY	62
Section 6.	CERTAIN RIGHTS OF DECLARANT.....	62
Section 7.	DISPUTES AS TO USE.....	63
Section 8.	AMENDMENT AND MODIFICATION	63
Section 9.	DELEGATION	64
Section 10.	TERM.....	64
Section 11.	RIGHTS OF MORTGAGEES.....	65

Section 12.	APPROVAL OF POA LAWSUITS BY OWNERS	66
Section 13.	COMPLIANCE WITH PROVISIONS	66
Section 14.	SECURITY	66
Section 15.	USE OF THE "TESORO" NAME AND LOGO	67
Section 16.	COVENANT RUNNING WITH THE LAND	67
Section 17.	NO PUBLIC RIGHT OR DEDICATION	68
Section 18.	NO REPRESENTATIONS OR WARRANTIES	68
Section 19.	POA AND DECLARANT AS ATTORNEY-IN-FACT	68
Section 20.	ENFORCEMENT OF NEIGHBORHOOD DUTIES AND RESPONSIBILITIES..	68

**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR TESORO**

THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR TESORO ("Master Declaration") is made this 22nd day of August, 2003, by Ginn-LA St. Lucie Ltd., L.L.L.P., a Georgia limited liability limited partnership, its successors and assigns ("Declarant"), and is joined in by TESORO PROPERTY OWNER'S ASSOCIATION, INC., a Florida corporation not for profit ("POA").

WHEREAS, that certain Declaration of Covenants, Restrictions and Easements for Tesoro, was recorded on the 9th day of April, 2002 in Official Records Book 1512, Page 2802 of the Public Records of St. Lucie County, Florida (such instrument as amended is hereinafter referred to as the "Original Declaration"); and

WHEREAS, Declarant recorded that certain Supplemental Declaration of Covenants, Restrictions and Easements for Tesoro on the 21st day of February, 2003, in Official Records Book 1662, Page 2666, of the Public Records of St. Lucie County, Florida (such instrument as amended is hereinafter referred to as the "2003 Supplemental Declaration"); and

WHEREAS, Declarant subsequently amended and restated the Original Declaration in its entirety by the recording that certain Amended and Restated Declaration of Covenants, Restrictions and Easements for Tesoro, dated July 21, 2003, and recorded on July 24, 2003 in Official Records Book 1759, Page 364 of the Public Records of St. Lucie County, Florida (the "Amended Declaration"); and

WHEREAS, subsequent to recordation of the Amended Declaration, Declarant elected not to implement a proposed future policy relating to membership in "The Tesoro Club," which policy was set forth in Article XII, Section 21 of the Amended Declaration, and Declarant desires to amend the Amended Declaration to delete such provision in its entirety; and

WHEREAS, pursuant to Section 8 of Article XII of the Amended Declaration, until the Turnover Date, all Amendments or modifications shall only be made by Declarant without the requirement of the POA's consent or the consent of the Owners so long as such Amendments or modifications do not materially impair the common plan of development of Tesoro; provided, however, that the POA shall, upon request of Declarant, join in any such Amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request; and

WHEREAS, in order to delete the above-referenced provision from the Amended Declaration, Declarant is desirous of amending and modifying the Amended Declaration by restating in its entirety the provisions thereof, it being the intent hereof, that this Master Declaration shall replace the provisions of the Amended Declaration thereto, in its entirety and this Master Declaration shall constitute the covenants, conditions and restrictions for Tesoro; and

WHEREAS, the POA is joining in this Master Declaration in order to acknowledge its obligations hereunder;

NOW THEREFORE, pursuant to and in consideration of the powers of Declarant under the Amended Declaration, the Amended Declaration and all exhibits thereto are hereby stricken in their entirety, and the following Master Declaration of Covenants, Restrictions and Easements for Tesoro (the "Master Declaration") is substituted in its place. The 2003 Supplemental Declaration is hereby ratified and shall remain in full force and effect.

[MASTER DECLARATION FOLLOWS]

DR BOOK 1803 PAGE 905

**MASTER DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR TESORO**

THIS MASTER DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR TESORO ("Master Declaration") is made as of August 22, 2003 by Ginn-LA St. Lucie Ltd., L.L.L.P., a Georgia limited liability limited partnership, its successors and assigns ("Declarant"), and is joined in by TESORO PROPERTY OWNER'S ASSOCIATION, INC., a Florida corporation not for profit ("POA").

WHEREAS, Declarant is the owner in fee simple of the real property more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Total Property");

WHEREAS, Declarant desires to develop a planned community to be known as "Tesoro" (all capitalized terms are hereinafter defined in Article I); and

WHEREAS, in order to develop and maintain Tesoro as a planned residential community and to preserve the values and amenities of such community, it is necessary to declare, commit and subject the Committed Property (and such additional properties which may be added to the Committed Property and which may hereafter be subjected to this Master Declaration) and the Improvements now or hereafter constructed thereon to certain land use covenants, restrictions, reservations, regulations, burdens, liens, and easements; and to delegate and assign to the POA certain powers and duties of ownership; administration, operation, maintenance and enforcement; and

WHEREAS, the POA is joining in this Master Declaration in order to acknowledge its obligations hereunder;

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Declarant hereby declares that the Committed Property and such portions of the Total Property which become Committed Property shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth, all of which shall run with the title to the Committed Property and any part thereof and which shall be binding upon all parties having any right, title or interest in the Committed Property or any part thereof, their heirs, successors and assigns.

**ARTICLE I
DEFINITIONS**

The capitalized terms used in this Master Declaration shall be defined as set forth herein unless expressly provided otherwise.

Section 1. "ADDITIONAL PLAT" shall mean any plat or replat of all or any portion of the Committed Property and which is recorded in the Public Records of the County.

Section 2. "ADDITIONAL PROPERTY" shall mean any real property (other than the Total Property) that may be submitted by Declarant to the terms and provisions of this Master Declaration by a Supplemental Declaration which shall be executed by the owner of the Additional Property and need not be joined in by any other person or Owner. No portion of any Additional Property shall be

DR BOOK 1803 PAGE 906

encumbered by this Master Declaration unless and until such property is added by a Supplemental Declaration executed by the fee owner thereof and the Declarant. In the event any Additional Property becomes encumbered by this Master Declaration, then, and only then in such event, the term "Committed Property" as used herein shall also mean and include such portion of the Additional Property.

Section 3. "AMENDMENT(S)" shall mean any and all amendments to this Master Declaration which shall be properly adopted pursuant to the terms of the Tesoro Documents and recorded in the Public Records of the County. "Amendment(s)" shall also mean any and all amendments to any Supplemental Declaration, as recorded in the Public Records of the County.

Section 4. "ARCHITECTURAL CONTROL COMMITTEE" or "COMMITTEE" shall mean the committee created pursuant to Article VII hereof.

Section 5. "ARTICLES" shall mean the Articles of Incorporation of the POA which have been filed in the Office of the Secretary of State of the State of Florida, a true copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference, as such Articles may be amended from time to time.

Section 6. "ASSESSMENT" shall mean assessments for which all Owners are obligated to the POA and includes "Base Assessments", "Neighborhood Assessments", if any, "Special Assessments" and "Specific Assessments" (as such terms are defined in Article VI hereof) and any and all assessments and charges which are levied by the POA in accordance with the Tesoro Documents.

Section 7. "BOARD" shall mean the governing body of the POA.

Section 8. "BUILDER" shall mean a person or entity, designated by Declarant as a "Builder," who in its normal course of business purchases a portion of the Committed Property for the purpose of constructing thereon a Home for sale, and shall also mean a person or entity who in its normal course of business constructs a Home on a portion of the Committed Property owned by another, and shall also mean a person or entity who acquires a portion of the Committed Property for the purpose of resale to a person engaged in the business of constructing residential structures for sale. Any person or entity occupying or leasing a Home on a Lot shall cease to be considered a Builder with respect to such Lot immediately upon occupancy for residential purposes, notwithstanding that such person or entity originally purchased such Lot for the purpose of constructing a Home for later sale to consumers.

Section 9. "BYLAWS" shall mean the Bylaws of the POA, which have been or will be adopted by the Board, a copy of which is attached hereto as Exhibit "D" and incorporated herein by this reference, as such Bylaws may be amended from time to time.

Section 10. "CDD" shall mean a community development district as more particularly defined and set forth in Article II, Section 7.

Section 11. "CITY" shall mean Port St. Lucie, Florida.

Section 12. "COMMITTED PROPERTY" shall mean the portions of the Total Property which are committed to the provisions of this Master Declaration, which are legally described in Exhibit "B" attached hereto and made a part hereof; and those portions of the Total Property and the Additional

Property which may hereafter become Committed Property pursuant to the recordation of one or more Supplemental Declarations among the Public Records of the County.

Section 13. "COUNTRY CLUB PROPERTY" shall mean certain real property within or adjoining the Total Property that is privately owned and operated by persons or entities other than the POA as a country club with such recreational facilities as a golf course, a club house, pool(s), and/or tennis court(s), together with all related and supporting facilities and Improvements. Any of the Total Property which is hereafter transferred by Declarant to Tesoro Club, LLC shall be deemed to be, and shall be specifically designated by Declarant to be, Country Club Property, and the Declarant reserves the right to designate additional Country Club Property in its sole discretion.

Section 14. "COUNTY" shall mean St. Lucie County, Florida.

Section 15. "DECLARANT" shall mean and refer to Ginn-LA St. Lucie Ltd., L.L.L.P., a Georgia limited liability limited partnership, and any successor or assign thereof to which Ginn-LA St. Lucie Ltd., L.L.L.P. specifically assigns all or part of the rights of Declarant hereunder by an express written assignment, whether recorded in the Public Records of the County or not. Any written assignment may give notice as to which rights of Declarant may be exercised and as to which portion of the Total Property. In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent declarant. An Owner shall not, solely by the purchase of a Home and/or Lot, be deemed a successor or assign of Declarant under the Tesoro Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Declarant.

Section 16. "DESIGN GUIDELINES" shall mean the design, architectural and construction guidelines and application and review procedures applicable to all or any portion of the Committed Property promulgated and administered pursuant to Article VII.

Section 17. "DEVELOPMENT PERIOD" shall mean the period of time during which the Declarant owns any portion of the Committed Property, the Total Property, any Additional Property, or any Country Club Property, or has the unilateral right to subject additional property to this Master Declaration pursuant to Article III, or holds a leasehold interest in any Lot, or holds a mortgage on a Lot, Home or any other portion of the Total Property. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Master Declaration and terminate the Development Period by recording a written instrument in the Public Records.

Section 18. "DIRECTOR" shall mean a member of the Board.

Section 19. "DISTRICT" shall mean the Tesoro Special Assessment District as more particularly defined and set forth in Article II, Section 8.

Section 20. "DRAINAGE SYSTEM" shall mean all structures, including culverts, required to collect and convey rainfall runoff from Tesoro to the water management tracts (i.e., "Lakes," as defined in Article II, Section 3(1)) on the Total Property.

Section 21. "EXCLUSIVE POA PROPERTY" shall mean a portion of the POA Property intended for the exclusive use or primary benefit of one (1) or more, but less than all, Neighborhoods or Lots, as more particularly described in Article II.

Section 22. "HOME" shall mean a residential dwelling unit constructed on a Lot within the Committed Property, which is designed and intended for use and occupancy as a single-family residence.

Section 23. "IMPROVED LOT" shall mean a Lot on which the construction of any Home has been completed and for which Home a certificate of occupancy or equivalent therefor has been issued by the appropriate governmental agency.

Section 24. "IMPROVED LOT OWNER" shall mean the Owner of an Improved Lot.

Section 25. "IMPROVEMENT" shall mean all structures or artificially created conditions and appurtenances thereto of every type and kind located within Tesoro, including, but not limited to, Homes, buildings, walkways, berms, fountains, sprinkler pipes, gatehouses, roads, driveways, fences, retaining walls, underground footers and other foundation supports, stairs, landscaping, hedges, plantings, poles, swings, tennis courts, swimming pools, covered patios, screen enclosures, jogging, bicycling and walking paths, basketball backboards and hoops, signs, site walls, gazebos, benches, mailboxes, decorative street lights and signs.

Section 26. "INSTITUTIONAL MORTGAGE" shall mean a mortgage held by an Institutional Mortgagee on any portion of the Total Property.

Section 27. "INSTITUTIONAL MORTGAGEE OR INSTITUTIONAL LENDER" shall mean any lending institution owning a first mortgage encumbering any portion of the Total Property, which owner and holder of said mortgage shall either be a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, building and loan association, mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof, licensed or qualified to make mortgage loans in the State of Florida or a national banking association chartered under the laws of the United States of America or any "secondary mortgage market institution," including the Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") and such other secondary mortgage market institutions as the Board shall hereafter approve in writing; any and all lenders, and the successors and assigns of such lenders, which have loaned money to Declarant and which hold a mortgage on any portion of the Total Property securing any such loan; any pension or profit-sharing funds qualified under the Internal Revenue Code; the Veterans Administration, the Federal Housing Administration or the Department of Housing and Urban Development or such other lender as is generally recognized in the community as an institutional lender; or Declarant, its successors and assigns. River Trace Developers, a Florida general partnership, is hereby specifically declared to be an Institutional Mortgagee since it has loaned money to Declarant, which loan is secured by a mortgage on the Total Property.

Section 28. "INTEREST" shall mean the maximum nonusurious interest rate allowed by law on the subject debt or obligation, and if no such rate is designated by law, then eighteen percent (18%) per annum.

Section 29. "LAKE LOT" shall mean a Lot abutting one of the Lakes (as described in Article II hereof).

Section 30. "LEGAL FEES" shall mean reasonable fees for attorney and paralegal services incurred in connection with: (i) negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and postjudgment proceedings, and (ii) collection of past due Assessments including, but not limited to, preparation of notices and liens; and shall also include court costs through and including all trial and appellate levels and postjudgment proceedings.

Section 31. "LOT" shall mean and refer to any parcel of land within the Committed Property as shown on the Plat or any Additional Plat upon which a Home is permitted to be constructed, together with the Improvements thereon. A Lot shall be either an Improved Lot or an Unimproved Lot.

Section 32. "MAINTENANCE AND COST SHARING AGREEMENT" shall mean any agreement, contract or covenant between or among the POA and an owner or operator of property adjacent to, in the vicinity of, or within the Total Property, including the CDD (if created) and/or the owner of any Country Club Property, for the designation of maintenance obligations and/or the allocation of maintenance and other expenses for property, amenities and/or services that benefit both the POA and the owner or operator of such property.

Section 33. "MASTER DECLARATION" shall mean this instrument as it may be amended from time to time, together with any Supplemental Declaration(s) or Amendments thereto, which may be recorded amongst the Public Records.

Section 34. "MEMBERS" shall mean and refer to all of the Owners who are also members of the POA, as provided herein.

Section 35. "NEIGHBORHOOD" shall mean any separately developed area within the Committed Property which is designated as a Neighborhood as provided in Article II of this Master Declaration. Owners of Lots within a Neighborhood may have common interests other than those common to all Members of the POA. For example, and by way of illustration and not limitation, each single-family attached or detached housing development may constitute a separate Neighborhood, or a Neighborhood may be comprised of more than one (1) housing type with other features in common and may include noncontiguous portions of the Committed Property.

When the context permits or requires, the term Neighborhood shall also refer to the "Neighborhood Committee" (a group of people elected by the Owners in a Neighborhood without a formal association in such Neighborhood and established in accordance with the Bylaws) or Neighborhood Association having jurisdiction over the Committed Property within the applicable Neighborhood. It shall not be necessary for any Neighborhood to be governed by an additional owners association except in the case of a condominium or as otherwise required by law.

Section 36. "NEIGHBORHOOD ASSESSMENTS" shall mean assessments levied by the POA against the Lots or Homes in a particular Neighborhood or Neighborhoods which receive benefits, items or services provided by the POA not provided to all Lots or Homes within the Committed Property, as more particularly described in Article VI of this Master Declaration.

DR BOOK 1803 PAGE 910

Section 37. "NEIGHBORHOOD ASSOCIATION" shall mean any property owners association, owners association, condominium association, or other mandatory membership entity, their successors and assigns, responsible for administering a Neighborhood.

Section 38. "NEIGHBORHOOD EXPENSES" shall mean the actual and estimated expenses incurred by the POA for the benefit of Owners of Lots or Homes within a particular Neighborhood or Neighborhoods, all as may be specifically authorized from time to time in a Supplemental Declaration or by the Board and as more particularly set forth herein.

Section 39. "NOTICE AND HEARING" shall mean written notice and a public hearing before a tribunal appointed by the Board at which the Owner or alleged violator concerned shall have an opportunity to be heard in person or by counsel, at such person's expense, in the manner set forth in Article IX herein.

Section 40. "OPERATING EXPENSES" shall mean the expenses for which Owners are liable to the POA as described in this Master Declaration and any other Tesoro Documents and include, but are not limited to, the costs and expenses incurred by the POA in administering, operating, maintaining, financing, or repairing the POA Property or any portion thereof and Improvements thereon and all costs and expenses incurred by the POA in carrying out its powers and duties hereunder or under any other Tesoro Documents.

Section 41. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within the Committed Property, and includes Declarant with respect to any Lot owned by Declarant, but excluding therefrom those having such interest as security for the performance of an obligation.

Section 42. "PLAT(S)" shall mean Tesoro Plat No. 1, recorded in Plat Book 40, Pages 29 through 29A-C, inclusive, ("Plat No. 1") and Tesoro Plat No. 2, recorded in Plat Book 40, Pages 30 through 30A-E, inclusive, ("Plat No. 2"), and Tesoro Plat No. 3, recorded in Plat Book 41, Pages 6 through 6A-F, inclusive, ("Plat No. 3"), and Tesoro Plat No. 4, recorded in Plat Book 41, Pages 20 through 20A-E, inclusive, ("Plat No. 4"), and Tesoro Plat No. 5, recorded in Plat Book 41, Pages 7 through 7A-C, inclusive, ("Plat No. 5"), and Tesoro Plat No. 6, recorded in Plat Book 41, Pages 19 through 19A-B, inclusive, ("Plat No. 6") of the Public Records of the County. In the event an Additional Plat is recorded in the Public Records of the County, then the term "Plat" as used herein shall also mean and include any Additional Plats.

Section 43. "POA" shall mean and refer to TESORO PROPERTY OWNER'S ASSOCIATION, INC., a not-for-profit Florida corporation, its successors and assigns, existing pursuant to the Articles of Incorporation, filed in the Office of the Secretary of State of the State of Florida on March 28, 2002, as amended by any amendments thereto, and which POA is responsible for the maintenance, preservation and architectural control of Tesoro as provided in this Master Declaration.

Section 44. "POA PROPERTY" shall mean any property, except those areas dedicated to the public by the Plats or Additional Plats, if any, and which are or shall be owned or leased by the POA, or in which the POA holds possessory or use rights in for the common use and enjoyment of the Owners, or for which the POA has or assumes responsibility pursuant to the terms of this Master Declaration, any Supplemental Declaration, any Maintenance and Cost Sharing Agreement, or other applicable covenant, contract, or agreement, together with landscaping and any other Improvements thereon,

DR BOOK 1803 PAGE 911

including, without limitation, all structures, gatehouses, open spaces, private streets, bike paths, sidewalks, irrigation facilities, decorative street lights, perimeter fence, entry or other lighting, if any, and entrance features, buffer tracts, monument walls, site walls, gazebos, retaining walls, fountains, littoral plantings and decorative street signs, but excluding any public utility installations thereon. In addition, the Declarant may declare portions of the Total Property to be POA Property in any Supplemental Declaration. The term shall include Exclusive POA Property. In some instances, a portion of the Committed Property may be dedicated to the POA by the Plat or an Additional Plat, if any. Notwithstanding any such dedication(s) on the Plat or Additional Plat, a Neighborhood Association may be responsible for the maintenance of certain portions of the POA Property as indicated in a Supplemental Declaration.

Section 45. "SUPPLEMENTAL DECLARATION" shall mean any instrument executed by Declarant with respect to all or any portion of the Total Property or any Additional Property, which, when recorded in the Public Records of the County, shall commit such property to the provisions of this Master Declaration, and shall be the only method of committing such property to the provisions of this Master Declaration. A Supplemental Declaration may also add additional restrictions, declare certain properties to be or not to be POA Property, or designate Neighborhood(s). The POA shall join in the execution of any Supplemental Declaration at the request of Declarant but such joinder shall not be required to make any such Supplemental Declaration effective. The Owners shall not be required to join in the execution of any Supplemental Declaration but shall nevertheless be bound thereby.

Section 46. "TESORO" shall mean that planned residential development planned to be developed in stages on the Total Property in the County, and commonly known and referred to as "Tesoro". Tesoro consists of the land set forth in Exhibit "B" attached hereto and made a part hereof and may be expanded by the recording of one or more Supplemental Declaration(s).

Section 47. "TESORO DOCUMENTS" shall mean in the aggregate this Master Declaration, the Articles, the Bylaws, the Design Guidelines, the rules of the POA, the articles of incorporation and bylaws of a Neighborhood Association, if any, the Plat, any Additional Plats, and all of the instruments and documents referred to therein, including, but not limited to, any Amendment(s) and Supplemental Declaration(s) and any additional covenants or restrictions governing any portion of the Committed Property.

Section 48. "TOTAL PROPERTY" shall mean that certain real property described in Exhibit "A", which is attached and incorporated herein by this reference, and which real property is subject to annexation to the terms of this Master Declaration in accordance with Article III; provided, however, Declarant reserves the right to add to and/or to withdraw from the Total Property as Declarant from time to time elects, upon the execution by Declarant of an Amendment.

Section 49. "TURNOVER DATE" shall mean the date upon which "Class A Members" (as defined in Article V.D.1 of the Articles), including Declarant, shall assume control of the POA and elect the Board, as more particularly described in Article V.D.2 of the Articles.

Section 50. "UNCOMMITTED PROPERTY" shall mean the portions of the Total Property other than the Committed Property.

DR BOOK 1803 PAGE 912

Section 51. "UNIMPROVED LOT" shall mean a Lot on which the construction of a Home has not been completed and for which no certificate of occupancy or equivalent therefor has been issued by the appropriate governmental agency.

Section 52. "UNIMPROVED LOT OWNER" shall mean the Owner of an Unimproved Lot.

Section 53. "VOTING DELEGATE" shall mean any representative selected by the Class "A" Members within each Neighborhood to be responsible for casting all Class "A" votes attributable to Lots in the Neighborhood on matters requiring a vote of the membership. The term "Voting Delegate" shall also refer to any alternate Voting Delegate acting in the absence of a Voting Delegate.

ARTICLE II DESCRIPTION OF TESORO

Section I. GENERAL PLAN OF DEVELOPMENT Tesoro is comprised of the Committed Property which encompasses, or which will encompass, Lots and POA Property, as more particularly defined by this Master Declaration. The property declared hereunder as the Committed Property is described in Exhibit "B" attached hereto and is designated therein as Neighborhoods. In addition, lands which Declarant may add, but shall in no way be obligated to add, by one or more Supplemental Declaration(s) are described in Exhibit "A". Declarant has reserved the right to modify its plan of development of Tesoro and to add land to and withdraw land from Tesoro. Declarant's general plan of development further contemplates that Homes shall be whatever types of structures Declarant may choose which are in conformance with this Master Declaration. Declarant's general plan of development of Tesoro may also include whatever facilities and amenities Declarant considers in its sole judgment to be appropriate to Tesoro.

Additional Property and Uncommitted Property will become a part of the Committed Property if, and only if, Declarant in its sole discretion adds such portion of the Additional Property or Uncommitted Property to the Committed Property by recording a Supplemental Declaration to such effect. Declarant hereby reserves the right to grant easements for ingress and egress and for utilities and drainage over the Committed Property for the benefit of any Additional Property and the Total Property; provided, however, no such easement may be granted upon any portion of the Committed Property upon which a Home exists.

Declarant expressly reserves the right as to the Total Property to (i) add to and/or to withdraw from the Total Property as Declarant from time to time elects, upon the execution by Declarant of an Amendment; (ii) commence construction and development of the Total Property if and when Declarant desires; (iii) develop the Total Property upon such timetable as Declarant, in its sole discretion, chooses; and (iv) modify the plan of development of the Total Property in such manner as it, in its sole discretion, chooses. Nothing contained herein shall be construed as obligating Declarant to construct Tesoro according to the present plan of development nor as obligating Declarant to declare any Additional Property or any Uncommitted Property to be Committed Property.

The POA is not a condominium association and therefore shall not be governed by the provisions of Chapter 718, Florida Statutes. This Master Declaration is not a declaration of

DR BOOK 1803 PAGE 913

condominium. No portion of the Committed Property is submitted by this Master Declaration to the condominium form of ownership. Declarant does not currently intend that any portion of the Committed Property be submitted to the condominium form of ownership except property which may at some future time be legally described in a declaration of condominium specifically prepared in accordance with Chapter 718, Florida Statutes, executed by or with the consent of Declarant. Further, the expressed intent of this Master Declaration is that neither the substantive rights nor the procedural rights hereunder shall retroactively be affected by legislation subsequent to the date of the execution of this Master Declaration.

Section 2. COMMITTED AND UNCOMMITTED PROPERTY

1. Committed Property. Committed Property shall mean those portions of the Total Property which are now or hereafter committed for specific land use (as hereinafter described) pursuant to this Section 2 and Article III of this Master Declaration and which are subject and committed to all covenants, restrictions, terms and conditions of this Master Declaration. The property committed hereby is legally described in Exhibit "B" hereto.

2. Uncommitted Property. Uncommitted Property includes those portions of the Total Property which may be used for future development by Declarant and which have not been subjected to this Master Declaration. At any time as Declarant determines to commit a portion of the Uncommitted Property to this Master Declaration, Declarant shall file amongst the Public Records of the County, a document entitled Supplemental Declaration which shall describe, among other things, the property which is being committed to the Master Declaration. Declarant shall have the unilateral right, privilege and option from time to time until all property described in Exhibit "A" has been subjected to this Master Declaration, to subject to the provisions of this Master Declaration and the jurisdiction of the POA any portion of real property described in Exhibit "A" attached hereto and made a part hereof. The Supplemental Declaration shall be executed solely by Declarant and need not be joined by the POA, any Neighborhood Association, any Owner or any mortgagee. If a Supplemental Declaration recorded by Declarant relates to only a portion of the Uncommitted Property, and if Declarant thereafter determines to commit other portion(s) of the Uncommitted Property to this Master Declaration, Declarant shall file a Supplemental Declaration in the aforespecified form for each such additional portion of the Uncommitted Property to be committed. Upon the recordation of a Supplemental Declaration, to the extent provided in such Supplemental Declaration, the Uncommitted Property described therein shall be committed to the terms and conditions contained in this Master Declaration and shall be Committed Property as fully as though originally designated herein as Committed Property.

3. Addition to Total Property. Declarant, by this Section 2 and by Article III of this Master Declaration, reserves the right to amend Exhibit "A" to add property to or withdraw property from the Total Property and the plan of development of Tesoro by the execution of an Amendment describing the property being added to or withdrawn from the Total Property. This Amendment shall be executed by Declarant and by the owner of such property and does not require the joinder of any other entity. Upon the recordation of an Amendment, the property described therein shall be Total Property as fully as though originally designated herein as Total Property.

4. Declarant's Reservations of Rights. Notwithstanding any statement herein contained, Declarant reserves the right not to incorporate all or any part of the Uncommitted

DR BOOK 1803 PAGE 914

Property as part of the Committed Property and/or to make such use of all or any part of the Uncommitted Property as shall be permitted by the applicable zoning regulations of the County. Hence, notwithstanding anything to the contrary herein contained or contained in any of the Tesoro Documents, only Committed Property shall be subject to the Tesoro Documents.

Section 3. POA PROPERTY. The POA Property shall consist of the property indicated on the Plats and Additional Plats, if any, as POA Property or as property reserved for or dedicated to the POA, and may include, for maintenance purposes, any portion of the Country Club Property that is maintained by the POA or CDD (if so designated to be responsible for the maintenance of such POA Property) pursuant to the "Permit" (as such term is defined in Paragraph 1 below), any Maintenance and Cost Sharing Agreement, or otherwise. The POA Property shall be used for only proper purposes by the POA, the Neighborhood Associations and the Owners and their family members, guests, invitees and lessees in accordance with the Tesoro Documents. POA Property may not be altered, modified, removed or replaced by Owners or their family members, guests, invitees or lessees.

As contemplated by Article II, Section 7 hereof, it is the current intent of Declarant to petition the City to create a CDD. Upon creation of a CDD, Declarant intends to designate the CDD as the responsible party for maintenance of certain portions of the POA Property, including without limitation, those portions of the surface water management system facilities and mitigation or conservation areas which are under the jurisdiction of the South Florida Water Management District ("SFWMD"), such designation to be made through a Maintenance and Cost Sharing Agreement or otherwise. In the event that the CDD is not established or such designation is not made, the POA shall be responsible for all such maintenance responsibilities. As used in this Article II, Section 3, the term "Responsible Party" shall mean, as to any maintenance or administration obligation set forth herein in this Article II, Section 3, the party which has been delegated to be the responsible party for such maintenance or administration obligation pursuant to the Permit, a Maintenance and Cost Sharing Agreement, or otherwise, which party shall be either the POA or the CDD.

SFWMD shall have the right to take enforcement action, including an action for an injunction and penalties against any Responsible Party to compel such Responsible Party to correct any outstanding problems with the surface water management system facilities or in mitigation or conservation areas which are under the responsibility or control of such Responsible Party and are under the jurisdiction of the SFWMD.

The portions of Tesoro described in this Section 3 shall constitute POA Property and shall be used solely in accordance with the covenants impressed upon the POA Property as follows:

1. Lakes. The "Lakes" are those portions of the Total Property designated on any recorded plat as Water Management Tracts and shall be kept and maintained by the Responsible Party as areas for water retention, drainage, irrigation, and water management purposes in compliance with all applicable governmental and SFWMD requirements in accordance with that certain Permit ("Permit") to be added by Amendment to this Master Declaration as Exhibit "E". The term "Lake" shall specifically exclude any area designated as a Conservation Area, Conservation Tract, Mitigation Area or Mitigation Tract, as hereinafter defined. The Lakes shall be maintained and administered by the Responsible Party pursuant to the Permit and any and all other applicable permits. In furtherance of the foregoing, Declarant hereby reserves and grants an easement in favor of the Responsible Party throughout all portions of Tesoro as may be necessary for the purpose of

DR BOOK 1803 PAGE 915

accessing, maintaining and administering the Lakes, and no Owner shall do any act which may interfere with the performance by the Responsible Party of its obligations hereunder. The Responsible Party reserves the right to allow the owner of the Country Club Property to maintain and administer all or any portion of the Lakes which are part of the Country Club Property; provided, however, that the Responsible Party shall at all times be responsible for ensuring that such maintenance and administration is properly performed. The owner of the Country Club Property shall have the right to use the lakes for irrigation of the Country Club Property.

SFWMD shall have the right to take enforcement action, including an action for an injunction and penalties against any Responsible Party to compel such Responsible Party to correct any outstanding problems with the Lakes which are under the responsibility or control of Responsible Party and are under the jurisdiction of SFWMD.

NEITHER THE DISTRICT, NOR DECLARANT, THE POA, NOR THE CDD, NOR THE OWNER OF THE COUNTRY CLUB PROPERTY, NOR THE NEIGHBORHOOD ASSOCIATIONS SHALL BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE LAKES. ANY INDIVIDUAL USING THE LAKES SHALL DO SO AT HIS/HER OWN RISK AND HEREBY HOLDS THE DISTRICT, DECLARANT, THE POA, THE CDD, THE OWNER OF THE COUNTRY CLUB PROPERTY AND THE NEIGHBORHOOD ASSOCIATIONS HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE.

EACH OWNER, BY THE ACCEPTANCE OF TITLE TO HIS/HER LOT, ACKNOWLEDGES THAT THE LAKES ARE DEEP AND ARE DANGEROUS.

2. Drainage System. The Drainage System within the Total Property, as shown on any recorded plat shall be owned by the POA and/or the owner of the Country Club Property and shall be maintained by the Responsible Party. The Responsible Party shall be responsible for all maintenance, repair and replacement of any portion of the Drainage System necessary to maintain the system in its original condition and use.

SFWMD shall have the right to take enforcement action, including an action for an injunction and penalties against the applicable Responsible Party to compel such Responsible Party to correct any outstanding problems with the Drainage System which are under the responsibility or control of such Responsible Party and are under the jurisdiction of SFWMD.

3. Mitigation Areas The "Mitigation Areas" are those portions of the Total Property designated on any recorded plat as "Mitigation Tracts". The applicable Responsible Party shall be responsible for all maintenance, repair, replacement and administration of the Mitigation Areas in accordance with the Permit, which prohibits boating, fishing and swimming in the Mitigation Areas, and all other applicable permits.

In furtherance of the foregoing, Declarant hereby reserves and grants an easement in favor of the applicable Responsible Party throughout all portions of Tesoro as may be necessary for the purpose of accessing, maintaining and administering the Mitigation Areas, and no Owner shall do any act which may interfere with the performance by such Responsible Party of its obligations hereunder. The Responsible Party reserves the right to allow the owner of the Country Club Property to maintain and administer all or any portion of any Mitigation Area which is part of the Country

Club Property; provided, however, that the Responsible Party shall at all times be responsible for ensuring that such maintenance and administration is properly performed.

SFWMD shall have the right to take enforcement action, including an action for an injunction and penalties against the applicable Responsible Party to compel such Responsible Party to correct any outstanding problems with the Mitigation Areas which are under the responsibility or control of such Responsible Party and are under the jurisdiction of SFWMD.

4. Conservation Areas. The "Conservation Areas" are those portions of the Committed Property designated on the Plat or Additional Plat, if any, as "Conservation Tracts." The applicable Responsible Party shall be responsible for all maintenance, repair, replacement and administration of Conservation Areas in accordance with the Permit and all other applicable permits.

In furtherance of the foregoing, Declarant hereby reserves and grants an easement in favor of the applicable Responsible Party throughout all portions of Tesoro as may be necessary for the purpose of accessing, maintaining and administering the Conservation Areas, and no Owner shall do any act which may interfere with the performance by such Responsible Party of its obligations hereunder. The Responsible Party reserves the right to allow the owner of the Country Club Property to maintain and administer all or any portion of any Conservation Area which is part of the Country Club Property; provided, however, that the Responsible Party shall at all times be responsible for ensuring that such maintenance and administration is properly performed.

SFWMD shall have the right to take enforcement action, including an action for an injunction and penalties against the applicable Responsible Party to compel such Responsible Party to correct any outstanding problems with the Conservation Areas which are under the responsibility or control of such Responsible Party and are under the jurisdiction of SFWMD.

5. Eagle Protection Areas. Certain portions of the Total Property, as shown on any recorded plat, are located within the "Primary Zone" of a bald eagle nesting area (the "Nesting Area"), and will be subject to the provisions of a Bald Eagle Nest Management Plan (as the same may be modified from time to time, the "Eagle Management Plan") to be administered by the Responsible Party, which shall be either the POA or the CDD. The Responsible Party shall be responsible for ensuring that all property within the Primary Zone is in compliance with the Eagle Management Plan. Portions of certain Lots may, from time to time, be located within the "Secondary Zone" of the Nesting Area and will also be subject to the provisions of the Eagle Management Plan. The Responsible Party shall notify the Owner of each such affected Lot of the existence of the Eagle Management Plan and shall provide a copy of the then current Eagle Management Plan to each such Owner. The Responsible Party shall be responsible for ensuring that Lots within the Secondary Zone are in compliance with the Eagle Management Plan.

6. Streets, Drives, Roads and/or Roadways. The "Streets," "Drives," "Roads" and/or "Roadways" are those portions of the Committed Property designated on the Plat or the Additional Plat, if any, as "Via Tesoro", "Road A", a street, drive, road or roadway, and which are reserved for or dedicated to the POA, but specifically excluding any street or roadway dedicated to the public on the Plat or Additional Plat, if any. The Streets, Drives, Roads and/or Roadways shall be used as private roads by Declarant, the POA and the Owners, their family members, guests, lessees and invitees in accordance with the provisions of this Master Declaration. The Streets, Drives, Roads and/or Roadways shall be owned, maintained, administered by the POA.

DR BOOK 1803 PAGE 917

Notwithstanding the foregoing, each Owner shall be responsible for the maintenance, repair and replacement of the driveway serving his Lot, including that portion of the driveway in a Street, Drive, Road and/or Roadway, if any, unless the driveway was damaged by the POA in the fulfillment of its obligations and duties under this Master Declaration. Notwithstanding any such dedication(s) on the Plat or any Additional Plat, a Neighborhood Association may be responsible for the maintenance of certain "Streets," "Drives," "Roads" and/or "Roadways" as indicated in a Supplemental Declaration.

7. Landscape Buffer Areas. The "Landscape Buffer Areas" are those portions of the Committed Property designated on the Plat or Additional Plat, if any, as "Landscape Buffer Easements" and are to be used, kept and maintained as such by Declarant, the POA or a Neighborhood Association, and the Owners within Tesoro, their family members, guests, lessees and invitees, in accordance with the provisions of this Master Declaration. The Landscape Buffer Areas shall be owned by the POA and shall be administered and maintained by the POA (or Neighborhood Association if within a Neighborhood) in accordance with the requirements of the appropriate governmental agencies.

8. Open Space Areas. The "Open Space Areas" are those portions of the Committed Property designated on the Plat or Additional Plat, if any, as "Open Space Tracts" and are to be used, kept and maintained as such by Declarant, the POA, the Neighborhood Associations and the Owners within Tesoro, their family members, guests, lessees and invitees, in accordance with the provisions of this Master Declaration. The Open Space Areas shall be owned by the POA and shall be administered and maintained by the POA (or Neighborhood Associations if within a Neighborhood) in accordance with the requirements of the appropriate governmental agencies.

9. Street Lights. The "Street Lights" and any associated facilities placed within the Committed Property are or shall be installed, repaired, replaced, relocated, maintained and owned by the public utility responsible therefor, or owned by the POA but in either case, the POA is responsible to pay all fees associated with such installation, repair, replacement and maintenance, and for the furnishing of electricity thereto. Nothing in this Master Declaration shall be construed to require Declarant to install Street Lights within Tesoro.

10. Decorative Street Lights. Declarant reserves the right, but shall not be obligated, to install "Decorative Street Lights" in or near the entranceway and gatehouse to Tesoro. The Decorative Street Lights shall be installed, repaired, replaced, relocated, maintained and owned by the POA.

11. Gatehouse, Entranceway and Entry Gates. Tesoro may include a gatehouse and entry gates installed by Declarant or the POA. Such gatehouse, entranceway and/or entry gates shall be deemed POA Property and shall be maintained, repaired or replaced by the POA and the expense thereof shall be included as an Operating Expense. The gatehouse, if any, may or may not be staffed, as determined in the discretion of the Board with the written consent to the Declarant during the Development Period. All other portions of the entranceway shall also be owned and maintained by the POA. Neither Declarant nor the POA makes any representations whatsoever as to the security of the premises or the effectiveness of any entry gates. All Owners agree to hold Declarant and the POA harmless from any loss or claim arising within the Total Property from the occurrence of a crime or other act. The Owners acknowledge that the entry gates are designed to deter crime, not prevent it. Notwithstanding anything herein to the contrary, neither Declarant nor

the POA makes any representations whatsoever to commence, complete, construct or staff any gatehouse or entry gate within any specific time period. No such gatehouse, entranceway, entry gates or other traffic control shall unreasonably interfere with or restrict the unrestricted access to the Country Club Property.

12. Buffers. The "Buffers" are those portions of the Total Property which run along the outer perimeter of the Total Property or adjacent to certain Streets, Drives, Roads and/or Roadways, and are designated on any recorded plat as buffers. In order to preserve the aesthetic image of Tesoro and to help maximize the Owners' use and enjoyment thereof, no Improvements, landscaping or other additions are permitted within the Buffers without the prior written consent of the Committee and appropriate governmental agencies, excepting any Improvements, landscaping or other additions made or installed by Declarant, such as, but not limited to, signs, walkways and light poles.

13. Right to Add Additional Improvements. Such portions of the POA Property upon which Declarant has constructed, or hereafter constructs, Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located, or to be located, thereon. Declarant reserves the right, but shall not be obligated, to construct additional facilities upon the POA Property. The decision as to whether to construct additional facilities and the construction thereof shall be in the sole discretion of Declarant.

14. POA's Right to Transfer POA Property and/or Maintenance Responsibilities For Same. The POA reserves the right to transfer, in whole or in part, the POA Property and/or any of its responsibilities to maintain and administer same to another entity, including but not limited to the CDD or the owner of the Country Club Property; provided however, that either the POA or the CDD shall at all times be responsible for ensuring that such maintenance and administration is properly performed with respect to those portions of the surface water management system facilities, Lakes, Drainage System, Mitigation Areas, and Conservation Areas which are under the jurisdiction of SFWMD.

Section 4. NEIGHBORHOODS. Declarant intends that certain Lots within the Committed Property by action of Declarant may be grouped together in Neighborhoods which may be, but shall not be required to be, governed and administered by Neighborhood Associations. For example, and by way of illustration and not limitation, each condominium, townhome project and detached housing area may constitute a separate Neighborhood. If formed, Neighborhood Associations shall assess their members for the assessments of the Neighborhood Association and shall also be responsible for collecting their share of Operating Expenses and any Neighborhood Expenses of the POA under this Master Declaration, unless the POA determines otherwise. When and if Neighborhoods are governed and administered only by the POA, the cost of managing a Neighborhood shall be borne by the Owners in such Neighborhood as part of the Neighborhood Expenses, which shall be collected by the POA. The POA is empowered to delegate any of its functions with respect to a Neighborhood including maintenance responsibilities and collection of Operating Expenses to the Neighborhood Association for that Neighborhood as may be deemed necessary from time to time by the Board. The POA reserves the right to convey any real property or personal property to a Neighborhood Association. The Neighborhood Association must accept any such delegation or conveyance.

Section 5. EXCLUSIVE POA PROPERTY. Certain portions of the POA Property may be designated as Exclusive POA Property and reserved for the exclusive use or primary benefit of Owners and occupants of specified Lots or Neighborhoods. By way of illustration and not limitation, Exclusive POA Property may include entry features, landscaped medians and cul-de-sacs, and other portions of the POA Property within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive POA Property shall be assessed against the Owners of Lots to which the Exclusive POA Property is assigned either as a Neighborhood Assessment or as a Specific Assessment, as applicable.

Initially, any Exclusive POA Property shall be designated as such, and the exclusive use thereof shall be assigned, in the deed by which the POA Property is conveyed to the POA, or in this Master Declaration, or any Supplemental Declaration and/or on the Plat relating to such POA Property; provided however, any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive POA Property to additional Lots and/or Neighborhoods during the Development Period. Thereafter, a portion of the POA Property may be assigned as Exclusive POA Property of particular Lots or a particular Neighborhood or Neighborhoods and Exclusive POA Property may be reassigned upon approval of the Board and the vote of Members holding a majority of the total Class "A" votes in the POA, including, if applicable, a majority of the Class "A" votes within the Neighborhood(s) to which the Exclusive POA Property is assigned, if previously assigned, and within the Neighborhood(s) to which the Exclusive POA Property is to be assigned or reassigned. Any reassignment of an Exclusive POA Property shall be set forth in a Supplemental Declaration executed by the Declarant and/or the Board, as appropriate, or shall be shown on a revised Plat relating to such Exclusive POA Property.

All costs associated with maintenance, repair and replacement of Exclusive POA Property shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Lots within the Neighborhood(s) to which the Exclusive POA Property is assigned, or a Specific Assessment against the particular Lots to which the Exclusive POA Property is assigned, notwithstanding that the POA may be responsible for performing such maintenance hereunder.

The POA may, upon approval of a majority of the Class "A" votes within the Neighborhood(s) to which any Exclusive POA Property is assigned, permit Owners of Lots in other Neighborhoods to use all or a portion of such Exclusive POA Property upon payment of reasonable use fees, which fees shall be used to offset the Neighborhood Expenses or Specific Assessments attributable to such Exclusive POA Property.

Section 6. COUNTRY CLUB PROPERTY. THE COUNTRY CLUB PROPERTY MAY BE SUBJECT TO THIS MASTER DECLARATION AND INCLUDED WITHIN THE DESCRIPTION OF THE COMMITTED PROPERTY FOR THE SOLE PURPOSE OF DESIGNATING CERTAIN PORTIONS THEREOF AS POA PROPERTY. EXCEPT AS MAY BE SPECIFICALLY DESIGNATED, NO OTHER PORTIONS OF THE COUNTRY CLUB PROPERTY SHALL BE INCLUDED WITHIN THE POA PROPERTY. ANY PORTION OF THE COUNTRY CLUB PROPERTY SUBJECT TO THIS MASTER DECLARATION SHALL BE SUBJECT ONLY TO THE PROVISIONS CONTAINED IN ARTICLES I AND II AND IS HEREBY EXCLUDED AND EXEMPTED FROM ALL OTHER PROVISIONS OF THE TESORO DOCUMENTS.

DR BOOK 1803 PAGE 920

Declarant anticipates, but does not commit, that the Country Club Property will be improved as and used for (a) golf, tennis, swimming and other recreational activities customarily associated with golf country club operations, (b) commercial activities incidental to or customarily associated with golf country club operations, including food and beverage services, and the recreation and entertainment of country club members and guests, (c) commercial activities incidental to or customarily associated with golf and tennis pro shops, (d) amateur and professional golf tournaments, and (e) such concessions and other commercial activities as are incidental to or customarily associated with such golf tournaments. Declarant, for itself and its licensees, agents, invitees, successors and assigns, specifically reserves an easement upon and the right, privilege and license of using, without charge, any or all of the POA Property, including, without limitation, any common streets, parking lots, sidewalks, walkways and Lakes (for irrigation purposes) in the Total Property, in connection with and in support of golf and country club operations and activities, including, without limitation, any amateur or professional golf tournaments on the Country Club Property, including specifically, without limitation, the right, privilege, license and easement to limit, control, restrict or permit, by ticket, pass or otherwise, ingress or egress to and from the Country Club Property by, through, over and upon any and all of the POA Property. The Country Club Property shall be liable for a certain percentage of the Operating Expenses as set forth in a separate Maintenance and Cost Sharing Agreement. The owner and/or operator of the Country Club Property may locate and erect thereon from time to time buildings, structures, landscaping and other improvements without the requirement of approval by the POA or the Committee. The owner of the Country Club Property shall not be a Member of the POA. The Owner of the Country Club Property shall be responsible for operation, maintenance and repair of all of the Country Club Property and all improvements from time to time located thereon. The POA and the owner of the Country Club Property may enter into one or more Maintenance and Cost Sharing Agreements and reciprocal easement agreements to grant and convey easements to the other and to reallocate maintenance responsibilities between the POA and the owner of the Country Club Property with respect to the POA Property and the Country Club Property; provided however, the Responsible Party shall at all times be responsible for ensuring that the maintenance and administration of the POA Property is properly performed. Nothing contained in this Master Declaration is intended to or shall make the Country Club Property subject to the ownership, operation or control of the POA.

The owner of the Country Club Property may, in its sole discretion and subject to the approval of Declarant, convey portions of the Country Club Property to the POA.

Section 7. UNIFORM COMMUNITY DEVELOPMENT DISTRICT. EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT DECLARANT IS PLANNING, BUT IS NOT OBLIGATED, TO PETITION THE CITY TO ESTABLISH ONE OR MORE UNIFORM COMMUNITY DEVELOPMENT DISTRICTS, AS CONTEMPLATED BY FLORIDA STATUTES, CHAPTER 190, WHICH MAY INCLUDE ALL OR A PORTION OF TESORO, AND MAY ALSO INCLUDE PROPERTY IN ADDITION TO TESORO. ALL SUCH UNIFORM COMMUNITY DEVELOPMENT DISTRICTS ARE HEREIN COLLECTIVELY REFERRED TO AS THE "CDD". Once established, it is anticipated that the CDD will provide certain urban infrastructure facilities and services and that the CDD will have the authority to levy and collect fees, rates, charges, taxes and assessments to pay for, finance and provide said services. The CDD will be empowered to plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain systems and facilities for the following basic infrastructures which will include without limitation: (1) water management and control lands within the CDD and the connection of some or any of such facilities with roads and bridges; (2) roads and bridges; (3) potable water distribution; (4)

DR BOOK 1803 PAGE 921

sewage collection; and (5) waste water management. The CDD will also be empowered to provide and maintain parks and facilities for indoor and outdoor recreational, cultural and educational uses; fire prevention and control; school buildings and related structures; limited access assurance services; mosquito control services; and waste collection and disposal.

Once established, THE CDD WILL IMPOSE TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON TESORO THROUGH A SPECIAL TAXING DISTRICT. THE REVENUES FROM COLLECTION OF THESE TAXES AND ASSESSMENTS SHALL BE UTILIZED TO PAY THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES OF THE CDD AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE CDD. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW. These fees, rates, charges, taxes and assessments will appear on the annual real estate bill for each Owner as a separate and distinct tax. The annual real estate tax bill for each Owner may increase once a CDD is established. All taxes of the CDD shall constitute a lien upon those portions of Tesoro owned by any Owner. The CDD shall have the power to issue general obligation bonds, revenue bonds, refunding bonds and any other type of bond permitted by Chapter 190, Florida Statutes. The repayment of the bonds shall be funded through the imposition of ad valorem taxes on all the taxable property within the CDD or by the imposition of rates, fees, special assessments, or other charges. The CDD is empowered to pledge the full faith and credit of the CDD for the purpose of securing the repayment of the bonds. In addition, the CDD may secure reserve bonds by pledging the rates, fees or charges collected or to be collected by any revenue producing project. Bonds may be issued for the purpose of financing or refinancing capital improvements to pay off existing bonds or any other permitted use. Any such tax levied against the POA as the owner of any portions of the POA Property shall be an Operating Expense. The functions, duties and powers of the CDD shall be managed and exercised by a board of supervisors consisting of five (5) members. The initial board of supervisors shall be designated within the petition submitted for the purposes of creating the CDD. Thereafter, the board of supervisors shall be elected as provided in Chapter 190, Florida Statutes.

Declarant is not obligated to establish or cause to establish the CDD and Declarant's decision in this regard is solely within the discretion of Declarant. If Declarant decides to establish the CDD, the POA and each Owner agrees, by acceptance of a deed or other instrument conveying title to any portion of the Committed Property, for itself, its successors or assigns and grantees, to execute all documents necessary and make such other written joinder or consent to any petition or request for establishment of such CDD at Declarant's request to enable Declarant to establish the CDD, and if established, each Owner will pay any and all fees, rates, charges, taxes and assessments imposed by the CDD and will abide by its applicable regulations, as they may be amended from time to time. In addition to all other remedies available to Declarant pursuant to the terms of this Master Declaration, Declarant shall have the right to enforce these provisions by an action for specific performance.

If Declarant determines in its sole discretion that any of the CDD property should become POA Property, then the CDD shall convey to the POA fee simple title to those portions of the CDD property which are to become POA Property.

Declarant shall have the right in its sole discretion to convey property owned by Declarant to the CDD with the joinder of no other person or entity being required, subject to the approval of the CDD and any applicable governmental requirements.

Section 8. SPECIAL ASSESSMENT DISTRICT. Each Owner understands, acknowledges and agrees that certain portions of the Total Property (including all of the Lots) are part of that certain Tesoro Special Assessment District, as established by the City pursuant to Florida Statutes, Chapter 189 ("District"). The District is empowered to and will plan, establish, construct and reconstruct, enlarge or extend and equip systems and facilities for basic infrastructure facilities which may include without limitation: (1) roadway improvements; (2) stormwater attenuation facilities; (3) water transmission facilities; (4) wastewater facilities; (5) public safety facilities; and (6) telecommunications facilities.

THE DISTRICT WILL IMPOSE TAXES AND/OR ASSESSMENTS ON THE PROPERTY. THESE TAXES PAY FOR THE CONSTRUCTION OF THE INFRASTRUCTURE FACILITIES. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW. These fees, rates, charges, taxes and assessments will appear on the annual real estate bill for each Owner as a separate and distinct tax and are payable directly to the City of Port St. Lucie. All taxes of the District shall constitute a lien upon those portions of the property within the District. The District has issued and may in the future issue bonds as permitted by Chapter 189, Florida Statutes, payable amongst other sources through ad valorem taxes. The District may also be empowered to: provide irrigation water distribution, waste water collection, storm water management (drainage control), boulevard maintenance, street lighting; and provide mosquito control services, waste collection and disposal, and other services which may be added to the District's responsibility. Any such tax levied against the POA as the owner of any portions of the POA Property shall be an Operating Expense.

Each Owner agrees, by acceptance of a deed or other instrument conveying title to a Lot, without reservation or objection, to take all steps and join in and execute all documents necessary and make such other written joinder or consent to any petition or request relating to ratification of the establishment of the District, and to pay any and all fees, rates, charges, taxes and assessments imposed by the District with respect to the Lot, and to abide by all of the rules and regulations of the District, as they may be amended from time to time. In addition to all other remedies, Declarant shall have the right to enforce these provisions by an action for specific performance.

ARTICLE III
ADDITIONS TO AND WITHDRAWALS FROM THE PROPERTY:
CONVEYANCE OF POA PROPERTY

Section 1. ADDITIONS. Declarant may from time to time, in its sole discretion, by recording appropriate Supplemental Declaration(s) in the Public Records of the County, add any Additional Property, Uncommitted Property or any other real property to the Committed Property governed by this Master Declaration, and may declare all or part of such Additional Property, Uncommitted Property or other property (including any Improvements thereon) to be Lots or POA Property. Upon the recording of a Supplemental Declaration, the property described therein shall be deemed part of the Committed Property as if it were originally included therein and subject to this Master Declaration. Any such Supplemental Declaration may submit any Additional Property,

DR BOOK 1803 PAGE 923

Uncommitted Property or any other real property to such modifications of the covenants and restrictions contained in this Master Declaration as may be necessary or convenient to reflect or adapt to any changes in circumstances or differences in the character of any such Additional Property, Uncommitted Property or other property. Nothing contained in this Section 1 shall be construed to require the joinder by or entitle a right to consent by Owners or the POA or a Neighborhood Association to any such Supplemental Declaration; provided, however, the POA and the applicable Neighborhood Association shall join in the execution of any such Supplemental Declaration at the request of Declarant.

Section 2. DESIGNATION OF ADDITIONAL POA PROPERTY. The Declarant may, from time to time, by recording Supplemental Declarations in the Public Records of the County, designate additional portions of the Total Property to be POA Property, with the written consent of the owner of such property.

Section 3. DISCLAIMER OF IMPLICATION. Only the real property described in Exhibit "B" hereto is submitted and declared as the Committed Property subject to this Master Declaration. Unless and until a Supplemental Declaration is recorded as required pursuant to this Master Declaration, no other property (including any portion of the Additional Property or Uncommitted Property) shall in any way be deemed to constitute a portion of the Committed Property or be affected by the covenants and restrictions expressly binding the Committed Property as provided by the terms of this Master Declaration.

Section 4. ABSENCE OF OBLIGATION. Nothing in this Master Declaration shall be construed to require the Declarant to add any Additional Property or Uncommitted Property to the Committed Property encumbered by this Master Declaration or to require it to declare any portion of any properties added to the Committed Property to be POA Property, nor shall anything in this Master Declaration be construed to require the Declarant to declare any portion or portions of the existing Committed Property as POA Property, except to the extent herein specifically provided.

Section 5. WITHDRAWAL. Notwithstanding anything herein to the contrary, Declarant reserves the absolute right at any time to withdraw portions of the Committed Property from the provisions of this Master Declaration by recording a Supplemental Declaration in the Public Records of the County. Any such Supplemental Declaration must be executed by the Declarant, the Owner of each Lot located on the portion of the Committed Property sought to be withdrawn (if any) and each holder of an Institutional Mortgage on a Lot located on the portion of the Committed Property sought to be withdrawn (if any), in order to be effective. Nothing contained in this Section shall be construed to require the joinder or consent by Owners of Lots upon the portion of the Committed Property which is not being withdrawn by such Supplemental Declaration, such Owners' mortgages, or the POA.

Section 6. TITLE TO THE POA PROPERTY. To the extent herein provided, the POA Property is hereby dedicated to the joint and several use in common of the Owners of all Lots that may, from time to time, constitute part of the Committed Property. Not later than the Turnover Date, or earlier at Declarant's option exercisable from time to time, as to any portions of the POA Property, the Declarant or its successors and assigns shall convey and transfer to the POA, by quit claim deed, the fee simple title to such portions of the POA Property free and clear of any liens and the POA shall accept such conveyance, holding title for the Owners as aforesaid. Such conveyance shall be subject to any real estate taxes and assessments due with respect to such POA Property from and

OR BOOK 1803 PAGE 924

after the date of recording this Master Declaration; any covenants, conditions, restrictions, reservations and limitations then of record; the easements herein set out; any zoning ordinances then applicable; and this Master Declaration, as amended from time to time.

At the time of conveyance of the POA Property or any portion thereof, the POA shall be required to accept such property and the personal property, if any, and Improvements appurtenant thereto. The POA hereby agrees to accept the POA Property and the personal property and Improvements appurtenant thereto in "AS IS" "WHERE IS" condition, without any representation or warranty, expressed or implied, in fact or by law, as to the condition or fitness of the POA Property or any portion thereof, and the personal property and Improvements appurtenant thereto.

The POA shall accept any conveyance of the POA Property and shall pay all costs of such conveyance including documentary stamps and other taxes of conveyance, recording charges, title insurance expenses and insurance fees. The conveyance shall not, however, impair in any way the Declarant's rights and easements as set forth in this Master Declaration.

Commencing upon the date this Master Declaration is recorded, and notwithstanding that title thereto has not yet been conveyed to the POA, the POA shall be responsible for the maintenance of the POA Property in a continuous and satisfactory manner without cost to the general taxpayers of the City. The POA shall be responsible for the payment of real estate and other taxes, if any, against the POA Property including taxes on any Improvements and any personal property thereon accruing from and after the date this Master Declaration is recorded.

The Owners (including Declarant as to Lots owned by it) shall have no personal liability for any damages for which the POA or any Neighborhood Association is legally liable or arising out of or connected with the existence or use of any POA Property or any other property required to be maintained by the POA or any Neighborhood Association.

Subject to the foregoing, the Declarant may mortgage any or all portions of the POA Property to finance construction and development expenses provided that the mortgagee recognizes the rights of Owners under this Master Declaration and neither the POA, any Neighborhood Association nor any Owner is personally liable for paying the mortgage. In such event, neither the POA nor any Neighborhood Association nor the Owners shall be required to join in or be entitled to consent to such mortgage. The POA Property shall be released from any such mortgage no later than the date same is conveyed to the POA.

Section 7. 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 Committed Property without 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 may conflict with the Master Declaration, Bylaws or Articles.

DR BOOK 1803 PAGE 925

ARTICLE IV
OWNERS' PROPERTY RIGHTS

Section 1. OWNERS' EASEMENTS. Every Owner and family member, guest, lessee, agent or invitee of an Owner shall have a permanent and perpetual, nonexclusive easement for ingress and egress over, enjoyment in, and use of POA Property, in common with all other Owners, their family members, guests, lessees, agents and invitees, which easement shall be appurtenant to, and shall pass with title to each Owner's Lot. This right shall be subject to the following conditions and limitations:

A. The right and duty of the POA (and each Neighborhood Association with respect to any property it is obligated to maintain) to reasonably limit the number of guests, invitees or lessees of an Owner using the POA Property.

B. The right and duty of the POA to levy Assessments against each Lot for the purpose of maintaining, repairing and replacing the POA Property and facilities thereon in compliance with the provisions of this Master Declaration and the restrictions on portions of the Total Property from time to time recorded by the Declarant.

C. The right and duty of the POA to levy Neighborhood Assessments against each Lot or Home in a particular Neighborhood for the purpose of providing additional services, such as maintaining the lawns and landscaping or any other area on the Lots if required to do so by this Master Declaration and any Supplemental Declaration.

D. The right of the POA to establish uniform rules and regulations pertaining to the use of the POA Property.

E. The right of the POA to establish uniform rules and regulations pertaining to the Lots for the purposes of enhancing the aesthetic uniformity of Tesoro.

F. The right of the POA in accordance with its Articles, Bylaws, and this Master Declaration, with the vote or written assent of two-thirds (2/3) of the total voting interests, to borrow money for the purpose of improving the POA Property and facilities thereon, and, in aid thereof, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the use rights of the Owners.

G. The right of the POA to dedicate, release, alienate, or transfer all or any part of the POA Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication, release, alienation, or transfer shall be effective unless Members entitled to cast two-thirds (2/3) of the total voting interests agree to such dedication, release, alienation or transfer.

H. The right of the POA to grant easements, rights-of-way or strips of land, where necessary, for utilities, sewer facilities, cable television, and other services over the POA Property to serve the POA Property and other portions of the Total Property without vote of the Owners.

DR BOOK 1803 PAGE 926

I. The right of the Declarant and Declarant's officers, directors, partners, employees, agents, licensees, and invitees to the nonexclusive use of the POA Property and the facilities thereon, without charge, for sales, display, access, ingress, egress, construction, and exhibit purposes.

J. The right of the POA by action of the Board to reconstruct, replace, or refinish any Improvement or portion thereof upon the POA Property, in accordance with the original design, finish, or standard of construction of such Improvement.

K. The right of the POA and the Neighborhood Association, as applicable, to replace destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the POA Property.

L. The right, however not the duty, of the POA by action of the Board to seek the vacation of publicly dedicated streets, if any, within or adjacent to the Committed Property.

M. The easements provided elsewhere in this Master Declaration, designated on the Plat, or on the Additional Plat, if any, including, but not limited to, those set forth in this Article IV.

N. The right of the POA to provide for the maintenance, preservation and architectural control of Lots and other properties as set forth in this Master Declaration.

O. The rights of certain Owners to the exclusive use, access and enjoyment of those portions of the POA Property designated "Exclusive POA Property," as more particularly described in Article II.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws, his/her right of enjoyment to the POA Property to the members of his/her family, or to the lessees who reside in his/her Home, subject to all of the rules and regulations presently in effect and any which may become effective in the future, and further subject to reasonable regulation by the Board.

Section 3. RECOGNITION OF EXISTING EASEMENTS. Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved and/or granted with respect to the Total Property under this Master Declaration.

Section 4. EASEMENTS FOR VEHICULAR TRAFFIC. In addition to the general easements for use of the POA Property reserved herein, there shall be, and Declarant hereby reserves, grants, and covenants for itself and all future Owners, their family members, guests, invitees and lessees, Institutional Mortgagees of the Total Property (or portions thereof), and to the POA and each Neighborhood Association, that all of the foregoing shall have a perpetual nonexclusive easement for vehicular traffic over (i) all streets dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), and (ii) any private Streets, Drives, Roads and/or Roadways within or upon the Committed Property.

Section 5. ACCESS EASEMENT. Declarant hereby reserves perpetual, nonexclusive easements of ingress and egress over and across (i) any and all streets dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), and (ii) any

DR BOOK 1803 PAGE 927

private Streets, Drives, Roads and/or Roadways and driveways within or upon the Committed Property and all other portions of the Committed Property which are necessary or convenient for enabling Declarant to carry on the work referred to in this Master Declaration, which easements shall be for the use of Declarant, Declarant's employees, contractors and agents, Declarant's successors and assigns, Owners, and the respective lessees, employees, agents, invitees, and licensees of Declarant and Owners.

Section 6. GRANT AND RESERVATION OF EASEMENTS. Declarant hereby reserves and grants the following perpetual, nonexclusive easements over and across the Committed Property as covenants running with the Committed Property for the benefit of the Owners, the POA, the Neighborhood Associations and Declarant as hereinafter specified for the following purposes:

A. **Utility and Services Easements.** All of the Committed Property shall be subject to an easement or easements to provide for: (a) installation, service, repair and maintenance of the equipment required to provide utility services to the POA Property and the Lots, including, but not limited to, power, lights, telephone, cable television, gas, water, sewer and drainage, and (b) governmental services, including, but not limited to, police, fire, health, sanitation and other public service personnel, including reasonable rights of access for persons and equipment necessary for such purposes for the benefit of the appropriate utility companies, agencies, franchises or governmental agencies.

B. **Easement for Encroachment.** All of the Committed Property shall be subject to an easement or easements for encroachment in favor of each Owner in the event any portion of his/her Home or appurtenant Improvements installed by Declarant such as stucco, a fence or underground footer now or hereafter encroaches upon any of the Lots as a result of minor inaccuracies in survey or construction, by design, or due to settlement or movement. Such encroaching Improvements installed by Declarant shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching Improvements in favor of the Owner thereof or his designees.

C. **Easement to Enter Upon Lots.** An easement or easements for ingress and egress in favor of the POA, the Committee, and the applicable Neighborhood Association, including the Board, the board of the applicable Neighborhood Association or the designee of such board, to enter upon the Lots for the purposes of (1) making inspections to ensure compliance with the Tesoro Documents, and (2) fulfilling its duties and responsibilities of ownership, maintenance and/or repair in accordance with the Tesoro Documents, including, by way of example, the making of such repairs, maintenance or reconstruction as are necessary for the POA Property, to maintain, in some cases, an Owner's Lot and to maintain any Lot in the event the Owner thereof fails to do so.

D. **Easement Over POA Property.** An easement of enjoyment in favor of all Owners, their family members, guests, invitees and lessees in and to the POA Property which shall be appurtenant to and shall pass with title to every Lot in the Committed Property, subject to the following:

1. the right of the POA and the applicable Neighborhood Association to suspend the right to use the POA Property of any Owner for any period during which Assessments against his

or her Lot remain unpaid, subject to the Notice and Hearing provisions in Article IX, Section 1 herein;

2. the right of the POA to grant permits, licenses and easements over the POA Property for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Total Property;

3. the rights and easements reserved in this Master Declaration for the benefit of the Country Club Property;

4. all provisions set forth in the Tesoro Documents; and

5. any reasonable rules or regulations adopted by the owner of such portion of the POA Property.

E. Drainage and Irrigation Easement. An easement for drainage, flowage and irrigation over, under and upon the Committed Property, including each of the Lots, in favor of the POA (and/or the CDD, if applicable) and each of the Owners, including, but not limited to, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair the water Drainage System, flowage pipes and irrigation pipes.

F. Drainage System Encroachment Easement. An easement for encroachment over, under and upon the drainage easements located within the Lots, as designated on the Plat and Additional Plat, if any, in favor of (i) the Owner of the Lot upon which the drainage easement is located for the existence of any driveway and/or sidewalk or irrigation system or part thereof, and (ii) the POA and the applicable Neighborhood Association for reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair any driveway and/or sidewalk, or irrigation system or part thereof installed or located thereon. In the event the POA requires access to any Drainage System improvements within a drainage easement located within a Lot upon which any such driveway and/or sidewalk or irrigation system encroaches, the POA has the obligation, at its own cost and expense, to remove and replace any such encroachment, and to return it to its condition immediately preceding such removal and replacement once access to the drainage easement is no longer required. The flowage easements providing for drainage run between each of the Lots parallel to and over the side lot line thereof, draining from the rear to the front of the Lots, or from the front to the rear of the Lots, or some combination thereof.

Section 7. PRIVATE USE. For the term of this Master Declaration, the POA Property is not for the use and enjoyment of the public, but is expressly reserved for the private use and enjoyment of Declarant, the POA, the Neighborhood Associations and the Owners, and their family members, guests, invitees and lessees, but only in accordance with this Master Declaration.

A. Notwithstanding anything in this Master Declaration to the contrary, however, Declarant hereby expressly reserves the right to use the POA Property for such period of time as Declarant determines to be necessary in connection with the sale and marketing by Declarant of Lots and Homes in Tesoro and in any other communities developed or to be developed by Declarant or its affiliates, including, but not limited to, the holding of sales and marketing meetings and engaging in sales promotions and related sales and marketing activities.

DR BOOK 1803 PAGE 929

B. Except to the extent herein provided, the POA Property shall be for the sole and exclusive use of the Owners and residents of Tesoro and their family members, guests, invitees and lessees.

C. The administration, management, operation and maintenance of the POA Property shall be the responsibility of the POA, as provided herein and in the Tesoro Documents.

D. The right to use the POA Property shall be subject to the rules and regulations established by the POA.

Section 8. MODELS. Declarant hereby reserves the right to construct and/or operate "model(s)" in Tesoro. The "model(s)" may also be used for other communities being developed by Declarant, as Declarant and/or any of Declarant's affiliates may so determine, in their sole discretion. The "model(s)" may also contain parking, landscaping and fencing across Streets, Drives, Roads and/or Roadways as Declarant may determine in its sole discretion. In the event that Declarant and/or any of Declarant's affiliates constructs "model(s)" in Tesoro, such "model(s)" may be used for such period of time that Declarant and/or any of Declarant's affiliates determines to be necessary. By his/her acceptance of a deed for a Lot in Tesoro, each Owner agrees and acknowledges that: (i) Declarant and/or any of Declarant's affiliates have a right to construct and/or operate "model(s)"; (ii) Declarant and/or any of its affiliates have an easement over Tesoro for ingress and egress to and from the "model(s)" and to use and show the models to prospective purchasers in Tesoro or other communities being developed by Declarant and/or any of Declarant's affiliates, as long as such "model(s)" exist; and (iii) he/she shall not interfere in any manner whatsoever in the sales process by Declarant and/or any of its affiliates, including the carrying of signs or other types of demonstrations in the Total Property or any public right-of-way adjacent to or within the Total Property. Each Owner acknowledges that any such activities interfere with the quiet enjoyment of Tesoro by the other Owners, are detrimental to the value of the Lots and Homes within Tesoro, and interfere with the Declarant's ability to conduct its business.

Section 9. GOLF EASEMENTS. There is hereby reserved for the benefit of Declarant and the owner and/or operator from time to time of the Country Club Property and their respective employees, agents, licensees, invitees, members and guests, a non-exclusive easement for ingress and egress, to, from, over and upon all portions of the Committed Property, including but not limited to all Lots and POA Property for the purpose of allowing golf balls to travel over, into, and to come to rest upon and be retrieved from, any and all portions of the Committed Property. Neither Declarant nor any other owner and/or operator from time to time of the Country Club Property nor their respective officers, directors, shareholders, partners, employees, agents, invitees, members or guests shall have any liability or responsibility whatsoever for any property damage occasioned by, or personal injury to, any person, whether an Owner or occupant, or any member of such Owner's or occupant's family or any employee, guest, licensee or invitee of such Owner or occupant, who or which is accidentally struck by a golf ball which shall travel beyond the boundaries of the golf course located on the Country Club Property. **MOREOVER, THE TRAVEL, ENTRY WITHIN AND COMING TO REST OF GOLF BALLS OVER, UPON OR WITHIN ANY PORTION OF THE PROPERTY SHALL NOT BE DEEMED TO BE OR CONSTITUTE A NUISANCE OR HAZARD TO THE HEALTH, SAFETY OR WELFARE OF THE RESIDENTS OR GUESTS OF THE PROPERTY AND NO INJUNCTIVE RELIEF OR DAMAGES THEREFOR SHALL BE RECOVERABLE BY ANY PARTY OR GRANTED BY ANY COURT; IT BEING EXPRESSLY AGREED BY EVERY OWNER THAT THE RISK OF SUCH**

PERSONAL INJURY OR DAMAGE TO PROPERTY HAS BEEN ASSUMED BY SUCH OWNER ON BEHALF OF SAID OWNER, TENANTS OF SUCH OWNER, THE MEMBERS OF THEIR RESPECTIVE FAMILIES AND THEIR RESPECTIVE EMPLOYEES, LICENSEES, GUESTS AND OTHER INVITEES AT THE TIME OF THE ACCEPTANCE OF A DEED OR OTHER CONVEYANCE TO SAID OWNER'S LOT.

The owner of the Country Club Property, 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 Committed Property reasonably necessary to the operation, maintenance, repair and replacement of its Country Club Property.

Any portion of the Committed Property immediately adjacent to the Country Club Property is hereby burdened with a non-exclusive easement in favor of the adjacent Country Club Property for overspray of water from the irrigation system serving the Country Club Property. Under no circumstances shall the POA or the owner(s) of the Country Club Property be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

Section 10. GOLF CART PATH EASEMENT. There is hereby created, declared and reserved for the benefit of the Declarant and the owner and/or operator from time to time of the Country Club Property and their respective employees, agents, licensees, invitees, members and guests a non-exclusive golf cart path easement over and upon all golf cart path easement areas shown on the Plats, any Additional Plats or other recorded instruments of the Committed Property, or as any golf cart paths may exist on the Committed Property from time to time, together with a non-exclusive easement and license unto such benefited parties to enter upon such golf cart path easement areas for the purpose of constructing, installing, inspecting, maintaining, repairing or replacing from time to time a paved golf cart path and for ingress, egress and passage thereover by way of, and for the use and operation thereon, of electric or other powered golf carts. The owner of the Country Club Property shall have the right to cause the golf cart path easement areas to be specifically described by metes and bounds legal descriptions, and the Owners and POA shall cooperate in executing and recording appropriate easement agreements with respect thereto. All vehicles traveling on the roads within the Committed Property shall yield to golf carts at crossings where golf cart path easements intersect with said roads.

Section 11. ASSUMPTION OF RISK AND INDEMNIFICATION. EACH OWNER BY ITS PURCHASE OF A LOT OR HOME IN THE VICINITY OF THE GOLF COURSE ASSUMES THE RISK OF NOISE, PERSONAL INJURY OR PROPERTY DAMAGE CAUSED BY MAINTENANCE AND OPERATION OF THE COUNTRY CLUB PROPERTY, INCLUDING, WITHOUT LIMITATION: (A) NOISE FROM MAINTENANCE EQUIPMENT, IT BEING SPECIFICALLY UNDERSTOOD THAT SUCH MAINTENANCE TYPICALLY TAKES PLACE AROUND SUNRISE OR SUNSET, (B) NOISE CAUSED BY GOLFERS, (C) LAWFUL USE OF PESTICIDES, HERBICIDES AND FERTILIZERS, (D) VIEW RESTRICTIONS CAUSED BY MATURATION OF TREES AND SHRUBBERY AND THE CONSTRUCTION OF ANY IMPROVEMENTS. (E) REDUCTION IN PRIVACY CAUSED BY CONSTANT GOLF TRAFFIC ON THE COUNTRY CLUB PROPERTY OR THE REMOVAL OR PRUNING OF SHRUBBERY OR TREES ON THE COUNTRY CLUB PROPERTY, AND (F) DESIGN OF THE GOLF COURSE, AND AGREES THAT NEITHER DECLARANT, THE POA NOR ANY OF DECLARANT'S AFFILIATES OR AGENTS NOR ANY OTHER ENTITY OWNING OR OPERATING THE COUNTRY CLUB PROPERTY

DR BOOK 1803 PAGE 931

SHALL BE LIABLE TO ANY OWNER OR ANY OTHER PERSON CLAIMING ANY LOSS OR DAMAGE, INCLUDING, WITHOUT LIMITATION, INDIRECT, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGE ARISING FROM PERSONAL INJURY, DESTRUCTION OF PROPERTY, TRESPASS, LOSS OF ENJOYMENT OR ANY OTHER ALLEGED WRONG OR ENTITLEMENT TO REMEDY BASED UPON, DUE TO, ARISING FROM OR OTHERWISE RELATED TO THE PROXIMITY OF OWNER'S LOT OR HOME TO THE COUNTRY CLUB PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY CLAIM ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OF DECLARANT, THE POA OR ANY OTHER ENTITY OWNING OR OPERATING THE COUNTRY CLUB PROPERTY. EACH OWNER HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS DECLARANT, POA AND ANY OTHER ENTITY OWNING OR MANAGING THE COUNTRY CLUB PROPERTY AGAINST ANY AND ALL CLAIMS BY THAT OWNER'S VISITORS, TENANTS AND OTHERS UPON SUCH OWNER'S LOT OR HOME OR THE POA PROPERTY.

Section 12. CONSERVATION AREAS. Any area designated as a Conservation Area, Conservation Tract or conservation easement within the POA Property may be used only in accordance with the provisions of the applicable permit or easement. Except as may be approved from time to time by SFWMD in an applicable permit, the following activities are prohibited on or in any portion of the Committed Property that is now or hereinafter subject to any conservation easement or designated as a Conservation Tract on any Plat or Additional Plat relating to such property, or other recorded documents:

- A. The construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground.
- B. The dumping or placing of soil or other substance or material as landfill, or the dumping or placing of trash, waste, or unsightly or offensive materials.
- C. The removal or destruction of trees, shrubs, or other vegetation, except for the removal of exotic vegetation in accordance with a maintenance plan approved by SFWMD or except as approved by SFWMD in an applicable development or vegetation removal permit.
- D. The excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface or except as approved by SFWMD in an applicable development permit.
- E. Any use of the surface, except for purposes that permit the land or water area to remain in its natural condition or except as approved by SFWMD in an applicable development permit.
- F. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation including but not limited to, ditching, diking and fencing.
- G. Acts or uses detrimental to such aforementioned retention of land or water areas.

DR BOOK 1803 PAGE 932

H. Acts or uses within SFWMD's regulatory jurisdiction which are detrimental to the preservation of any features or aspects of the property having historical or archaeological significance.

Declarant or the POA may convey some or all of the real property subject to any conservation easement or any Conservation Tract to a CDD.

Section 13. ASSIGNMENTS. The easements reserved hereunder may be assigned by Declarant or the POA in whole or in part to any city, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant. The Owners hereby authorize Declarant and/or the POA to execute, on their behalf and without further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Committed Property or portions thereof in accordance with the provisions of this Master Declaration.

Notwithstanding anything in this Master Declaration to the contrary, all easement rights reserved or granted to Declarant shall cease upon the termination of the Development Period. In addition, the easement rights granted or reserved by Declarant hereunder are not to be construed as creating an affirmative obligation to act on the part of Declarant.

Section 14. PRESENCE AND MANAGEMENT OF WILDLIFE. Each Owner and occupant, and each tenant, guest and invitee of any Owner or occupant acknowledges that the Committed Property is located adjacent to and in the vicinity of wetlands, bodies of water and other natural areas. Such areas may contain wildlife, including without limitation, alligators, reptiles, and snakes. Neither the POA, the Board, the original Declarant, nor any successor Declarant 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 Committed Property. Each Owner and occupant of a Lot and each tenant, guest, and invitee of any Owner or occupant 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 POA, the Board, the original Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or occupant, or any tenant, guest, or invitee of 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 Committed Property 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 alligators and other wildlife in accordance with applicable law. Declarant may, in its sole discretion, commission environmental studies and reports relating to the Committed Property 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 POA in which event the expenses of such activities shall be Operating Expenses of the POA.

Section 15. VIEW IMPAIRMENT. Neither the Declarant, the POA, the Committee nor the owner of the Country Club Property, guarantees or represents that any view over and across the Country Club Property, the POA Property, or Lakes will be preserved without impairment. The owners of such property 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

DR BOOK 1803 PAGE 933

Improvements or barriers (both natural and artificial) to the Country Club Property and to the POA Property from time to time. In addition, the owner of the Country Club Property may, in its sole and absolute discretion, change the location, configuration, size and elevation of the trees, landscaping, bunkers, fairways and greens, improvements and barriers (both natural and artificial) from time to time. Any such additions or changes 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 the Country Club Property, the POA Property or any Lake 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 Improvements or barriers (both natural and artificial) on such property.

Section 16. RELATIONSHIP WITH TAX-EXEMPT ORGANIZATIONS. The Declarant or the POA may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the POA Property to non-profit, tax-exempt organizations for the benefit of the Committed Property. The POA may contribute money, real or personal property or services to any such entity. Any such contribution shall be an Operating Expense and included as a line item in the POA's annual Budget. For the purposes of this Section a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code, including but not limited to, Sections 501(c)(3) or 501(c)(4) thereof.

Section 17. MAINTENANCE AND COST SHARING AGREEMENTS. Within, adjacent to or in the vicinity of the Total Property, there may be certain residential, nonresidential or recreational areas, including without limitation the Country Club Property, which are not subject to this Master Declaration and which are neither Lots nor POA Property as defined in this Master Declaration (hereinafter "adjacent properties"). The owners of such adjacent properties shall not be Members of the POA, shall not be entitled to vote, and shall not be subject to Assessment under this Master Declaration.

The POA may enter into one (1) or more Maintenance and 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 POA Property, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the owners within the Committed Property;

B. To permit use of the POA Property 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 POA 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 Committed Property; 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 Committed Property.

The owners or operators of such adjacent properties shall be subject to Assessment by the POA only in accordance with the provisions of such Maintenance and Cost Sharing Agreement(s). If the POA is obligated to share costs incurred by the owners of such adjacent properties, such payments by the POA shall be deemed to constitute Operating Expenses of the POA unless the Maintenance and Cost Sharing Agreement provides otherwise. The owners or operators of the adjacent properties shall not be subject to the restrictions contained in this Master Declaration except as otherwise specifically provided herein.

ARTICLE V
MEMBERSHIP AND VOTING RIGHTS IN THE POA;
BOARD; DURATION OF THE POA

Section 1. MEMBERSHIP AND VOTING RIGHTS. Membership in the POA shall be established and terminated as set forth in the Articles. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Tesoro Documents. The voting rights of the Members shall be as set forth in the Articles.

Section 2. BOARD. The POA shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles.

Section 3. DURATION OF POA. The duration of the POA shall be perpetual, as set forth in the Articles.

Section 4. VOTING DELEGATES. The Board in its sole discretion shall determine whether Voting Delegates shall be elected for each Neighborhood; provided, however, all Neighborhoods which are similarly situated shall be treated the same. Until such time as the Board first calls for election of a Voting Delegate for any Neighborhood, the Owners within such Neighborhood shall be entitled personally to cast the votes attributable to their respective Lots on any issue requiring a vote under this Master Declaration, the Bylaws or the Articles.

If the Board determines that Voting Delegates shall be elected, the elections and Voting Delegates shall be subject to the following procedures unless the Tesoro Documents for such Neighborhood provide for stricter requirements:

A. The Board shall send notice of the election of a Voting Delegate to all Owners within the Neighborhood; provided, however, the first election of a Voting Delegate for any Neighborhood shall not be held until at least fifty percent (50%) of the Lots planned for such Neighborhood have been conveyed to Persons other than the Declarant or a Builder. After the initial election of a Voting Delegate for a Neighborhood, subsequent elections shall take place on an annual basis.

B. Elections may take place by written ballot cast by mail or at a meeting of the Class "A" Members within each Neighborhood, as the Board determines; provided, however, upon

DR BOOK 1803 PAGE 935

written petition signed by Class "A" Members holding at least ten percent (10%) of the votes attributable to Lots within any Neighborhood, the election for such Neighborhood shall be held at a meeting.

C. The presence, in person or by proxy, of Class "A" Members representing at least ten percent (10%) of the total Class "A" votes attributable to Lots in the Neighborhood shall constitute a quorum at any Neighborhood meeting. Each Class "A" Member who owns a Lot within the Neighborhood shall be entitled to cast one (1) equal vote per Lot owned.

D. At each election, the Owners within each Neighborhood shall elect a Voting Delegate who shall be responsible for casting all votes attributable to Lots owned by Class "A" Members in the Neighborhood on all POA matters requiring a membership vote. In addition, each Neighborhood shall elect an alternate Voting Delegate who shall be responsible for casting such votes in the absence of the Voting Delegate. The candidate who receives the greatest number of votes shall be elected as Voting Delegate and the candidate receiving the next greatest number of votes shall be elected as the alternate Voting Delegate. The Voting Delegate and the alternate Voting Delegate shall serve a term of one (1) year and until their successors are elected. No Person shall be eligible to serve as a Voting Delegate or an alternate Voting Delegate if any assessment for such Person's Lot is delinquent.

E. Any Voting Delegate or alternate Voting Delegate may be removed, with or without cause, upon the vote or written petition of Owners holding at least a majority of the total Class "A" votes attributable to Lots in the Neighborhood which the Voting Delegate or alternate Voting Delegate represents. Any Voting Delegate or alternate Voting Delegate shall be automatically removed and ineligible to cast the votes attributable to Lots in such Voting Delegate's Neighborhood if any assessment for such Voting Delegate's Lot is delinquent. Upon removal of a Voting Delegate or an alternate, a successor shall be elected by the Owners of Lots within the Neighborhood to fill the vacancy for the remainder of such delegate's term.

F. Prior to taking a vote on any issue requiring membership approval, the POA shall distribute proxies to all Members represented by Voting Delegates allowing each Member to direct in writing how such Member's vote is to be cast with respect to such issue by the Voting Delegate who represents such Member. The Voting Delegates shall be required to cast all votes for which specific proxies are returned in the manner directed in such proxies. All other votes may be cast as the Voting Delegate deems appropriate in its sole discretion. The Board may adopt resolutions establishing additional procedures for polling Members.

Once Voting Delegates have been elected, the vote for each Lot owned by a Class "A" Member shall be exercised by the Voting Delegate representing the Neighborhood of which the Lot is a part.

Notwithstanding anything to the contrary above, with respect to any portion of the Committed Property that is subject to the jurisdiction of a Neighborhood Association, the Voting Delegate and alternate Voting Delegate for such Neighborhood shall be the president and secretary of the Neighborhood Association, respectively.

ARTICLE VI
COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS

Section 1. AFFIRMATIVE COVENANT TO PAY ASSESSMENTS. In order to: (i) fulfill the terms, provisions, covenants and conditions contained in the Tesoro Documents; and (ii) maintain, operate and preserve the POA Property for the use, safety, welfare and benefit of the Members and their family members, guests, invitees and lessees, there is hereby imposed upon each Improved Lot, and Unimproved Lot, and each Improved Lot Owner and Unimproved Lot Owner, the affirmative covenant and obligation to pay to the POA all Assessments, including, but not limited to, the Base Assessments, any Neighborhood Assessments, any Special Assessments, and any Specific Assessments. Such obligation shall commence as to each Lot upon the conveyance of such Lot from Declarant as evidenced by the recordation of a Deed in the Public Records of the County (in the manner herein set forth). Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot within the Committed Property, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the POA all Assessments in accordance with the provisions of the Tesoro Documents.

Section 2. BASE ASSESSMENTS. On an annual basis, the Board shall prepare a budget ("Budget") covering the estimated Operating Expenses during the coming year, which may include a contribution to establish a reserve fund in accordance with a separate reserve budget. The following expenses are hereby declared to be Operating Expenses which the POA is obligated to assess and collect, and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the Tesoro Documents: (1) any and all taxes and tax liens which may be assessed or levied at any and all times against the real property owned by the POA or against any and all personal property or Improvements thereon, including, but not limited to, taxes imposed by the City of Port St. Lucie for the infrastructure facilities; (2) all charges levied for utilities providing services for the POA Property, such as water, gas, electricity, telephone, cable television, sanitation, sewer and any type of utility or any other type of service charge which is not separately billed to an Owner; (3) the premiums on policies of insurance including, but not limited to, liability, casualty and directors and officers liability insurance for the POA Property; (4) any sums necessary for the maintenance and repair of the POA Property and all Improvements located thereon; (5) administrative and operational expenses; and (6) any and all expenses deemed to be Operating Expenses by the POA.

The Assessments are payable by each Owner to the POA notwithstanding the fact that Declarant may not have as yet conveyed title to the POA Property to the POA.

Section 3. NEIGHBORHOOD ASSESSMENTS. Owners of Lots in each Neighborhood that may now or in the future, be submitted to this Master Declaration by Supplemental Declaration, shall be obligated to pay Neighborhood Expenses the amount of which will depend upon the level of services provided to the Homes and Lots in the Neighborhood by the POA. Such services may be provided to Improved Lots or Unimproved Lots or both. For example, the POA may provide lawn and landscape maintenance or exterior building maintenance in certain Neighborhoods, in which case the POA shall assess and collect, and which the Owners are obligated to pay, Neighborhood Assessments as provided herein or as may be otherwise provided in the Tesoro Documents or in any Supplemental Declaration. It shall be the duty of the Board to prepare a budget covering the estimated Neighborhood Expenses to be incurred by the POA for the Neighborhood. The Board shall be

DR BOOK 1803 PAGE 937

entitled to set such budget only to the extent that this Master Declaration, Supplemental Declaration or Bylaws specifically authorizes the POA to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the POA, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. Neighborhood Assessments are in addition to any Assessments for Operating Expenses levied by the POA. In the event that Neighborhood services will be provided by the applicable Neighborhood Association, the POA reserves the right to review and approve or disapprove any budget promulgated by such Neighborhood Association.

Section 4. DETERMINING AMOUNT OF ASSESSMENTS. The total anticipated Operating Expenses for each calendar year shall be set forth in the POA's annual Budget as set forth in Article VI, Section 2. In addition, the total anticipated Neighborhood Expenses for any Neighborhood each calendar year shall be set forth in a separate Neighborhood budget prepared by the Board of the POA as provided in Article VI, Section 3. Such budgets may include reserve funds. Each Lot shall be assessed its *pro rata* portion of the total anticipated Operating Expenses and Neighborhood Expenses, if applicable, which shall be the "Base Assessment" and "Neighborhood Assessment", if applicable as to each Lot. The total anticipated Operating Expenses (other than those expenses which are properly the subject of Special Assessment or a Specific Assessment) shall be divided by the total number of Lots. The quotient thus arrived at shall be the "Base Assessment" for each Lot. The Base Assessment shall be equal for each Lot. The total expenses shown on the Neighborhood budget shall be divided by the total number of Lots in such Neighborhood. The quotient thus arrived at shall be the "Neighborhood Assessment" for each Lot in the applicable Neighborhood.

In determining the level of Assessments, the Board, in its discretion, may consider other sources of funds available to the POA, 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 Maintenance and Cost Sharing Agreement. In addition, during the Development Period, the Declarant may, but shall not be obligated to, reduce the Assessments for any fiscal year by payment of a subsidy and/or contributions of services and materials, which may be treated as either a contribution or an advance against future sums due from the Declarant, or a loan, in the Declarant's discretion. Any such anticipated payment or contribution by the Declarant shall be disclosed as a line item in the 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 POA and the Declarant.

Section 5. BUDGET ADOPTION. The Board shall cause a copy of the POA's annual Budget and the applicable Neighborhood budget and a notice of the amount of Base Assessment and the Neighborhood Assessment to be levied on each Lot or Home for the coming year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year.

The annual Budget and Base Assessments shall become effective unless disapproved at a meeting by Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the POA and, during the Development Period, by the Declarant. Any Neighborhood budget and Neighborhood Assessments shall become effective unless disapproved at a meeting by Members holding at least sixty-seven percent (67%) of the total Class "A" votes subject to such Neighborhood Assessment and, during the Development Period, by the Declarant. There shall be no obligation to

call a meeting for the purpose of considering any budget except on petition of the Members as provided for special meetings in the Bylaws, which petition must be presented to the Board within twenty (20) Days after the date of the notice of Assessments. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If a budget is disapproved at a meeting or if a budget proves inadequate for any reason, the Board may prepare a revised budget for the remainder of the fiscal year. The Board shall send a copy of the revised budget to each Owner at least thirty (30) Days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

If the POA fails for any reason to determine the annual Budget or a Neighborhood budget for any year, then and until such time as such budget shall have been determined as provided herein, the budget in effect for the immediately preceding year, with a ten (10%) percent increase, shall be the budget for the current year.

Section 6. ASSESSMENT PAYMENTS. Base Assessments and Neighborhood Assessments, if any, shall be payable quarterly, in advance, on the first day of January, April, July and October of each year, provided, however, at the POA's option, Base Assessments and Neighborhood Assessments, as applicable, may be payable in any other manner.

Section 7. SPECIAL ASSESSMENTS. "Special Assessments" include, in addition to other Assessments designated as Special Assessments in the Tesoro Documents and whether or not for a cost or expense which is included within the definition of "Operating Expenses," those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of constructing or acquiring Improvements for, or on, the POA Property or the cost (whether in whole or in part) of reconstructing or replacing such Improvements. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Base Assessment. Any Special Assessments assessed against Lots and the Owners thereof shall be paid by such Owners in addition to any other Assessments and shall be assessed in the same manner as the Base Assessment. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Special Assessment after the Turnover Date shall require the affirmative assent of at least two-thirds (2/3) of all Owners represented in person or by proxy at a meeting called and held in accordance with the Bylaws and the prior written consent of the Declarant. Prior to the Turnover Date, the Board may make a Special Assessment without such vote of the Owners.

Section 8. SPECIFIC ASSESSMENTS. The POA 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), Homes or occupants thereof pursuant to a menu of special services which the Association may from time to time provide to Owners and occupants (which might include, without limitation, landscape maintenance, pool maintenance, garbage collection, pest control service, cable, digital, satellite or similar television service, internet, intranet, data

transmission, other communication services and facilities, and other computer related services, security, monitored alarm, caretaker, fire protection, telephone, long-distance telephone, gas and other utility services, and similar services and facilities), which Assessments may be levied in advance of the provision of the 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 POA Property assigned to one (1) or more Lots; and

C. to cover all costs incurred in bringing the Lot(s) or Homes into compliance with the terms of the Tesoro Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Home, their agents, contractors, employees, licensees, invitees, or guests.

In addition, fines levied by the POA pursuant to Article IX, Section 1 shall constitute Specific Assessments.

Section 9. LIABILITY OF OWNERS FOR ASSESSMENTS. By the acceptance of a deed or other instrument of conveyance of a Lot, each Owner thereof acknowledges that each Lot and the Owners thereof are jointly and severally liable for their own Base Assessments, Neighborhood Assessments, Specific Assessments and their applicable portion of any Special Assessments, as well as for any and all other Assessments for which they are liable, as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Lots for the Operating Expenses and Neighborhood Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessment and the limitations on the liability of Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Owner, for himself/herself and his/her heirs, executors, successors and assigns, that in the event any Owner fails or refuses to pay his Base Assessment, Neighborhood Assessment, any Specific Assessment or any portion thereof, or his/her respective portion of any Special Assessment or any other Assessment, then the other Owners may be responsible for increased Base Assessments, Neighborhood Assessments, Specific Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owner, and such increased Base Assessment, Neighborhood Assessment, Specific Assessment or Special Assessment or other Assessment can and may be enforced by the POA, the applicable Neighborhood Association and Declarant in the same manner as all other Assessments hereunder as provided in the Tesoro Documents.

Section 10. ESTABLISHMENT OF LIENS. Each Assessment (including Neighborhood Assessments, if applicable) against a Lot, together with Interest thereon and costs of collection, including, but not limited to, Legal Fees, shall be the personal obligation of the Owner of such Lot. Any and all Assessments made by the POA in accordance with the provisions of the Tesoro Documents with Interest thereon and costs of collection, including, but not limited to, Legal Fees, are hereby declared to be a charge and continuing lien upon each Lot against which each such Assessment is made. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of the County of a written, acknowledged statement by the POA or Neighborhood Association setting forth the amount due to the POA or Neighborhood Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, in the event an Institutional Mortgagee of

DR BOOK 1803 PAGE 940

record obtains title to a Lot as a result of foreclosure of its first Institutional Mortgage or deed in lieu of foreclosure, such acquiror of title, its successors or assigns, shall not be liable for the share of Assessments pertaining to such Lot or chargeable to the former Owner thereof which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment against the Lot in question is secured by a claim of lien for Assessments that is recorded prior to the recordation of the Institutional Mortgage which was foreclosed or with respect to which a deed in lieu of foreclosure was given.

Section 11. COLLECTION OF ASSESSMENTS. In the event any Owner shall fail to pay any Assessment, or installment thereof, charged to such Owner within fifteen (15) days after the same becomes due, then the POA, through its Board, or the Neighborhood Association, through its board of directors, shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the POA or Neighborhood Association:

1. To accelerate the entire amount of any Assessment for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.
2. To advance on behalf of the Owner(s) in default funds to accomplish the needs of the POA or Neighborhood Association, as applicable, up to and including the full amount for which such Owner(s) is liable to the POA and the amount or amounts of monies so advanced, together with Interest and all costs of collection thereof, including, but not limited to, Legal Fees, may thereupon be collected by the POA or Neighborhood Association from the Owner(s) and such advance by the POA or Neighborhood Association shall not waive the default.
3. To file an action in equity to foreclose its lien at any time after the effective date thereof as provided in Section 10 hereinabove. The lien may be foreclosed by an action in the name of the POA or Neighborhood Association in like manner as a foreclosure of a mortgage on real property.
4. To file an action at law to collect said Assessment plus Interest and all costs of collection thereof, including, but not limited to, Legal Fees, without waiving any lien rights or rights of foreclosure in the POA or Neighborhood Association.
5. To charge Interest on such Assessment from the date it becomes due, as well as a late charge of Twenty-Five Dollars (\$25) by the POA or Neighborhood Association to defray additional collection costs.
6. To suspend the use rights of the Owner(s) in default to the POA Property, subject to the Notice and Hearing provisions in Article IX, Section 1 herein.
7. To suspend the right of the Owner(s) in default to vote on any matter on which Owners have the right to vote if such Owner is delinquent in payment of Assessments for more than ninety (90) days.

Section 12. COLLECTION BY DECLARANT. In the event for any reason the POA shall fail to collect the Assessments, Declarant shall at all times have the right (but not the obligation): (i) to advance such sums as the POA could have advanced as set forth above; and (ii) to collect such

Assessments and, if applicable, any such sums advanced by Declarant, together with Interest and costs of collection, including, but not limited to, Legal Fees.

Section 13. RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES TO PAY ASSESSMENTS AND RECEIVE REIMBURSEMENT. Declarant and any Institutional Mortgagee(s) shall have the right, but not the obligation, jointly or individually, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lot(s). Further, Declarant and any Institutional Mortgagee shall have the right, but not the obligation, jointly or individually, and, at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the POA or Neighborhood Expenses on behalf of a Neighborhood in the event the same are overdue and when lapses in policies or services may occur. Declarant and any Institutional Mortgagee paying overdue Operating Expenses on behalf of the POA or Neighborhood Expenses on behalf of a Neighborhood will be entitled to immediate reimbursement from the POA or the applicable Neighborhood Association plus Interest and any costs of collection including, but not limited to, Legal Fees, and the POA or Neighborhood Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

Section 14. WORKING FUND CONTRIBUTION. Each Owner who purchases a Lot from Declarant shall pay to the POA at the time legal title is conveyed to such Owner, a "Working Fund Contribution." The Working Fund Contribution shall be an amount equal to one-sixth of the annual Base Assessment and the annual Neighborhood Assessment applicable to such Lot for that year. The purpose of the Working Fund Contribution is to insure that the POA will have cash available for initial start-up expenses, to meet unforeseen expenditures and to acquire additional equipment and services deemed necessary or desirable by the Board. Working Fund Contributions may also be used to offset Operating Expenses or Neighborhood Expenses. Working Fund Contributions are not advance payments of Base Assessments or Neighborhood Assessments and shall have no effect on future Base Assessments or Neighborhood Assessments, nor will they be required to be held in reserve. To further ensure that the POA will have sufficient cash available to pay for start-up expenses, Operating Expenses, Neighborhood Expenses and other expenses, Declarant may from time to time advance to the POA, the Working Fund Contribution applicable to any Lot(s) prior to the time legal title to such Lot(s) is conveyed to the Owner(s) thereof. In the event Declarant advances the Working Fund Contribution applicable to any Lot, then, at the time legal title to such Lot is conveyed to the Owner thereof, the Working Fund Contribution to be paid by such Owner to the POA pursuant to this Section shall be paid directly to Declarant in reimbursement of the advance, instead of to the POA.

Section 15. RELATIONSHIP OF POA AND NEIGHBORHOOD ASSOCIATIONS.

A. Collection of Assessments. With respect to any Neighborhood governed by a Neighborhood Association, such Neighborhood Association shall collect all Assessments and other sums including any Neighborhood Assessment from the members of the Neighborhood Association. The Neighborhood Association will remit to the POA the Assessments so collected pursuant to such procedures as may be adopted by the POA. All sums so collected shall be applied first to the Assessments of the POA and then to those of the collecting Neighborhood Association. No sums

collected by a Neighborhood Association on behalf of the POA shall be deemed an operating expense of the collecting Neighborhood Association.

Neighborhood Associations shall be required to enforce liens or take any other actions with regard to delinquencies in Assessments payable to the POA unless the POA gives them written notice of its election not to have them do so. All of the POA's rights of enforcement provided in this Master Declaration shall be deemed to have automatically vested in the applicable Neighborhood Association, but all costs and expenses of exercising such rights shall nevertheless be paid by the Neighborhood Association (which shall be entitled to receive payment of any such costs and expenses which are ultimately recovered). Notwithstanding the foregoing, the POA retains the power to exercise the enforcement rights on a concurrent basis with the Neighborhood Association.

All fidelity bonds and insurance maintained by a Neighborhood Association shall reflect any duties performed by it pursuant hereto and the amounts to be received and disbursed by it and shall name the POA as an obligee/insured party for so long as its Assessments are being collected and remitted by the Neighborhood Association.

To the extent lawful, a Neighborhood Association may delegate, or contract for the performance of, any duties performed by it pursuant hereto with a management company approved by the POA, provided that: (i) the Neighborhood Association shall remain ultimately liable hereunder; (ii) the management company, as well as the Neighborhood Association, shall comply with the requirements of the foregoing paragraph; and (iii) the approval of the management company by the POA may be withdrawn by the POA, with or without cause, at any time upon thirty (30) days' prior written notice. Any management agreement or similar contract entered into by the Neighborhood Association shall be subject to the provisions of this Paragraph A.

In the event of a failure of a Neighborhood Association to assess its members for Operating Expenses allocated, the POA shall be entitled to pursue all available legal and equitable remedies against the Neighborhood Association or in addition specially assess the members of the Neighborhood Association for sums due and lien all the Lots in such Neighborhood.

B. Delegation of Other Duties. The POA shall have the right to delegate to a Neighborhood Association, on an exclusive or non-exclusive basis, such additional duties not specifically described in this Paragraph with respect to its Neighborhood as the POA shall deem appropriate. Such delegation shall be made by written notice to the Neighborhood Association, which shall be effective no earlier than thirty (30) days from the date it is given. Any delegation made pursuant hereto may be modified or revoked by the POA at any time.

C. Acceptance of Delegated Duties. Whenever the POA delegates any duty to a Neighborhood Association pursuant to this Article, the Neighborhood Association shall be deemed to have automatically accepted same and to have agreed to indemnify, defend and hold harmless the POA for all liabilities, losses, damages and expenses (including Legal Fees) arising from or connected with the Neighborhood Association's performance, non-performance or negligent performance thereof.

D. Non-Performance of Neighborhood Association Duties. In the event a Neighborhood Association fails to perform any duties delegated to or required of it, under this Master Declaration or to otherwise be performed by it pursuant to a Supplemental Declaration,

which failure continues for a period in excess of thirty (30) days after the POA's giving notice thereof, then the POA may, but shall not be required to, assume such duties. In such event, the Neighborhood Association shall not perform such duties unless and until such time as the POA directs it to once again do so.

E. Collection of Assessments by POA. Notwithstanding the foregoing, with respect to Lots that are not subject to the jurisdiction of a Neighborhood Association, the POA shall collect all Assessments and other sums due the POA from the Owner(s) of such Lots.

Section 16. WAIVER OF USE. No Owner, other than Declarant, may exempt himself from personal liability for Assessments duly levied by the POA or Neighborhood Association. No Owner may release the Lot owned by him from the liens and charges hereof either by waiver of the use and enjoyment of the POA Property and the facilities thereon or by abandonment of his or her Lot or Home.

ARTICLE VII ARCHITECTURAL CONTROL COMMITTEE

Section 1. MEMBERS OF THE COMMITTEE. The Architectural Control Committee, sometimes referred to in this Master Declaration as the "Committee," shall be comprised of three (3) members. The initial members of the Committee shall consist of persons designated by Declarant. Declarant shall have the right to appoint the members of the Committee and to change the number of members on the Committee. Persons appointed by the Declarant may be removed and replaced by the Declarant in its sole discretion. Unless removed by Declarant, such persons shall hold office until all Lots have completed Homes thereon and have been conveyed to Owners other than Builders or at such earlier time as the Declarant may, at its sole option, elect. Thereafter, each new member of the Committee shall be appointed by the Board and shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. The Board shall have the sole right to appoint and remove all members of the Committee after the expiration of such rights of the Declarant.

Section 2. REVIEW OF PROPOSED CONSTRUCTION.

A. No Improvements, including, by way of example and not of limitation, accessory structures, exterior lighting fixtures, brick pavers, stamped concrete, concrete flatwork, basketball goals, buildings, fences, walls, pools, roofs, gutters or rain spouts, antennae, aerials, microwaves, reception devices, mailboxes, external enclosures (including entry screen and patio screen enclosures), or landscaping (including hedges and massed plantings) shall be commenced, erected, installed, altered, modified, painted, planted, or maintained on the Committed Property, including the Lots, nor shall any canopy, shutters, or window coverings be attached to or placed upon outside walls or roofs of any Home or building by any Owner other than Declarant, unless such Improvements have been reviewed by and received the written approval of the Committee (not the POA) in accordance with Paragraph B hereinbelow. Any Owner desiring to make Improvements shall submit plans and specifications prepared by an architect, landscape architect, engineer or other person determined by the Committee to be qualified, showing the nature, dimensions, materials and location of the same.

DR BOOK 1803 PAGE 944

B. The Committee shall approve proposed plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated will not be detrimental to the appearance of the surrounding area of the Total Property as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures and is otherwise desirable. In reviewing each submission, the Committee may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other considerations. Decisions may be based solely on aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary over time. In reviewing and acting upon request for approval, the Committee shall be acting solely in Declarant's interest and shall owe no duty to any other person. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary over time. The Committee shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and whether proposed Improvements are consistent with Design Guidelines. If the proposed construction, alterations or additions are to a portion of the Improvements which the POA is obligated to maintain, said approval shall also be subject to approval by the Board. The Committee may condition its approval of proposed plans and specifications in such a manner as it deems appropriate and may require the submission of additional information prior to approving or disapproving such plans.

The Committee may adopt Design Guidelines to assist it and the Owners in establishing a uniform standard for review and approval. The Design Guidelines may contain rules and provisions for submitting plans and specifications and general provisions applicable to all of the Committed Property, as well as specific provisions which vary according to land use and from one (1) portion of the Committed Property to another depending upon the location, unique characteristics, and intended use. For example, by way of illustration but not limitation, the Design Guidelines may impose stricter requirements on those portions of the Committed Property adjacent to or visible from the Country Club Property or any Lake, pond, stream or other body of water. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Committee in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Committee and compliance with the Design Guidelines does not guarantee approval of any application.

The Committee shall have sole and full authority to amend Design Guidelines, and any amendments shall be prospective only. There shall be no limitation on the scope of amendments to the Design Guidelines except that no amendment shall require the modification or removal of any structure previously approved once the approved construction or modification has commenced. The Committee is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The Committee shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Committed Property.

C. Each application to the Committee shall contain a representation and warranty by the Owner that use of the plans submitted does not violate any copyright associated with the plans. Neither the submission of the plans to the Committee, nor the distribution and review of the plans by the Committee shall be construed as publication in violation of the designer's copyright, if any. Each Owner submitting plans to the Committee shall hold the members of the Committee,

the POA 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 Master Declaration.

D. 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 this Master Declaration have been paid current by the Owner submitting such plans and specifications for approval.

Subsequent to the approval of plans and specifications pursuant to this Article, if the Owner shall become delinquent in the payment of Assessments or other charges permitted by this Master Declaration at any time during the prosecution of the approved work, the Owner shall be deemed to be in violation of such approval and shall be subject to any means of enforcement set forth in the Tesoro Documents.

E. The Design Guidelines shall specify a time period for the Committee to approve or reject any plans after delivery of all required materials. If the Committee fails to respond to submitted plans within such period, such plans shall be deemed approved, provided that, in any event, no such addition, construction or alteration shall be made by any Owner which is detrimental to or inconsistent with the harmony, appearance or general scheme of the Total Property as a whole.

F. In its review of proposed plans and specifications of landscape design and materials for Lots, including, but not limited to, any massed plantings, the Committee may take into consideration the effect on views of such landscaping, both at the proposed time of installation and at the time when maximum growth shall have occurred.

G. Notwithstanding any provision in this Article to the contrary, the approval of the Committee shall not be required for any additions, changes or alterations within any Homes if such additions, changes or alterations are not visible from the outside of such Homes. All changes and alterations shall be subject, independently, to all applicable governmental laws, statutes, ordinances, rules and regulations.

H. Notwithstanding anything to the contrary herein contained, no construction, reconstruction, addition or alteration by Declarant shall require the prior approval or any certificate of consent of the Committee.

Section 3. MEETINGS OF THE COMMITTEE. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 8 hereinbelow. In the absence of such designation, the vote of majority of the members of the Committee shall constitute an act of the Committee.

Section 4. NO WAIVER OF FUTURE APPROVALS. The approval of the Committee of any plans and specifications or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to withhold approval or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant. Similarly, the denial of approval by the Committee of any plans and

DR BOOK 1803 PAGE 946

specifications or drawings for any work done or proposed shall not be deemed to constitute a waiver of any right to approve or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant.

Section 5. COMPENSATION OF MEMBERS. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder, unless approved by the Board.

Section 6. INSPECTION OF WORK. The completion of any work for which approved plans are required under this Article, the submitting party shall give written notice of completion to the Committee.

A. After written notice of completion, the Committee or its duly authorized representatives may inspect such Improvement. If the Committee finds such work was not done in substantial compliance with the approved plans, it shall notify the submitting party in writing of such noncompliance, specifying the particulars of noncompliance, and shall require the submitting party to remedy such noncompliance.

B. If the submitting party fails to remedy such noncompliance, notification shall be given to the Board in writing of such failure. Upon such notice, the Board shall determine whether there is a noncompliance and, if so, the nature thereof. If noncompliance exists, the submitting party shall remedy or remove the same within a period required by the Board. If the submitting party does not comply with the Board's demand within such period, the Board, at its option, may remove the Improvement, remedy the noncompliance, or proceed in court to enjoin compliance and the submitting party shall reimburse the POA, upon demand, for all expenses incurred in connection therewith, including Interest and Legal Fees. If such expenses are not promptly repaid by the submitting party to the POA, the Board shall levy a Specific Assessment against such submitting party for reimbursement, and said Specific Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.

Section 7. NON-LIABILITY OF COMMITTEE MEMBERS. Neither the Committee nor any member thereof, nor its duly authorized Committee representative, nor Declarant, shall be liable to the POA or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of a member and only that member shall have any liability. The Committee's review and approval or disapproval of plans submitted to it for any proposed Improvement shall be based solely on considerations of the overall benefit or detriment to the community as a whole. The Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes. Furthermore, approval by the Committee of any plans and specifications does not excuse any Owner from also receiving approvals as required by all applicable governmental agencies.

Section 8. VARIANCE. The Committee may authorize variances from compliance with any of the Design Guidelines, architectural provisions of this Master Declaration or any Supplemental Declaration, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Master Declaration or any Supplemental

DR BOOK 1803 PAGE 947

Declaration shall be deemed to have occurred with respect to the Improvements for which the variance was granted.

Section 9. ARCHITECT, BUILDER AND GENERAL CONTRACTOR APPROVAL. In order to ensure that appropriate standards of construction are maintained throughout the Committed Property, all architects, Builders and general contractors must be approved by the Committee prior to engaging in any construction activities within the Committed Property. The Committee 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 Committee. Approval of an architect, Builder or general contractor may be conditioned upon an agreement with the Committee to maintain certain insurance coverages required by the Committee, pay construction deposits to ensure completion of a project without damage to the Committed Property, and pay fees determined by the Committee, from time to time. Both the criteria and the application form are subject to change in the sole discretion of the Committee. Approval of architects, Builders and contractors may not be construed as a recommendation of a specific architect, Builder or contractor by the Committee or the Declarant, nor a guarantee or endorsement of the work of such architect, Builder or contractor. The criteria and requirements established by the Committee 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 Committee or the Declarant.

ARTICLE VIII MAINTENANCE AND REPAIR OBLIGATIONS

This Article sets forth the various maintenance and repair obligations of the POA and the Owners with respect to the Committed Property and the Lots and POA Property located therein. Such maintenance and repair obligations may be different than those provided in any Supplemental Declarations; for instance, a Neighborhood Association may be responsible for certain maintenance and repair within a particular Neighborhood.

Section 1. BY THE POA.

A. The POA, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Improvements and facilities located upon the POA Property as otherwise provided herein. Should any incidental damage be caused to any Home by virtue of the POA's failure to maintain the POA Property as herein required or by virtue of any work which may be performed or caused to be performed by the POA in the maintenance, repair or replacement of any POA Property, the POA shall, at its expense, repair such incidental damage. The POA shall not, however, be responsible for any loss of use, any hardship, an Owner's time or any other consequential or punitive damages.

B. The POA shall operate, maintain and repair a water sprinkler system constructed over, through and upon such portions of the POA Property as it shall deem appropriate. The POA shall be responsible for the costs of operation and maintenance of such sprinkler system, including any monthly fees and other costs of water usage and the cost of repair or replacement to all or any part thereof. There is hereby reserved in favor of the POA the right to enter upon the POA Property and any and all Lots for the purpose of operating, maintaining, repairing and replacing a water sprinkler system over, through and upon the POA Property.

C. The POA shall operate, maintain and repair the Drainage System constructed over, through and upon the Committed Property. There is hereby reserved in favor of the POA the right to enter upon the POA Property and the Lots for the purpose of operating, maintaining, repairing, and replacing the Drainage System over, through and upon the Committed Property. The POA shall be responsible for all costs associated with all cleaning, maintenance, repairs and replacement of any portion of the Drainage System necessary to maintain the system in its original condition and use.

D. The POA shall be responsible for the maintenance, repair and replacement of Via Tesoro and any private streets located upon the POA Property and there is hereby reserved in favor of the POA the right to enter upon any and all parts of the POA Property and Lots for such purpose. To the extent permitted by the appropriate governmental authority, the POA may, but shall not be obligated to, also provide maintenance of all City, County, district or municipal properties which are located within or in a reasonable proximity of the Total Property to the extent that their deterioration or unkempt appearance would adversely affect the appearance of the Total Property, including the right to enhance the landscaping in any public right of way.

E. The POA shall be responsible for the maintenance, repair and replacement of any street lights located in Tesoro.

F. The POA shall be responsible for the maintenance of the Lakes, Mitigation Areas, Conservation Areas, Landscape Buffer Areas, and Open Space Areas, except as may otherwise be set forth in Article II of this Declaration, any Maintenance and Cost Sharing Agreement or any other applicable Tesoro Documents.

G. An imaginary line will be extended from the side property lines at the back of each Lake Lot down to the water's edge. The area encompassed between the rear property line and the water's edge between these imaginary lines shall be defined as the "Lake Bank Zone" as to each Lake Lot. The POA is responsible for maintaining the Lake Bank Zone to the water's edge and shall be responsible for the maintenance, repair and replacement of the littoral plantings beyond the water's edge in all Lakes, except as may be set forth in Article II of this Declaration, any Maintenance and Cost Sharing Agreement and any other applicable Tesoro Documents.

H. The POA shall not alter the slopes, contours, or cross sections of the Lakes, Lake banks and littoral zones or chemically, mechanically, or manually remove, damage or destroy any plants in the littoral zones except upon the written approval from the applicable governmental authority. The POA shall be responsible for maintaining the required survivorship and coverage of the planted littoral areas, to ensure the ongoing removal of prohibited and invasive non-native plant species from these areas, and to comply with all governmental regulations applicable to the Lakes, Lake banks and littoral zones.

DR BOOK 1803 PAGE 949

I. The POA, by action of its Board, may alterations and Improvements to the POA Property. No alteration or Improvement may be made to the POA Property which materially and adversely affects the rights of the Owner of any Lot to the enjoyment of his Lot or the POA Property unless the Owner and all mortgagees holding recorded mortgages on such Lot consent thereto in writing.

J. All expenses incurred by the POA in connection with the services and maintenance described in the above paragraphs, are Operating Expenses, payable by each Owner under the provisions of this Master Declaration concerning Assessments and Neighborhood Assessments, respectively. Should the need for any maintenance, repair or replacement by the POA be caused by the negligence of or misuse by an Owner, his/her family, guests, servants, invitees, or lessees, such Owner shall be responsible therefor, and the POA shall have the right to levy a Specific Assessment against such Owner's Lot and said Specific Assessment shall constitute a lien upon the appropriate Lot and Home with the same force and effect as liens for Operating Expenses.

K. The POA has a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of Tesoro.

L. The POA shall also be responsible for maintenance, repair and replacement of property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. The POA may also assume maintenance responsibilities with respect to any Neighborhood in addition to those that may be designated by any Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the standards promulgated by the Committee and the Tesoro Documents. All costs of maintenance pursuant to this Paragraph shall be assessed as a Neighborhood Assessment only against the Lots within the Neighborhood to which the services are provided, unless specifically provided otherwise in a Supplemental Declaration. The provision of services in accordance with this Paragraph shall not constitute discrimination within a class.

M. The POA may maintain other property which it does not own, including, without limitation, property dedicated to the public, (a) if such maintenance is required by this Master Declaration, (b) if the Board determines that such maintenance is necessary or desirable to maintain the standards for Tesoro promulgated by the Committee or to cause compliance with this Master Declaration, or (c) if the maintenance is requested by an Owner.

Section 2. PROVISION OF SERVICES.

A. The POA may provide services and facilities for the Members of the POA and their guests, lessees and invitees. Such services may be provided to Improved Lots or Unimproved Lots or both. The POA shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The costs of services and facilities provided by the POA may be funded by the POA as an Operating Expense. In addition, the Board shall be authorized to charge 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 POA 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. By way of example, some services and

facilities which may be provided include landscape maintenance, pool maintenance, garbage collection, pest control service, cable, digital, satellite or similar television service, internet, intranet, data transmission, other communication services and facilities, and other computer related services, security, monitored alarm service, smoke/heat detection systems, push button panels for emergency calls, caretaker, fire protection, telephone, long distance telephone, gas and other utility services and similar services and facilities. The Board, without the consent of the Members of the POA, 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 POA.

B. Without limiting the generality of Section 2(A) above, the POA shall have the right to enter into an agreement ("Network Services Agreement") for the provision of certain telecommunications services to Tesoro, including without limitation, cable television service, monitored alarm service, Internet, intranet and telecommunications services (collectively, the "Network Services"), and the base fees charged to the POA for the provision of such Network Services may be assessed against all Improved Lots and Improved Lot Owners as a Specific Assessment. Notwithstanding anything to the contrary contained in this Declaration, the base fees charged to the POA under the Network Services Agreement may be apportioned equally to those Improved Lots with respect to which the POA is being charged under or pursuant to the Network Services Agreement except to the extent, if any, that any Owner elects to receive an "Optional Service" (being a service not automatically received by all Owners entitled to receive Network Services pursuant to the Network Services Agreement). Alternatively, such costs may be billed directly to the Owners by the provider of such services. Each Owner who receives an Optional Service, if any, shall be responsible for paying for the cost thereof. The foregoing shall in no way obligate Declarant or POA to enter into a Network Services Agreement.

Section 3. BY THE OWNERS.

A. Except to the extent the POA is responsible therefore as provided in Section 1 above or to the extent a Neighborhood Association is responsible therefor as provided in a Supplemental Declaration, the Owner of each Lot must keep and maintain his/her Lot and the Home and other Improvements thereon, including equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair work. The Owner of each Lot shall be responsible for any damages caused by a failure to so maintain such Lot, Home and other Improvements. The Owners' responsibility for maintenance, repair and replacement shall include, but not be limited to, all of the physical structure constructed in, upon or below the Lot, and physical items attached or connected to such structure that run beyond the boundary line of the Lot which exclusively service or benefit the Lot and Home. The painting, caulking and maintenance of the exterior surface of the walls, doors, windows and roof of the physical structure of the Home shall be performed by the Owner, and the exterior surface of such walls, doors, windows and roof shall at all times be maintained in a good and serviceable condition with no damage or other defect therein by the Owner. The Owner of a Lot further agrees to pay for all utilities, such as telephone, cable television, water (including water associated with irrigation if such water is not being provided by the POA or a Neighborhood Association), sewer, sanitation, electric, etc., that may be separately billed or charged to his/her Lot or Home. The Owner of each Lot shall be responsible for insect and pest control within the Lot and Home. Whenever the maintenance, repair and replacement of any items which an Owner is obligated to maintain, repair or replace at his own expense is occasioned by

any loss or damage which may be covered by any insurance maintained in force by the POA, the proceeds of the insurance received by the POA shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, reduce the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

B. The Owner of each Lot shall maintain, repair and replace as needed any fencing on his/her Lot, clean, maintain and repair the driveway on his/her Lot, and keep the sidewalk located on his/her Lot clean and free from any impediments to pedestrian traffic.

C. If a Home or other Improvement is damaged by fire or other casualty, its Owner shall properly and promptly restore it to at least as good a condition as it was before the casualty occurred. Any such work shall be in accordance with the original plans and specifications for Home or Improvement unless otherwise authorized by the Committee and shall be otherwise subject to all provisions of Article VII hereof.

D. Each Owner shall keep his Home insured in an amount not less than its full insurable value against loss or damage by fire or other hazards. Evidence of such coverage shall be furnished to the POA or applicable Neighborhood Association promptly upon the Board's request.

E. If an Owner fails to comply with the foregoing provisions of this Section 3; the POA, and/or a Neighborhood Association, may proceed in court to enjoin compliance. Further, if the failure to comply relates to the Owner's obligations to maintain insurance, the POA and/or applicable Neighborhood Association shall be entitled, although not obligated, to obtain the required coverage itself and to levy on the offending Owner a Specific Assessment equal to the cost of premiums, and any such Specific Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses and/or Neighborhood Expenses.

F. If a failure to comply with the provisions of this Section 3 relates to the Owner's obligation to maintain his/her Lot, Home or any other area required to be maintained by the Owner, then, in addition to the exercise of all other remedies, the POA, applicable Neighborhood Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the property of the Owner for the purpose of performing the maintenance referred to, set forth and described in the notice. The determination of whether an Owner is failing to properly maintain and care for the property for which he has the maintenance responsibility shall be determined in the sole discretion of the POA, applicable Neighborhood Association or Declarant. Further, the POA or applicable Neighborhood Association shall be entitled, but not obligated, to perform such maintenance and care itself and to levy on the offending Owner a Specific Assessment equal to the cost of performing such maintenance and any such Specific Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses and/or Neighborhood Expenses, as applicable.

Section 4. DAMAGE TO BUILDINGS. The Owner of any Home or other Improvement which has suffered damage may apply to the Committee for approval for reconstruction, rebuilding, or repair of the Improvements therein. The Committee shall grant such approval only if, upon completion of the work, the exterior appearance will be substantially similar to that which existed prior to the date of

the casualty. If the obligation for repair falls upon the POA, the Committee approval will not be required prior to the commencement of such work, so long as the exterior appearance will be substantially similar to that which existed prior to the date of the casualty.

The owner or owners of any damaged building, the POA, the applicable Neighborhood Association and the Architectural Control Committee shall be obligated to proceed with all due diligence hereunder and the responsible parties shall commence reconstruction within three (3) months after the damage occurs and complete reconstruction within one (1) year after the damage occurs, unless prevented by causes beyond his or its reasonable control.

Declarant shall be exempt from the provisions of this Section 4, provided that any such reconstruction, rebuilding or repairs made by the Declarant shall be consistent, as to the exterior appearance, with the Improvements as they existed prior to the damage or other casualty.

ARTICLE IX USE RESTRICTIONS

All of the Committed Property shall be held, used, and enjoyed subject to the following limitations and restrictions, and any and all additional rules and regulations which may, from time to time, be adopted by the POA:

Section 1. ENFORCEMENT. Failure of an Owner to comply with any limitations or restrictions in this Master Declaration or any of the Tesoro Documents or with any rules and regulations promulgated by the POA shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The POA may elect to enforce any provision of the Tesoro Documents by exercising self-help (specifically including, but not limited to, the filing of liens in the Public Records for non-payment of Assessments and other charges, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules, or the correction of any maintenance, construction or other violation of the Tesoro Documents). The POA may levy Specific Assessments to cover all costs incurred in bringing a Lot into compliance with the terms of the Tesoro Documents. These enforcement rights may be exercised without the necessity of compliance with the Notice and Hearing procedure set forth below.

In addition, the POA may suspend, for a reasonable period of time, the rights of any or all of an Owner or an Owner's tenants, guests or invitees to use POA Property and facilities; may suspend the voting rights of an Owner if such Owner is delinquent in payment of Assessments for more than ninety (90) days; and may levy reasonable fines against any Owner or any Owner's tenant, guest or invitee for failure of such Owner, his family, guests, invitees, lessees or employees to comply with any of the Tesoro Documents, provided the following procedures are adhered to:

A. Notice. The POA shall notify the Owner in writing of (i) the nature of the noncompliance; (ii) the corrective action to be taken; (iii) the proposed sanction to be imposed; (iv) a statement that the alleged violator may present a written request for a hearing to the Board; and (v) a statement that the proposed sanction shall be imposed unless a request for a hearing is received within fourteen (14) days of the notice. A fine or suspension of use rights may not be imposed without notice of at least fourteen (14) days to the Owner sought to be fined or suspended. If a

DR BOOK 1803 PAGE 953

timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fourteen (14) 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 Owner. In the event of a continuing violation, each day the violation continues beyond the fourteen (14) 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 may impose a sanction without further notice to the violator. The Board may adopt a schedule of sanctions for violations of the Tesoro Documents.

B. Hearing. If a hearing is requested within the allotted fourteen (14) day period, the hearing shall be held 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. A written decision of the Board shall be submitted to the Owner, as applicable, not later than twenty-one (21) days after said meeting.

C. Appeal. The Board may appoint a covenants committee consisting of at least three (3) and no more than seven (7) Members. If established, the covenants committee shall be the hearing tribunal of the POA and shall conduct all hearings held pursuant to Paragraph B. 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 POA within seven (7) days after the covenants committee sends written notice of its decision to the Owner.

D. Payment. A fine shall be paid not later than thirty (30) days after notice of the imposition of the fine.

E. Fines. A fine shall be treated as a Specific Assessment subject to the provisions of the collection of Assessments as otherwise set forth herein, and shall constitute a lien upon the applicable Lot and Home, with the same force and effect as a lien for Operating Expenses. All monies received from fines shall be allocated as directed by the Board, subject always to the provisions of this Master Declaration.

F. Failure to Pay Assessments. Notice and Hearing as provided in Paragraphs A and B above shall not be required with respect to the imposition of suspension of use rights or fines upon any Owner because such Owner's failure to pay Assessments or other charges when due.

G. Access. Suspension of use rights to POA Property shall not impair the right of an Owner or tenant of a Lot and/or Home to have vehicular and pedestrian ingress to and egress from such Lot and/or Home, including, but not limited to, the right to park.

Section 2. NUISANCES. No obnoxious or offensive activity shall be carried on or about the Lots or in or about any Improvements, Homes, or on any portion of Tesoro nor shall anything be done

therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No use or practice shall be allowed in or around the Lots or Homes which is a source of annoyance to Owners or occupants of Lots or Homes or which interferes with the peaceful possession or proper use of the Lots and Homes or the surrounding areas. No loud noises or noxious odors shall be permitted in any Improvements, Homes or Lots. Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any Lot, or exposed to the view of other Owners without the prior written approval of the Board.

Section 3. GOLF COURSE AREAS. Owners, as well as their families, tenants, guests, invitees, and pets, shall refrain from any actions which would distract from the playing qualities of any golf course adjacent to the Committed Property. Such prohibited activities shall include, but shall not be limited to, burning materials where the smoke will cross the golf course property, maintenance of dogs or other pets under conditions which interfere with golf course play due to their loud barking or other actions, playing of loud radios, televisions, stereos or musical instruments, running, bicycling, skateboarding, walking or trespassing in any way on the golf course property, picking up balls or similar interference with play, or growing or permitting to grow varieties of grass or other vegetation which the owner of the golf course determines to be inimical to the golf course grasses or vegetation. In addition, no Person shall, by virtue of this Master Declaration, have any right to prune or otherwise alter any landscaping located on the golf course property, or use any portion of any golf cart path system, including any portion thereof which may be situated upon POA Property, without the prior written approval of the owner of such golf course. This covenant is for the benefit of any golf course adjacent to the Committed Property and the owner thereof and persons playing golf on said golf courses and shall be enforceable by the owner of such golf course.

Section 4. RESIDENTIAL USE. Lots and Homes 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 Home; (b) the activity conforms to all zoning requirements for the Committed Property; (c) the activity does not involve regular visitation of the Lot by clients, customers, suppliers, or other invitees or door-to-door solicitation of residents of the Committed Property; (d) the activity does not increase traffic or include frequent deliveries within the Committed Property; and (e) the activity is consistent with the residential character of the Committed Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Committed Property, as may be determined in the sole discretion of the Board.

No other business, trade, or similar activity shall be conducted upon a Lot without the prior written consent 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 shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Committed Property or its use of any Lots which it owns within the Committed Property, including the operation of a timeshare or similar program.

Section 5. PARKING AND VEHICULAR RESTRICTIONS. Parking upon the Committed Property shall be restricted to the drive and garage located upon each Lot and designated parking areas within the POA Property. No parking on the streets or swales is permitted. No Owner shall keep any vehicle on any Lot which is deemed to be a nuisance by the Board. No Owner shall conduct repairs taking more than twenty-four (24) hours (except in an emergency or except within the garage of the Home with the garage door closed) or restorations of any motor vehicle, boat, trailer, or other vehicle upon any Lot. No commercial vehicle, trailer, boat or boat trailer may be parked or stored on the Committed Property except in the garage of a Home located upon a Lot. No bus or tractor-trailer or any other truck larger than a full-size pickup truck may be parked on the Committed Property, except temporarily as in the case of a moving van or other such vehicle necessary to provide service to an Owner and with the exception of any vehicles necessary for any construction activity being performed by or on behalf of Declarant.

Section 6. NO IMPROPER USE. No improper, offensive, hazardous or unlawful use shall be made of any Lot or Home nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any portion of the Committed Property. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover relating to any Home or Lot shall be corrected by, and at the sole expense of, the Home's or Lot's owner.

Section 7. LEASES. No portion of a Home (other than an entire Home) may be rented. Single-family homes may be rented for no less than one (1) month and no more than once per year. Declarant reserves the right to place different leasing restrictions on other property submitted to this Master Declaration. All leases shall provide that the POA shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Master Declaration, the Articles, the Bylaws, applicable rules and regulations, or of any other agreement, document or instrument governing the Lots or Homes. The owner of a leased Home shall be jointly and severally liable with his tenant for compliance with the Tesoro Documents and to the POA to pay any claim for injury or damage to property caused by the negligence of the tenant. Every lease shall be subordinated to any lien filed by the POA whether before or after such lease was entered into.

Section 8. ANIMALS AND PETS. Only common domesticated household pets may be kept on any Lot or in a Home, but in no event for the purpose of breeding or for any commercial purposes whatsoever. No other animals, livestock, reptiles or poultry of any kind shall be kept, raised, bred or maintained on any portion of the Committed Property. Permitted pets shall only be kept subject to and in accordance with such rules and regulations as shall be promulgated from time to time by the Board. Under no circumstances may a pit bull be permitted on the Total Property. Any pet must be carried or kept on a leash when outside of a Home or fenced-in area. No pet shall be kept tied up outside of a Home or in any screened porch or patio, unless someone is present in the Home. An Owner shall immediately pick up and remove any solid animal waste deposited by his pet on the Total Property. An Owner is responsible for the cost of repair or replacement of any POA Property

damaged by his pet. Each Owner who determines to keep a pet thereby agrees to indemnify the POA and Declarant and hold them harmless against any loss or liability of any kind or character whatsoever arising from or growing out of his having any animal on the Committed Property.

Section 9. ADDITIONS AND ALTERATIONS. No Home shall be enlarged by any addition thereto or to any part thereof, and no Owner shall make any Improvement, addition, or alteration to the exterior of his Home, including, without limitation, the painting, staining, or varnishing of the exterior of the Home, including doors, garage doors, driveways and walkways, without the prior written approval of (i) the Committee as set forth in Article VII of this Master Declaration, which approval may be withheld for purely aesthetic reasons, and (ii) all applicable governmental entities.

Section 10. INCREASE IN INSURANCE RATES. No Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering or with respect to any portion of the Total Property not owned by such Owner.

Section 11. SLOPES AND TREES. No Owner may engage in any activity which will change the slope or drainage of a Lot. No additional trees are permitted to be planted on the Committed Property without the prior written consent of the Committee.

Section 12. SIGNS. No sign, display, poster, or other advertising device of any kind may be displayed in public view of any portion of any Home, building or other Improvement in the Committed Property without the prior written consent of the Committee. Signs, regardless of size, used by Declarant, its successors or assigns, for advertising during the construction and sale period of Tesoro or other communities developed and/or marketed by Declarant or its affiliates and other signs authorized by Declarant shall be exempt from this Section. Such sign or signs as Declarant may be required to erect under the terms of an Institutional Mortgage shall be exempt from this Section.

Section 13. TRASH AND OTHER MATERIALS. No rubbish, trash, garbage, refuse, or other waste material shall be kept or permitted on the Lots and/or POA Property, or other portions of the Committed Property, except in sanitary, self-locking containers located in appropriate areas, and no odor shall be permitted to arise therefrom so as to render the Committed Property, the Total Property or any portion thereof unsanitary, offensive, detrimental or a nuisance to Owners or to any other property in the vicinity thereof or to its occupants. No clothing or other household items shall be hung, dried, or aired in such a way as to be visible from the POA Property, another Lot, or the Country Club Property. No stripped vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Committed Property (except when accumulated during construction by Declarant, during construction approved by the Committee, or when accumulated by the POA for imminent pick-up and discard).

Section 14. TEMPORARY STRUCTURES. No tent, shack, shed or other temporary building or Improvement, other than separate construction and sales trailers to be used by Declarant, its agents and contractors, for the construction, service and sale of Tesoro or other communities, shall be placed upon any portion of the Committed Property, either temporarily or permanently. No trailer, motor home or recreational vehicle shall be: (a) used as a residence, either temporarily or permanently, or (b) parked upon the Committed Property.

DR BOOK 1803 PAGE 957

Section 15. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, boring or mining operations of any kind shall be permitted upon or on any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 16. SEWAGE DISPOSAL. No individual sewage disposal system shall be permitted on any part of the Committed Property, provided that a central sewage disposal system is being operated in accordance with the requirements of the governmental regulatory body having jurisdiction over said central system.

Section 17. WATER SUPPLY. No individual water supply system shall be permitted on any part of the Committed Property, provided that a central water supply system is being operated in accordance with requirements of the governmental body having jurisdiction over said central system.

Section 18. USE AND PRESERVATION OF THE LAKE. Each Lake Lot Owner acknowledges that the Lake significantly benefits all Lake Lot Owners. It is the intent of this provision to provide for the preservation of the Lakes in their current condition. To this end, no Lake Lot Owner shall take any action, including but not limited to, polluting the Lake, adding chemicals or detergent to the Lake, placing debris in the Lake, or taking or failing to take any action which would detrimentally affect the condition of the Lake or the ability of other Lake Lot Owners to continue to use the Lake for purposes permitted herein. Each Lake Lot Owner covenants to and agrees with the other Lake Lot Owners that he or she will take no action to increase the amount of siltation entering the Lakes or to reduce or raise the level of the Lakes and will take all necessary actions to preserve the Lakes in their current condition. In addition, Lake Lot Owners shall refrain from any actions which would erode or damage the shoreline of the Lake.

Except as designated by the Declarant, no trails or pathways shall be established along the perimeter of any Lake. With the exception of any community dock constructed on behalf of the POA, no docks, piers, or gazebos shall be constructed, attached or floated upon or adjacent to any Lake.

Section 19. LAKE LOTS. Notwithstanding anything contained herein to the contrary, and subject to the rights and obligations of the POA or the CDD to maintain the Lakes as aforesaid for water retention, drainage, irrigation and water management purposes for all of Tesoro and the right of the POA to adopt rules from time to time with respect to the use of the Lakes for such purposes, the Lakes shall be reserved for the private use and enjoyment of all Owners, their family members, guests, invitees and tenants, but only in accordance with this Master Declaration.

Notwithstanding anything contained herein to the contrary, Owners shall access the Lakes only from portions of the POA Property, if any, which may be designated for the purpose of ingress or egress to a Lake unless such Owner is an Owner of a Lake Lot ("Lake Lot Owner"). Lake Lot Owners may access the Lake abutting his/her Lot from his/her Lot. If an Owner is not a Lake Lot Owner, or if a Lake Lot Owner wishes to access a different Lake or another area of the same Lake, access to the Lake shall be exclusively from designated portions of the POA Property abutting the Lake, if any.

Fishing in the Lakes shall be permitted; however, no Owner shall be permitted access to or to fish in any lake bank area which immediately abuts a Lake Lot owned by another or the Country Club Property. Owners and their family members, guests, invitees and tenants shall be permitted to operate non-motorized and electric watercraft in the Lakes. In addition to non-motorized and electric watercraft, the owner of the Country Club Property shall be permitted to operate gas-powered watercraft in the Lakes. No other persons shall be entitled to operate watercraft in the Lakes. Notwithstanding the foregoing, the launching into and removal from a Lake of any permitted non-motorized or electric watercraft by a Lake Lot Owner shall be limited to such Lake Lot Owner's Lake Lot. Watercraft shall be limited in size to eighteen feet (18')

No planting, fencing or other Improvements or additions to the Landscape Buffer Areas surrounding the Lake and outside the Lot is permitted. No installation of sand or other materials intended to simulate a beach shall be permitted along the Lake banks or rear yards of Lake Lots. Swimming and the operation of motorized watercraft, other than electrically operated watercraft, in the Lakes are prohibited. Watercraft and trailers shall not be stored on the Lake banks. Only watercraft which are permitted to be used within the Lakes of Tesoro may be stored within the backyards of Lake Lots subject to any screening requirement as may be adopted by the Committee. In addition to the use of any POA Property abutting a Lake by any Owner, as described above, such POA Property shall be for the use of the POA, the City, the applicable water management district and any other governmental agency for access to the Lakes for maintenance of the Lakes and littoral plantings and other proper purposes. No removal or damage to littoral or wetland plantings is permitted.

The POA shall not be responsible for maintaining, increasing or decreasing the water level within any Lake or other water body or removing vegetation from any Lake or other water body.

Section 20. FENCES. Any fence placed upon any Lot must be approved by the Committee, as provided in Article VII hereof, prior to installation and shall comply with the requirements of this Declaration and the Design Guidelines. In no event may a fence be placed in the area between the front of a Home and the Street, Drive, Road or Roadway at the front of the Lot on which the Home is situated. The Owner assumes complete responsibility to maintain the fence, including, but not limited to, trimming any grass, ivy or other plants from the fence. In the event the Committee approves the installation of a fence, it shall also have the right to require installation of landscaping, also subject to the Committee's approval, at the time the fence is installed. For purposes of this paragraph, the term "landscape materials" shall include landscape materials located on or adjacent to any property line of a Lot, including, by way of example and not of limitation, hedges, shrubs and trees, whether associated with a fence or not.

The Owner of a Lot installing any fence upon the Lot shall comply with all valid laws, zoning ordinances and regulations of the City and County governmental bodies, as applicable, in addition to the Committee approval required by Article VII hereof.

Section 21. CONSTRUCTION REQUIREMENT. The Declarant shall have the right to repurchase ("Repurchase"), unless specifically waived or modified in writing by Declarant, any Lot upon the occurrence of any of the following events:

A. The failure of the Owner to commence construction of a Home on the Lot within three (3) years of the transfer of the Lot by the Declarant (the "Initial Transfer"). (The Declarant shall have no right of Repurchase under this Paragraph A and shall instead proceed under Paragraph B hereinbelow after construction has commenced pursuant to plans approved by the Committee) ("Commencement of construction" shall mean that (a) all plans for such construction have been approved by the Committee; (b) a building permit has been issued for the Lot by the appropriate jurisdiction; (c) construction of a structure has physically commenced beyond site preparation) and (d) the Home's foundation has been inspected); or

B. The failure of the Owner to complete construction by obtaining the final certificate of occupancy issued by the controlling governmental authority with respect to the Home on the Lot within twelve (12) months after commencement of construction in accordance with plans approved by the Committee.

C. Such time periods may be extended by the Declarant in its sole discretion with respect to any Lot or group of Lots by recorded instrument or contract.

D. In the event that the Declarant shall exercise its right to Repurchase a Lot in accordance with this Section, the repurchase price ("Repurchase Price") shall equal eighty percent (80%) of the purchase price received by the Declarant upon the Initial Transfer.

E. In order to exercise its Repurchase rights under this Section (the "Exercise"), Declarant shall deliver its written notice of Exercise to Owner, together with the Declarant's calculation of the Repurchase Price. Such notice shall be given no later than ninety (90) days following the expiration of either the three (3) year period to commence construction or the twelve (12) month period to complete construction after commencement, as applicable. The failure by Declarant to exercise its right to Repurchase because of Purchaser's failure to timely commence construction on the Lot shall not be deemed a waiver of Seller's right to Repurchase for failure to timely complete construction. The failure of Declarant to insist upon strict compliance by an Owner with the time frames set forth in this Section or to exercise its right to Repurchase against an Owner shall not be deemed a waiver of Declarant's right to Repurchase against any other Owner.

F. The closing on the Repurchase pursuant to this Section shall take place within thirty (30) days of the Declarant's notice above.

G. The Owner shall transfer the Lot by a deed in the same form (including warranties) and containing only those title exceptions as were contained in the original deed executed by Declarant upon the Initial Transfer.

H. The Owner shall be obligated to pay any and all outstanding assessments or other charges due and owing under this Declaration and shall cure or cause to be cured all title defects or exceptions not existing at the time of the Initial Transfer.

I. Real estate ad valorem taxes and prepaid assessments shall be prorated as of the date of closing. All expenses related to any such repurchase shall be paid by the Owner.

J. In the event that there are insufficient closing proceeds to cover all of the Owner's obligations pursuant to this Declaration (the unpaid amounts hereinafter, the "Deficiency"),

DR BOOK 1803 PAGE 960

Declarant shall have the right but not the obligation to take the Lot subject to such liens which are not paid from the closing proceeds and to obtain a recorded judgment against the Owner in the amount of the Deficiency which amount shall bear Interest from the date of closing until paid.

K. In the event that a Lot is subsequently transferred to a new Owner, the time period set forth in this Section shall run from the date of the Initial Transfer from the Declarant and shall not recommence with each subsequent transfer.

L. The Declarant's Repurchase rights under this Section are subordinate and junior to all rights of Institutional Mortgagees. Declarant shall have no right of Repurchase in the event of a foreclosure or proceedings in lieu of foreclosure; however, upon the transfer of title to the Lot as a result of such foreclosure or proceedings in lieu of foreclosure, the Lot will be subject to all of the provisions of this Declaration, including the provisions of this Section.

M. Notwithstanding anything herein to the contrary, upon the earlier to occur of: (i) the issuance of the final certificate of occupancy by the controlling governmental authority with respect to a Home on the Lot, or (ii) ten (10) years after the date this Declaration is recorded in the Public Records, the Declarant's right to Repurchase provided for in this Section shall expire and be of no further force or effect.

Section 22. WINTER'S CREEK PERMITTING REQUIREMENTS. Owners of Lots located adjacent to Winter's Creek which are subject in whole or in part to a riparian rights conservation easement, as shown on any recorded plat, shall, prior to construction of any structure within such conservation easement area, apply for and obtain a permit for such construction from South Florida Water Management District ("SFWMD").

Section 23. DECLARANT EXEMPTION. Declarant plans to undertake the work of constructing Homes and Improvements upon the Committed Property and may undertake the work of constructing other buildings upon adjacent land or other property being developed or marketed by Declarant or its affiliates. The completion of that work and the sale, rental and other transfer of Lots and Homes is essential to the establishment and welfare of Tesoro as a residential community. In order that such work may be completed and a fully occupied community established as rapidly as possible, neither the Owners, the POA, nor the Committee shall do anything to interfere with Declarant's activities.

In general, the restrictions and limitations set forth in this Article IX shall not apply to the Declarant or to Lots or Homes owned by the Declarant. Declarant shall specifically be exempt from any restrictions which interfere in any manner whatsoever with Declarant's plans for development, construction, sale, lease, or use of the Total Property and to the Improvements thereon. Declarant shall be entitled to injunctive relief for any actual or threatened interference with its rights under this Article IX in addition to whatever remedies at law to which it might be entitled.

ARTICLE X DAMAGE OR DESTRUCTION TO POA PROPERTY

Damage to or destruction of all or any portion of the POA Property shall, notwithstanding any provision in this Master Declaration to the contrary, be handled as follows:

A. If insurance proceeds are sufficient to effect total restoration of damaged or destroyed POA Property, then the POA shall cause such POA Property to be repaired and reconstructed substantially as it previously existed.

B. If insurance proceeds are insufficient to effect total restoration, and the cost of restoration exceeds such proceeds by Twenty-Five Thousand Dollars (\$25,000.00) or less, then the POA shall cause the POA Property to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment proportionately against each of the Lots in accordance with the provisions of Article VI herein.

C. If the insurance proceeds are insufficient to effect total restoration and the cost of restoration of the POA Property exceeds said proceeds by over Twenty-Five Thousand Dollars (\$25,000.00), then by the written consent or vote of a majority of the voting interests, the Members shall determine whether: (a) to rebuild and restore either: (i) in substantially the same manner as the Improvements existed prior to the damage or destruction; or (ii) in a manner less expensive, and in the event of (i) or (ii) to raise the necessary rebuilding and restoration funds by levying pro rata restoration and construction Special Assessments against all Lots; or (b) to not rebuild and to retain available insurance proceeds. In the event it is decided that the damaged or destroyed POA Property shall not be rebuilt, the remains of any structure or structures shall be removed, so as not to be a safety hazard or visual nuisance, and the land shall be fully sodded and landscaped or otherwise treated in an attractive manner. Notwithstanding anything contained herein to the contrary, any decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall not be effective without the prior written approval of Declarant during the Development Period.

D. Each Owner shall be liable to the POA for any damage to the POA Property which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, lessees, invitees and guests, both minors and adults.

E. In the event that the repairs and replacements were paid for by any Special Assessments as well as insurance proceeds and regular Assessments, then, if after the completion of and payment for the repair, replacement, construction or reconstruction there shall remain any excess in the hands of the POA, it shall be presumed that the monies disbursed in payment of any repair, replacement, construction and reconstruction were first disbursed from insurance proceeds and regular Assessments and any remaining funds shall be deemed to be the remaining Special Assessments which shall be returned to the Owners by means of a *pro rata* distribution in accordance with the collection of such Special Assessments.

ARTICLE XI INSURANCE AND CONDEMNATION

The POA shall purchase and maintain the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Operating Expenses:

Section 1. CASUALTY INSURANCE. Property and casualty insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all Improvements and personal property which are owned by the POA and now or hereafter located upon the POA Property, which insurance shall afford protection against such risks, if any, as shall customarily be covered with respect to areas similar to the POA Property in developments similar to Tesoro in construction, location and use.

Section 2. PUBLIC LIABILITY INSURANCE. A comprehensive policy of public liability insurance naming the POA and, until Declarant no longer owns any portion of the Total Property, Declarant as named insureds thereof insuring against any and all claims or demands made by any person or persons whomsoever for personal injuries or property damage received in connection with, or arising from, the operation, maintenance and use of the POA Property and any Improvements located thereon, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by any one person for any one occurrence; not less than Three Million Dollars (\$3,000,000.00) for damages incurred or claimed by more than one person for any one occurrence; and for not less than Fifty Thousand Dollars (\$50,000.00) property damage per occurrence with no separate limits stated for the number of claims. The POA may also obtain worker's compensation insurance and other liability insurance including, but not limited to, insurance for lawsuits related to employment contracts in which the POA is a party, as it may deem desirable.

Section 3. FIDELITY COVERAGE. Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the POA and the Board and all others who handle and are responsible for handling funds of the POA shall be maintained in the form of fidelity bonds, which requirements shall be reasonably determined by the Board.

Section 4. DIRECTORS' COVERAGE. Adequate directors' and officers' liability coverage, which coverage shall be effective from and after the date the POA is created.

Section 5. OTHER INSURANCE. The Board may obtain such other forms of insurance as the Board may determine and in such coverage amounts as the Board shall determine to be required or beneficial for the protection or preservation of the POA Property and any Improvements now or hereafter located thereon or in the best interests of the POA and/or its officers and Directors.

Section 6. CANCELLATION OR MODIFICATION. All insurance policies purchased by the POA shall provide that they may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10) days prior written notice to the POA and to each first mortgage holder, if any, named in the mortgage clause.

Section 7. FLOOD INSURANCE. If determined appropriate by the Board or if required by an Institutional Mortgagee, a master or blanket policy of flood insurance covering the POA Property, if available under the National Flood Insurance Program, shall be purchased, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area.

Section 8. CONDEMNATION. In the event the POA receives any award or payment arising from the taking of any POA Property or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and Improvements thereon to the extent deemed advisable by the Board and approved by at least two-thirds (2/3) of the total voting interests, and the remaining balance thereof, if any, shall then be distributed pro rata to Owners and mortgagees of Lots as their respective interests may appear.

Section 9. WAIVER OF SUBROGATION. As to each policy of insurance maintained by the POA which will not be voided or impaired thereby, the POA hereby waives and releases all claims against the Board, the Owners, the Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement of said persons, but only to the extent that such insurance proceeds are received in compensation for such loss.

ARTICLE XII
GENERAL PROVISIONS

Section 1. CONFLICT WITH OTHER TESORO DOCUMENTS. In the event of any conflict between the provisions hereof and the provisions of the Articles and/or Bylaws and/or rules and regulations promulgated by the POA, the provisions of this Master Declaration shall control.

Section 2. NOTICES. Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) each Owner, at the address of the person whose name appears as the Owner on the records of the POA at the time of such mailing and, in the absence of any specific address, at the address of the Lot owned by such Owner; (ii) the POA, certified mail, return receipt requested, at 1 Florida Park Drive, Suite 300, Palm Coast, Florida 32137 or such other address as the POA shall hereinafter notify Declarant and the Owners of in writing; and (iii) Declarant, certified mail, return receipt requested, at 1 Florida Park Drive, Suite 300, Palm Coast, Florida 32137, or such other address or addresses as Declarant shall hereafter notify the POA of in writing, any such notice to the POA of a change in Declarant's address being deemed notice to the Owners.

Section 3. ENFORCEMENT. The covenants and restrictions herein contained may be enforced by Declarant (during the Development Period), the POA, any Owner and any Institutional Mortgagee holding a mortgage on any portion of the Total Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to all costs thereof including, but not limited to, Legal Fees.

Section 4. INTERPRETATION. The provisions of this Master Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential

DR BOOK 1803 PAGE 964

community and for the maintenance of recreational facilities and POA Property. Article, Section and Paragraph captions, headings and titles inserted throughout this Master Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Master Declaration.

Whenever the context so requires or permits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

Section 5. SEVERABILITY. In the event any of the provisions of this Master Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this Master Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. In the event that any court should hereafter determine that any provision of this Master Declaration is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measuring life shall be that of the incorporator of the POA.

Section 6. CERTAIN RIGHTS OF DECLARANT. Notwithstanding anything to the contrary herein contained, no Improvements constructed or installed by Declarant shall be subject to the approval of the POA or the Owners or the provisions and requirements of this Master Declaration, although it is the intent of Declarant to create a community with a common scheme of development. Notwithstanding the other provisions of this Master Declaration, Declarant reserves for itself, and Declarant and its nominees shall have, the right to enter into and transact on the Total Property any business necessary to consummate the sale, lease or encumbrance of Lots, Homes or any real property within or outside Tesoro, including, but not limited to, the right to maintain models and a sales and/or leasing office, a construction office and/or a service office, place signs, employ sales, leasing, construction and service personnel, use the POA Property and show Lots and Homes, and Declarant further reserves the right to make repairs to the POA Property and to carry on construction activity for the benefit of the Total Property. Declarant, and its nominees, may exercise the foregoing rights without notifying the POA. Any such models, sales and/or leasing office, construction office, service office, signs and any other items pertaining to such sales, leasing, construction or service efforts shall not be considered a part of the POA Property and shall remain the property of Declarant. This Section 6 may not be suspended, superseded or modified in any manner by any Amendment to this Master Declaration unless such Amendment is consented to in writing by Declarant. This right of use and transaction of business as set forth herein and the other rights reserved by Declarant in the Tesoro Documents may be assigned in writing by Declarant in whole or in part. For the purposes of this Section 6, the term "Declarant" shall include any "Lender" which has loaned money to Declarant to acquire or construct Improvements upon the Total Property, or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Total Property as a result of the foreclosure of any mortgage encumbering any portion of the Total Property securing any such loan to Declarant, or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of Declarant as set forth in this Section 6, which are in

OR BOOK 1803 PAGE 965

addition to, and are no way a limit on, any other rights or privileges of Declarant under any of the Tesoro Documents, shall terminate upon the expiration of the Development Period or upon such earlier date as Declarant shall notify the POA in writing of Declarant's voluntary election to relinquish the aforesaid rights and privileges.

Declarant shall also have the right, but not the obligation, to conduct inspections and tests from time to time of all or any portion of the POA Property in order to ascertain the physical condition of the Improvements and to determine if maintenance, repair or replacement of any such Improvement is indicated. If Declarant conducts any such tests or inspections, it shall pay all costs thereof, restore the affected portion of the POA Property to its condition immediately prior to the inspections and tests, and shall indemnify the POA and Owner(s) of any affected Home(s) and/or Lot(s) from any damages resulting therefrom. Declarant shall have such rights of entry on, over, under, across and through the Committed Property as may be reasonably necessary to exercise the rights described in this Section 6. Declarant's right of inspection shall exist whether or not the Turnover Date has occurred. In the event Declarant exercises its inspection right, it is acknowledged by the POA and all Owners that Declarant is performing any such inspection for its own benefit and not for the benefit of the POA and/or the Owners and further, Declarant shall have no obligation to inform the POA and/or the Owners of the result of any such inspection.

Section 7. DISPUTES AS TO USE. In the event there is any dispute as to whether the use of the Committed Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Master Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Committed Property shall be deemed a use which complies with this Master Declaration and shall not be subject to a contrary determination by the Board.

Section 8. AMENDMENT AND MODIFICATION. The process of amending or modifying this Master Declaration shall be as follows:

1. Until the Turnover Date, all Amendments or modifications shall only be made by Declarant without the requirement of the POA's consent or the consent of the Owners so long as such Amendments or modifications do not materially impair the common plan of development of Tesoro; provided, however, that the POA shall, forthwith upon request of Declarant, join in any such Amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request.

2. After the Turnover Date, this Master Declaration may be amended by: (i) the consent of the Owners owning two-thirds (2/3) of all Lots; together with (ii) the approval or ratification of a majority of the Board; and together with (iii) the written consent of the Declarant during the Development Period. The aforementioned consent of the Owners owning two-thirds (2/3) of the Lots may be evidenced by a writing signed by the required number of Owners or by the affirmative vote of the required number of Owners at any regular or special meeting of the POA called and held in accordance with the Bylaws and evidenced by a certificate of the Secretary or an Assistant Secretary of the POA.

DR BOOK 1803 PAGE 966

3. Amendments for correction of scrivener's errors or other nonmaterial changes may be made by Declarant alone until the Turnover Date and by the Board thereafter and without the need of consent of the Owners.

4. Notwithstanding anything to the contrary herein contained, no Amendment to this Master Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the owner of the Country Club Property, the Committee, the POA or any Institutional Mortgagee under the Tesoro Documents without the specific written approval of such party affected thereby. Notwithstanding anything to the contrary contained herein, no Amendment to this Master Declaration shall be effective which shall eliminate or modify the provisions of Section 6 of this Article XII and any such Amendment shall be deemed to impair and prejudice the rights of Declarant; no Amendment to this Master Declaration shall be effective which shall eliminate or modify the rights of the owner of the Country Club Property without the consent of the owner of the Country Club Property and any such Amendment shall be deemed to impair and prejudice the rights of the owner of the Country Club Property; and no Amendment to this Master Declaration shall be effective which shall eliminate or modify the provisions of Article VII without the consent of the Committee and any such Amendment shall be deemed to impair and prejudice the rights of the Committee.

5. A true copy of any Amendment to this Master Declaration shall be sent certified mail by the POA to Declarant and to all Institutional Mortgagees requesting notice. The Amendment shall become effective upon the recording amongst the Public Records of the County of said Amendment or any Supplemental Declaration to this Master Declaration which sets forth any Amendment or modification to this Master Declaration.

6. Notwithstanding anything contained herein to the contrary, Declarant may, without the consent of any Owners, file any Amendments which may be required by an Institutional Mortgagee for the purpose of satisfying its development criteria or such other criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, any such Declarant's filed Amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

7. Any proposed Amendment to the Master Declaration which would affect the surface water management system (including environmental conservation areas and the water management portions of the POA Property), shall be submitted to SFWMD for a determination of whether the proposed Amendment necessitates a modification of the surface water management permit for the Total Property.

Section 9. DELEGATION. The POA, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board from time to time and whether or not related to Declarant.

Section 10. TERM. This Master Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the Committed Property, and inure to the benefit of Declarant, the POA and the Owners and their

DR BOOK 1803 PAGE 967

respective legal representatives, heirs, successors and assigns for a term of fifty (50) years from the date of recording this Master Declaration amongst the Public Records of the County, after which time this Master Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such fifty (50)-year term or any such ten (10)-year extension there is recorded amongst the Public Records of the County an instrument agreeing to terminate this Master Declaration signed by Owners owning two-thirds (2/3) of the Lots and Institutional Mortgagees holding first mortgages encumbering two-thirds (2/3) of all Lots that are encumbered by first mortgages held by Institutional Mortgagees, upon which event this Master Declaration shall be terminated upon the expiration of the fifty (50)-year term or the ten (10)-year extension during which such instrument was recorded.

In the event this Master Declaration is terminated or the POA ceases to exist for any reason, the Owners shall be jointly and severally responsible for the costs to maintain and shall maintain the POA Property in the manner described herein. This provision may not be amended or deleted without the prior written consent of the County and this provision shall survive the termination of this Master Declaration and shall run with the Committed Property in perpetuity.

Section 11. RIGHTS OF MORTGAGEES.

A. Right to Notice. The POA and each Neighborhood Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Tesoro Documents, any Neighborhood documents and the books, records and financial statements of the POA or applicable Neighborhood Association to Owners and the Institutional Mortgagees. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Home or Lot upon written request to the POA or applicable Neighborhood Association.

B. Rights of Listed Mortgagee. Upon written request to the POA or applicable Neighborhood Association, identifying the name and address of the holder, insurer, or guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Lot and the legal description of such Lot, the POA or applicable Neighborhood Association shall provide such Listed Mortgagee with timely written notice of the following:

1. Any condemnation, loss or casualty loss which affects any material portion of the POA Property;
2. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the POA or applicable Neighborhood Association;
3. Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Lot; and
4. Any failure by an Owner owning a Lot encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform his obligations under the Tesoro Documents and/or any Neighborhood documents, including, but not limited to, any delinquency in the payment of Assessments, or any other charge owed to the POA or applicable Neighborhood Association by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

C. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the POA or applicable Neighborhood Association, be entitled to financial statements of the POA or applicable Neighborhood Association for the prior fiscal year free of charge and the same shall be furnished within a reasonable time following such request.

Section 12. APPROVAL OF POA LAWSUITS BY OWNERS. Notwithstanding anything contained herein to the contrary, the POA shall be required to obtain the approval of three-fourths (3/4) of the total voting interests (at a duly called meeting of the Owners at which a quorum is present) prior to engaging persons or entities for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

- A. the collection of Assessments;
- B. the collection of other charges which Owners are obligated to pay pursuant to the Tesoro Documents;
- C. the enforcement of the use and occupancy restrictions contained in the Tesoro Documents;
- D. dealing with an emergency when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the POA Property or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths [3/4] of the Owners); or
- E. filing a compulsory counterclaim.

Section 13. COMPLIANCE WITH PROVISIONS. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or Home except as elsewhere herein provided does consent and agree to, and shall be conclusively deemed to have consented and agreed to, every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property. Declarant shall not in any way or manner be held liable or responsible for any violation of this Master Declaration by any person other than Declarant.

Section 14. SECURITY. The POA may, but shall not be obligated to, maintain or support certain activities within the Committed Property designed to make the Committed Property safer than it otherwise might be. Additionally, NEITHER DECLARANT NOR THE POA MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL OWNERS AGREE TO HOLD DECLARANT AND THE POA HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE POA, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMITTED PROPERTY. NEITHER THE POA, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL MEMBERS, OWNERS AND OCCUPANTS OF

ANY LOT OR HOME, AND TENANTS, GUESTS, AND INVITEES OF ANY OWNER ACKNOWLEDGE THAT THE POA AND ITS BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT: (a) ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR (b) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ACKNOWLEDGES AND UNDERSTANDS THAT THE POA, ITS BOARD AND THE COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH TENANT, GUEST AND INVITEE OF ANY MEMBER OR OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS OR HOMES, AND TO THE CONTENTS OF LOTS OR HOMES AND FURTHER ACKNOWLEDGES THAT THE POA, ITS BOARD AND THE COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, MEMBER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE COMMITTED PROPERTY.

Section 15. USE OF THE "TESORO" NAME AND LOGO. No Person shall use the word "Tesoro" or the logo for "Tesoro" or any derivative in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the word "Tesoro" in printed or promotional matter where such term is used solely to specify that particular property is located within Tesoro, and the POA and any other community association located in Tesoro, the Declarant, and the owner of the Country Club Property shall each be entitled to use the word "Tesoro" in their names.

Section 16. COVENANT RUNNING WITH THE LAND. All provisions of this Master Declaration shall, to the extent applicable and unless otherwise expressly provided herein to the contrary, be construed to be covenants running with the Lots and Homes and the Committed Property and with every part thereof and interest therein, and all of the provisions hereof shall be binding upon and inure to the benefit of the Declarant and subsequent Owner(s) of the Homes, Lots and Committed Property or any part thereof, or interest therein, and their respective heirs, successors, and assigns. However, the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, unless specifically provided herein to the contrary. All present and future Owners, lessees, and occupants of the Lots and Homes, as applicable, shall be subject to and shall comply with the provisions of this Master Declaration and the Articles, Bylaws and applicable rules and regulations as they exist and may from time to time be amended. The acceptance of a deed of conveyance of a Lot, or the entering into a lease of or occupancy of a Home, shall constitute an adoption and ratification by such Owner, lessee, or occupant of the provisions of this Master Declaration, and the Articles, Bylaws, and applicable rules and regulations of the POA, as they may be amended from time to time. In the event that any easements granted herein shall fail

for want of a grantee in being or for any other purpose, the same shall constitute and be covenants running with the land.

Section 17. NO PUBLIC RIGHT OR DEDICATION. Nothing contained in this Master Declaration shall be deemed to be a gift or dedication of all or any portion of the POA Property to the public, or for any public use.

Section 18. NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE POA OR NEIGHBORHOOD ASSOCIATION PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, FITNESS FOR INTENDED USE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS MASTER DECLARATION.

Section 19. POA AND DECLARANT AS ATTORNEY-IN-FACT. Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of law or otherwise, and each occupant of a Home, by reason of his or her occupancy, is hereby declared to have acknowledged and agreed to his or her automatic consent to any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Tesoro by Declarant (hereinafter, collectively, "Modifications") and, in respect thereto, each Owner of a Lot and occupant of a Home hereby designates the POA to act as agent and attorney-in-fact on behalf of such Owner or occupant to consent to any such Modification. If requested by Declarant, each Owner shall evidence his consent to a Modification in writing (provided, however, that any refusal to give such written consent shall not obviate the automatic effect of this provision). Further, each Owner, by reason of acceptance to such Owner's Lot, hereby agrees to execute, at the request of Declarant, any document and/or consent which may be required by any government agency to allow Declarant and/or its affiliates to complete the plan of development of Tesoro, as such plan may be hereafter amended, and each such Owner hereby further appoints Declarant as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of each such Owner, any and all of such documents and/or consents. This power of attorney is irrevocable and is coupled with an interest. The provisions of this Section may not be amended without Declarant's prior written consent.

Section 20. ENFORCEMENT OF NEIGHBORHOOD DUTIES AND RESPONSIBILITIES. In the event that any Neighborhood Association does not perform any of its duties and responsibilities pursuant to its articles of incorporation, bylaws or rules and regulations, Declarant, in Declarant's sole discretion, or the POA, in the POA's sole discretion, may perform such duties and responsibilities, including any and all maintenance provisions, and obtain the payment of the cost of such enforcement and maintenance from the Neighborhood Association. Each Neighborhood Association and each Owner shall permit Declarant, the POA, their designee, or any agent or employee to enter upon any Neighborhood properties and upon a Lot or Home during reasonable hours (and with at least twenty-four [24] hours prior notice to the applicable occupant except in cases of emergency), to carry out the provisions of this Master Declaration and correcting any violation of this Master Declaration and the same shall not constitute a trespass.

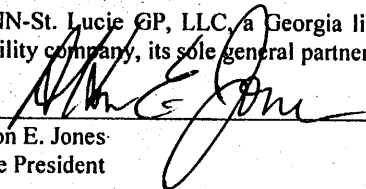
DR BOOK 1803 PAGE 971

IN WITNESS WHEREOF, this Master Declaration has been signed by Declarant and joined in by the POA as of August 22, 2003.

DECLARANT:

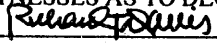
GINN-LA St. Lucie Ltd., L.L.P., a Georgia limited liability limited partnership

By: GINN-St. Lucie GP, LLC, a Georgia limited liability company, its sole general partner

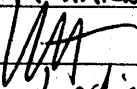
By: 
Name: Alton E. Jones
Title: Vice President

(SEAL)

WITNESSES AS TO DECLARANT:

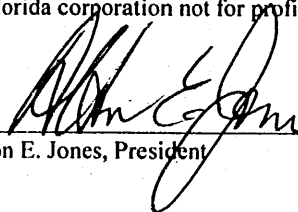


Signature
Print Name RICHARD T. DAVIS


Signature
Print Name Leslie A. Hill

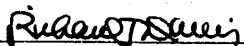
POA:

TESORO PROPERTY OWNER'S ASSOCIATION, INC, a Florida corporation not for profit

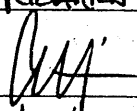
By: 
Alton E. Jones, President

(SEAL)

WITNESSES AS TO ASSOCIATION:



Signature
Print Name RICHARD T. DAVIS


Signature
Print Name Leslie A. Hill

DR BOOK 1803 PAGE 972

STATE OF FLORIDA)
) SS
COUNTY OF St. Lucie)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by ALTON E. JONES, the Vice President of GINN-ST. LUCIE GP, LLC, a Georgia limited liability company, the sole general partner of GINN-LA St. Lucie Ltd., L.L.L.P., a Georgia limited liability limited partnership, freely and voluntarily under authority duly vested in him by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation. ALTON E. JONES is personally known to me or has produced _____ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 15th day of September, 2003.



LAH

Notary Public, State of Florida at Large

My Commission Expires: _____ Typed, Printed or Stamped Name of Notary Public

STATE OF FLORIDA)
) SS
COUNTY OF St. Lucie)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by ALTON E. JONES, the President of TESORO PROPERTY OWNER'S ASSOCIATION, INC., a Florida corporation not for profit, freely and voluntarily under authority duly vested in him by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation. ALTON E. JONES is personally known to me or has produced _____ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 15th day of September, 2003.



LAH

Notary Public, State of Florida at Large

My Commission Expires: _____ Typed, Printed or Stamped Name of Notary Public

DR BOOK 1803 PAGE 973

EXHIBIT A

Legal Description of Total Property

All of TESORO PLAT NO. 1, according to the Plat thereof, as recorded in Plat Book 40, at Page 29 of the Public Records of St. Lucie County, Florida.

OR BOOK 1803 PAGE 974

Exhibit "A"
A-2 Pond Uplands

TOGETHER WITH:

Being a parcel of land lying in Sections 21, 22, 27, and 28, Township 37 South, Range 40 East, City of Port St. Lucie, St. Lucie County, Florida, and being more particularly described as follows:

Commence at the intersection of the centerlines of Derby Terrace and Southbend Boulevard as shown on the Plat of PORT ST. LUCIE SECTION THIRTY NINE, as recorded in Plat Book 15, Page 30, public records of St. Lucie County, Florida, said Point of Commencement being a point on a curve concave to the Northeast having a radius of 1000.00 feet whose radius point bears N 85°35'09" E, from said point; thence Northwestward along the arc of said curve a distance of 15.94 feet, through a central angle of 00°54'47"; thence N 88°29'56" E, radial to last described curve a distance of 50.00 feet, to the easterly right-of-way line of said Southbend Boulevard; thence N03°30'04" W, along said easterly right-of-way line, a distance of 795.24 feet to a point on the boundary of POND A-2, as recorded in O.R. Book 456, Page 2655, public records of St. Lucie County, Florida and the POINT OF BEGINNING of the following described parcel:

Thence S 58°49'08" E, along the boundary of said POND A-2, a distance of 60.80 feet, to the northeast corner of Tract BB, according to the said Plat of PORT ST. LUCIE SECTION THIRTY NINE; thence along the said easterly boundary of said Tract BB, by the following courses and distances:

thence S 03°30'04" E a distance of 762.63 feet to the beginning of a curve concave to the northeast having a radius of 900.00 feet; thence southerly along the arc of said curve a distance of 194.64 feet through a central angle of 12°23'29"; thence departing said east boundary, N 50°37'20" E a distance of 311.27 feet, to a point on the said westerly boundary of POND A-2; thence S 11°08'59" W, along said westerly boundary of POND A-2, a distance of 78.65 feet; thence S 50°37'20" W a distance of 270.53 feet to the intersection with a non tangent curve concave to the northeast, having a radius of 900.00 feet, the chord of which bears S 35°39'24" E, and being the aforesaid easterly boundary of Tract BB; thence southeasterly along the arc of said curve, a distance of 513.22 feet through a central angle of 32°40'21"; thence, continuing along the said easterly boundary of Tract BB, S 51°59'34" E a distance of 210.03 feet, to the intersection with the aforesaid POND A-2 boundary; thence S 14°04'43" W, along said POND A-2 boundary, a distance of 54.70 feet to the easterly right-of-way line of said Southbend Boulevard; thence S 51°59'34" E, along said easterly right-of-way, a distance of 259.79 feet; thence N 38°00'26" E a distance of 76.40 feet to the beginning of a curve concave to the northwest having a radius of 270.00 feet; thence northeasterly along the arc of said curve a distance of 83.18 feet through a central angle of 17°39'08"; thence N 20°21'18" E a distance of 290.52 feet; thence N 51°59'34" W a distance of 126.42 feet; thence N 44°34'23" W a distance of 160.50 feet to the intersection with a non tangent curve concave to the southwest, having a radius of 100.00 feet, the chord of which bears N 12°33'48" W, and being the boundary of Tract QQ, according to the said Plat of PORT ST. LUCIE SECTION THIRTY NINE; thence along the said boundary of Tract QQ by the following courses and distances;

(Continued)

Thence northwesterly along the arc of said curve, a distance of 46.17 feet, through a central angle of 26°27'17"; thence N 25°47'26" W a distance of 143.59 feet to the beginning of a curve concave to the east having a radius of 400.00 feet; thence northerly along the arc of said curve a distance of 398.10 feet through a central angle of 57°01'27"; thence S 81°33'07" W a distance of 108.77 feet; thence S 50°37'20" W a distance of 63.70 feet to the easterly boundary of aforesaid POND A-2; thence N 04°47'11" E, along said easterly boundary, a distance of 61.70 feet; thence, continuing along said East boundary POND A-2, N 19°17'30" E a distance of 11.04 feet; thence N 50°37'20" E a distance of 25.11 feet; thence N 81°33'07" E a distance of 172.13 feet to the intersection with a non tangent curve concave to the southeast, having a radius of 400.00 feet, the chord of which bears N 68°31'38" E, and being the said boundary of Tract QQ; thence easterly along the arc of said curve, a distance of 379.78 feet through a central angle of 54°23'58"; thence S 84°16'23" E a distance of 459.61 feet to the beginning of a curve concave to the southwest having a radius of 700.00 feet; thence southeasterly along the arc of said curve a distance of 535.37 feet through a central angle of 43°49'13"; thence S 49°32'50" W a distance of 100.00 feet; thence S 40°27'10" E a distance of 254.25 feet to the beginning of a curve concave to the north having a radius of 495.00 feet; thence easterly along the arc of said curve a distance of 691.62 feet through a central angle of 80°03'17"; thence N 59°29'33" E a distance of 348.70 feet; thence easterly along the arc of said curve a distance of 128.55 feet through a central angle of 21°07'20" to the point of compound curvature with a curve concave to the southwest, having a radius of 34.99 feet; thence southeasterly along the arc of said curve, a distance 43.95 feet through a central angle of 71°58'02" to the point of compound curvature with a curve concave to the west, having a radius of 114.18 feet; thence southerly along the arc of said curve, a distance 163.47 feet through a central angle of 82°01'38"; thence S 56°30'07" E a distance of 226.60 feet; thence N 78°14'14" E a distance of 30.00 feet; thence N 11°45'46" W a distance of 192 feet, more or less, to the centerline of Winter's Creek, as described in O.R. Book 754, page 791, public records of St. Lucie County, Florida; thence meander the said centerline of Winter's Creek northeasterly a distance of 3,314 feet, more or less, to a point that bears N 78°42'07" W, a distance of 1931.90 feet from the Southeast corner of aforesaid Section 22; thence N 22°15'48" E a distance of 480.80 feet; thence N 40°31'26" W a distance of 368.66 feet; thence N 14°12'03" W a distance of 363.51 feet; thence N 79°07'54" W a distance of 280.00 feet; thence N 59°42'38" W a distance of 428.42 feet; thence N 46°00'51" W a distance of 205.77 feet; thence N 33°14'26" W a distance of 724.80 feet; thence S 89°42'48" W a distance of 195.06 feet; thence S 58°54'27" W a distance of 1,364.10 feet; thence S 38°44'32" W a distance of 1,028.58 feet; thence S 52°41'08" W a distance of 522.19 feet; thence S 73°21'41" W a distance of 410.44 feet; thence S 85°27'55" W a distance of 776.45 feet; thence S 03°30'04" E a distance of 125.77 feet; thence N 66°35'24" W a distance of 56.07 feet; thence S 03°30'04" E a distance of 205.12 feet to the POINT OF BEGINNING.

LESS AND EXCEPT those lands described as POND A-2, and recorded in O.R. Book 456, Page 2655, of the public records of St. Lucie County, Florida.

EXHIBIT B

Legal Description of Committed Property

All of TESORO PLAT NO. 2, according to the Plat thereof, as recorded in Plat Book 40, at Page 30 of the Public Records of St. Lucie County, Florida. Blocks 1 through 4 of Tesoro Plat No. 2 are hereby designated as a Neighborhood to be known as "Bella Strano at Tesoro." Blocks 5 through 8 of Tesoro Plat No. 2 are hereby designated as a Neighborhood to be known as "Corrente at Tesoro".

Together With:

All of TESORO PLAT NO. 3 according to the Plat thereof, as recorded in Plat Book 41, at Page 6, of the Public Records, which is hereby designated as a Neighborhood to be known as "Vetrata".

Together With:

All of TESORO PLAT NO. 4 according to the Plat thereof, as recorded in Plat Book 41, at Page 20, the Public Records, which is hereby designated as a Neighborhood to be known as "Bella Riva".

Together With:

All of TESORO PLAT NO. 5 according to the Plat thereof, as recorded in Plat Book 41, at Page 7, of the Public Records, which is hereby designated as a Neighborhood to be known as "Solamar".

Together With:

All of TESORO PLAT NO. 6 according to the Plat thereof, as recorded in Plat Book 41, at Page 19, of the Public Records, which is hereby designated as a Neighborhood to be known as "Soriso".

DR BOOK 1803 PAGE 977

EXHIBIT "C"

State of Florida



Department of State

I certify from the records of this office that TESORO PROPERTY OWNER'S ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on March 28, 2002.

The document number of this corporation is N02000002282.

I further certify that said corporation has paid all fees due this office through December 31, 2002, and its status is active.

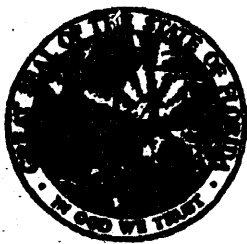
I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 502A00018713-032802-N02000002282-1/1, noted below.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-eighth day of March, 2002

Authentication Code: 502A00018713-032802-N02000002282-1/1

DR BOOK 1803 PAGE 978



CP28022 (1-00)

Katherine Harris
Katherine Harris
Secretary of State

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of TESORO PROPERTY OWNER'S ASSOCIATION, INC., a Florida corporation, filed on March 28, 2002, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H02000067570. 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 N02000002282.

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Twenty-eighth day of March, 2002

Authentication Code: 502A00018713-032802-N02000002282-1/1

STATE OF FLORIDA
ST. LUCIE COUNTY
THIS TO CERTIFY THAT THIS IS A
TRUE AND CORRECT COPY OF THE
ORIGINAL.

JOANNE HOLMAN, CLERK

BY [Signature]
Deputy Clerk

DATE 4-9-02



CR2808 (1-99)

Katherine Harris
Katherine Harris
Secretary of State

DR BOOK 1803 PAGE 979

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ARTICLES OF INCORPORATION
OF
TESORO PROPERTY OWNER'S ASSOCIATION, INC.
(A Florida Corporation Not For Profit)

In order to form a corporation not for profit under and in accordance with the provisions of Chapter 617 of the Florida Statutes, the undersigned hereby incorporates this corporation not for profit for the purposes and with the powers hereinafter set forth and, to that end, the undersigned, by these Articles of Incorporation, certifies as follows:

ARTICLE I
DEFINITIONS

The following words and phrases when used in these Articles of Incorporation (unless the context clearly reflects another meaning) shall have the following meanings:

1. "Articles" means these Articles of Incorporation and any amendments hereto.
2. "Assessments" means the assessments for which all Owners are obligated to the Association and includes "Individual Lot Assessments", "Neighborhood Assessments", if any, and "Special Assessments" (as such terms are defined in the Declaration) and any and all other assessments which are levied by the Association in accordance with the Tesoro Documents.
3. "Association" means Tesoro Property Owner's Association, Inc., a Florida corporation not for profit.
4. "Association Property" means the property more particularly described in Article II of the Declaration.
5. "Board" means the Board of Directors of the Association.
6. "Bylaws" means the Bylaws of the Association and any amendments thereto.
7. "Committed Property" shall mean the portions of Tesoro which are committed to the provisions of the Declaration and those portions of Tesoro which may hereafter become Committed Property pursuant to the recordation of one or more Supplemental Declarations among the Public Records of the County.
8. "County" means St. Lucie County, Florida.
9. "Declarant" means Ginn-LA St. Lucie Ltd., L.L.L.P., a Georgia limited liability limited partnership, its successors and assigns, and any successor or assign to which Ginn-LA St. Lucie Ltd., L.L.L.P. specifically assigns all or part of the rights of Declarant under the Declaration by an express written assignment, whether recorded in the Public Records of the County or not. The written assignment may give notice as to which rights of Declarant are to be exercised and as to

DR BOOK 1803 PAGE 980

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which portion of the Property. In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent declarant.

10. "Declaration" means the Declaration of Covenants, Restrictions and Easements for Tesoro, which is intended to be recorded amongst the Public Records of the County, and any amendments thereto.
11. "Director" means a member of the Board.
12. "Home" means a residential dwelling unit constructed within Tesoro which is designed and intended for use and occupancy as a single-family residence.
13. "Lot" means and refers to any parcel of land within Tesoro as shown on the Plat or any "Additional Plat" (as such term is defined in the Declaration) upon which a Home is permitted to be constructed, together with the improvements thereon and any portion of the land within Tesoro that is declared to be a Lot by a Supplemental Declaration and is not subsequently withdrawn from the provisions of the Declaration by a Supplemental Declaration. For purposes of Individual Lot Assessments, a Lot is either a Completed Lot or an Incomplete Lot.
14. "Member" means a member of the Association.
15. "Neighborhood" shall mean any development of Lots within Tesoro which is designated as a Neighborhood as provided in the Declaration.
16. "Neighborhood Expenses" shall mean the actual and estimated expenses incurred by the Association for the benefit of Owners of Homes within a particular Neighborhood or Neighborhoods, all as may be specifically authorized from time to time by the Board and as more particularly set forth in the Declaration.
17. "Operating Expenses" means the expenses for which Owners are liable to the Association as described in the Tesoro Documents and includes, but is not limited to, the costs and expenses incurred by the Association in administering, operating, maintaining, financing or repairing the Association Property or any portion thereof and improvements thereon and all costs and expenses incurred by the Association in carrying out its powers and duties as set forth in the Tesoro Documents.
18. "Owner" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Tesoro, and includes Declarant for so long as Declarant owns fee simple title to a Lot, but excluding therefrom those having such interest as security for the performance of an obligation.
19. "Plat" means collectively, Tesoro Plat No. 1 recorded in Plat Book 40, Pages 29 through 29A-C, inclusive, ("Plat No. 1") and Tesoro Plat No. 2, recorded in Plat Book 40, Pages 30 through 30A-E, inclusive ("Plat No. 2"), both of the Public Records of the County. In the event an

OR BOOK 1803 PAGE 981

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additional plat with respect to any other portions of Tesoro is recorded among the Public Records of the County, then the term "Plat" as used herein shall also mean such additional plat.

20. "Tesoro" means the planned residential development located in St. Lucie County, Florida, which encompasses the "Property" (as defined in the Declaration), is intended to comprise one thousand seven hundred (1700) Homes and the Association Property.

21. "Tesoro Documents" means, in the aggregate, the Declaration, these Articles, the Bylaws, the Plat any additional plat, and all of the instruments and documents referred to or incorporated therein including, but not limited to, any "Amendment(s)" and "Supplemental Declaration(s)" (as such terms are defined in the Declaration).

Unless otherwise defined herein, the terms defined in the Declaration are incorporated herein by reference and shall appear in initial capital letters each time such terms appears in these Articles.

ARTICLE II NAME

The name of this corporation shall be TESORO PROPERTY OWNER'S ASSOCIATION, INC., a Florida corporation not for profit, whose principal address and mailing address is 1 Florida Park Drive, Palm Coast, Florida 32137.

ARTICLE III PURPOSES

The purpose for which the Association is organized is to take title to, operate, administer, manage, lease and maintain the Association Property in accordance with the terms of, and purposes set forth in, the Tesoro Documents and to carry out the covenants and enforce the provisions of the Tesoro Documents.

ARTICLE IV POWERS

The Association shall have the following powers and shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit.

B. The Association shall have all of the powers granted to the Association in the Tesoro Documents. All of the provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles.

C. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

DR BOOK 1803 PAGE 982

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1. To perform any act required or contemplated by it under the Tesoro Documents.
2. To make, establish, amend and enforce reasonable rules and regulations governing the use of the Association Property and the Committed Property.
3. To make, levy and collect Assessments for the purpose of obtaining funds from its Members to pay Operating Expenses and Neighborhood Expenses, if any, and other costs defined in the Declaration and costs of collection, and to use and expend the proceeds of Assessments in the exercise of the powers and duties of the Association.
4. To maintain, repair, replace and operate the Association Property and, in some cases, Committed Property, in accordance with the Tesoro Documents.
5. To enforce by legal means the obligations of the Members and the provisions of the Tesoro Documents.
6. To employ personnel, retain independent contractors and professional personnel, and enter into service contracts to provide for the maintenance, operation, administration and management of the Association Property and, in some cases, the Committed Property and to enter into any other agreements consistent with the purposes of the Association, including, but not limited to, agreements with respect to professional management of the Association Property and Committed Property and to delegate to such professional manager certain powers and duties of the Association.
7. To enter into the Declaration and any amendments thereto and instruments referred to therein.
8. To provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Association mandate to keep and maintain Tesoro in a proper and aesthetically pleasing condition and to provide the Owners with services, amenities, controls and enforcement which will enhance the quality of life at Tesoro.
9. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths (3/4) of all Members (at a duly called meeting of the Members at which a quorum is present) prior to the engagement of legal counsel by the Association for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:
 - (a) the collection of Assessments;
 - (b) the collection of other charges which Owners are obligated to pay pursuant to the Tesoro Documents;

DR BOOK 1803 PAGE 985

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(c) the enforcement of any applicable use and occupancy restrictions contained in the Tesoro Documents;

(d) dealing with an emergency when waiting to obtain the approval of the Members creates a substantial risk of irreparable injury to the Association Property or to Member(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths (3/4) of the Members); or

(e) filing a compulsory counterclaim.

ARTICLE V
MEMBERS AND VOTING

The qualification of Members of the Association, the manner of their admission to membership, the manner of the termination of such membership and the manner of voting by Members shall be as follows:

A. Until such time as the first deed of conveyance of a Lot from Declarant to an Owner is recorded amongst the Public Records of the County ("First Conveyance"), the membership of the Association shall be comprised solely of the Declarant. Declarant shall be entitled to cast one (1) vote on all matters requiring a vote of the membership.

B. Upon the First Conveyance, Declarant shall be a Member as to each of the remaining Lots until each such Lot is conveyed to another Owner, and thereupon and thereafter each and every Owner, including Declarant as to Lots owned by Declarant, shall be a Member and exercise all of the rights and privileges of a Member.

C. Membership in the Association for Owners other than Declarant shall be established by the acquisition of ownership of fee simple title to a Lot as evidenced by the recording of an instrument of conveyance amongst the Public Records of the County. Where title to a Lot is acquired by conveyance from a party other than Declarant by means of sale, gift, inheritance, devise, judicial decree or otherwise, the person, persons or entity thereby acquiring such Lot shall not be a Member unless or until such Owner shall deliver a true copy of a deed or other instrument of acquisition of title to the Association.

D. The Association shall have two (2) classes of voting membership:

1. "Class A Members" shall be all Members, with the exception of Declarant while Declarant is a Class B Member, each of whom shall be entitled to one (1) vote for each Lot owned.

2. "Class B Members" shall be Declarant, who shall be entitled to three times the total number of votes of the Class A Members plus one. Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following events ("Turnover Date"):

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(i) Three (3) months after the conveyance of ninety percent (90%) of the "Total Developed Lots" (as defined in Article X.C hereof) by Declarant, as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County; or

(ii) At such time as Declarant shall designate in writing to the Association.

On the Turnover Date, Class A Members, including Declarant, shall assume control of the Association and elect not less than a majority of the Board.

E. The designation of different classes of membership are for purposes of establishing the number of votes applicable to certain Lots, and nothing herein shall be deemed to require voting solely by an individual class on any matter which requires the vote of Members, unless otherwise specifically set forth in the Tesoro Documents.

F. No Member may assign, hypothecate or transfer in any manner his/her membership in the Association except as an appurtenance to his/her Lot.

G. Any Member who conveys or loses title to a Lot by sale, gift, devise, bequest, judicial decree or otherwise shall, immediately upon such conveyance or loss of title, no longer be a Member with respect to such Lot and shall lose all rights and privileges of a Member resulting from ownership of such Lot.

H. There shall be only one (1) vote for each Lot, except for the Class B Members as set forth herein. If there is more than one Member with respect to a Lot as a result of the fee interest in such Lot being held by more than one person, such Members collectively shall be entitled to only one (1) vote. The vote of the Owners of a Lot owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named in a certificate signed by all of the Owners of the Lot, or, if appropriate, by properly designated officers, partners or principals of the respective legal entity ("Voting Member"), and filed with the Secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not filed with the Secretary of the Association, the vote of such Lot shall not be considered for a quorum or for any other purpose.

Notwithstanding the foregoing provisions, whenever any Lot is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

1. When both are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Lot owned by them. In the event they are unable to concur in their decision upon any topic requiring a vote, they shall lose their right to vote on that topic at that meeting, but shall count for purposes of establishing a quorum.

2. When only one (1) spouse is present at a meeting, the person present may cast the Lot vote without establishing the concurrence of the other spouse, absent any prior written notice

DR BOOK 1803 PAGE 985

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to the contrary by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Lot shall not be considered, but shall count for purposes of establishing a quorum.

3. When neither spouse is present, the person designated in a "Proxy" (as defined in the Bylaws) signed by either spouse may cast the Lot vote, when voting by Proxy is allowed, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Proxy by the other spouse, the vote of said Lot shall not be considered, but shall count for purposes of establishing a quorum.

I. A quorum shall consist of persons entitled to cast at least thirty percent (30%) of the total number of votes of the Members.

ARTICLE VI
TERM

The term for which this Association is to exist shall be perpetual. In the event of dissolution of the Association (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Association shall be conveyed to a similar homeowners association or a public agency having a similar purpose, or any Member may petition the appropriate circuit court of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and its properties in the place and stead of the dissolved Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties.

ARTICLE VII
INCORPORATOR

The name and address of the Incorporator of these Articles is:

Mark F. Grant
200 East Broward Boulevard
Fort Lauderdale, Florida 33301

ARTICLE VIII
OFFICERS

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President(s), Secretary and Treasurer, and, if any, by the Assistant Secretary(ies) and Assistant Treasurer(s), subject to the directions of the Board. Except for officers elected prior to the Turnover Date, officers must be Members, or the parents, children or spouses of Members.

The Board shall elect the President, Secretary and Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall, from time to time, determine. The President shall be elected from amongst the membership of the Board, but no other officer need be a

JR BOOK 1512 PAGE 2879

DR BOOK 1803 PAGE 986

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Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, the office of President and a Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE IX
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

- President - Tom O'Leary
- Vice President - Robert F. Masters
- Secretary - John Gantt
- Treasurer - John Gantt

ARTICLE X
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors of the Association ("First Board") and the "Initial Elected Board" (as hereinafter defined) shall be three (3). The number of Directors elected by the Members subsequent to the "Declarant's Resignation Event" (as hereinafter defined) shall be not less than three (3) nor more than seven (7), as the Board shall from time to time determine prior to each meeting at which Directors are to be elected. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses of Members. There shall be only one (1) vote for each Director.

B. The names and addresses of the persons who are to serve as Directors on the First Board are as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
Tom O'Leary	1 Florida Park Drive, Suite 300 Palm Coast, Florida 32137
Robert F. Masters	1 Florida Park Drive, Suite 300 Palm Coast, Florida 32137
John Gantt	1 Florida Park Drive, Suite 300 Palm Coast, Florida 32137

Declarant reserves the right to replace and/or designate and elect successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided.

C. For purposes of this paragraph, "Total Developed Lots" shall mean the one thousand seven hundred (1700) Developed Lots which Declarant intends to develop in Tesoro.

LR BOOK 1512 PAGE 2880

DR BOOK 1803 PAGE 987

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Notwithstanding the foregoing, Declarant has reserved the right in the Declaration to modify its plan of development for Tesoro and to add land to and withdraw land from Tesoro and, therefore, the total number of Lots and Homes within Tesoro, and thus the term "Total Developed Lots," may refer to a number greater or lesser than one thousand seven hundred (1700). The number of Lots added to or withdrawn from Tesoro and the revised number of "Total Developed Lots" will be set forth in a Supplemental Declaration recorded in the County if additional land is added to or withdrawn from Tesoro.

D. Upon the Turnover Date, the Members other than Declarant ("Purchaser Members") shall be entitled to elect not less than a majority of the Board. The election of not less than a majority of the Board by the Purchaser Members shall occur at a special meeting of the membership to be called by the Board for such purpose ("Initial Election Meeting"). The First Board shall serve until the Initial Election Meeting.

E. At the Initial Election Meeting, Purchaser Members, who shall include all Members other than Declarant, the number of which may change from time to time, shall elect two (2) of the Directors, and Declarant, until the Declarant's Resignation Event, shall be entitled to designate one (1) Director (same constituting the "Initial Elected Board"). Declarant reserves and shall have the right, until the Declarant's Resignation Event, to name the successor, if any, to any Director it has so designated.

F. The Board shall continue to be so designated and elected, as described in Paragraph E above, at each subsequent "Annual Members' Meeting" (as defined in the Bylaws), until the Annual Members' Meeting following the Declarant's Resignation Event or until a Purchaser Member-elected Director is removed in the manner hereinafter provided.

A Director (other than a Declarant-appointed Director) may be removed from office upon the affirmative vote of a majority of the voting interests of Purchaser Members for any reason deemed to be in the best interests of the Purchaser Members. A meeting of the Purchaser Members to so remove a Director (other than a Declarant-appointed Director) shall be held upon the written request of ten percent (10%) of the Purchaser Members.

G. The Initial Election Meeting shall be called by the Association, through the Board, within sixty (60) days after the Purchaser Members are entitled to elect a majority of Directors as provided in Paragraph D hereof. A notice of meeting shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least fourteen (14) days' notice of such meeting. The notice shall also specify the number of Directors which shall be elected by the Purchaser Members and the remaining number of Directors designated by Declarant.

H. Upon the earlier to occur of the following events ("Declarant's Resignation Event"), Declarant shall cause all of its designated Directors to resign:

1. When Declarant no longer holds at least five percent (5%) of the Total Developed Lots for sale in the ordinary course of business and all Lots sold by Declarant have been

OR BOOK 1803 PAGE 988

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conveyed as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County; or

2. When Declarant causes the voluntary resignation of all of the Directors designated by Declarant and does not designate replacement Directors.

Upon Declarant's Resignation Event, the Directors elected by Purchaser Members shall elect a successor Director to fill the vacancy caused by the resignation or removal of Declarant's designated Director. This successor Director shall serve until the next Annual Members' Meeting and until his successor is elected and qualified. In the event Declarant's Resignation Event occurs prior to the Initial Election Meeting, the Initial Election Meeting shall be called in the manner set forth in Paragraph G of this Article X, and all of the Directors shall be elected by the Purchaser Members at such meeting.

I. At each Annual Members' Meeting held subsequent to Declarant's Resignation Event, all of the Directors shall be elected by the Members. At the first Annual Members Meeting held after the Initial Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. a number equal to fifty percent (50%) of the total number of Directors rounded to the nearest whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the most votes at the meeting; and

2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

J. The resignation of a Director who has been designated by Declarant or the resignation of an officer of the Association who has been elected by the First Board shall be deemed to remise, release, acquit, satisfy and forever discharge such officer or Director of and from any and all manner of action(s), cause(s) of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which the Association or Purchaser Members had, now have or will have or which any personal representative, successor, heir or assign of the Association or Purchaser Members hereafter can, shall or may have against said officer or Director for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of such resignation, except for such Director's or officer's willful misconduct or gross negligence.

DR BOOK 1803 PAGE 989

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**ARTICLE XI
INDEMNIFICATION**

Each and every Director and officer of the Association shall be indemnified by the Association against all costs, expenses and liabilities, including attorney and paralegal fees at all trial and appellate levels and postjudgment proceedings, reasonably incurred by or imposed upon him in connection with any negotiation, proceeding, arbitration, litigation or settlement in which he becomes involved by reason of his being or having been a Director or officer of the Association, and the foregoing provision for indemnification shall apply whether or not such person is a Director or officer at the time such cost, expense or liability is incurred. Notwithstanding the above, in the event of any such settlement, the indemnification provisions provided in this Article XI shall not be automatic and shall apply only when the Board approves such settlement and reimbursement for the costs and expenses of such settlement as being in the best interest of the Association, and in the event a Director or officer admits that he is or is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of this Article XI shall not apply. The foregoing right of indemnification provided in this Article XI shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer of the Association may be entitled under statute or common law.

**ARTICLE XII
BYLAWS**

The Bylaws shall be adopted by the First Board, and thereafter may be altered, amended or rescinded in the manner provided for in the Bylaws. In the event of any conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

**ARTICLE XIII
AMENDMENTS**

A. Prior to the First Conveyance, these Articles may be amended only by an instrument in writing signed by the Declarant and filed in the Office of the Secretary of State of the State of Florida.

B. After the First Conveyance, and prior to the Turnover Date, these Articles may be amended solely by a majority vote of the Board, without the prior written consent of the Members, at a duly called meeting of the Board.

C. After the Turnover Date, these Articles may be amended in the following manner:

1. (a) The Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may be at either the Annual Members' Meeting or a special meeting. Any number of proposed amendments may be submitted to the Members and voted upon by them at one meeting.

DR BOOK 1803 PAGE 990

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(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member within the time and in the manner provided in the Bylaws for the giving of notice of meetings.

(c) At such meeting, a vote of the Members shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted upon receiving the affirmative vote of a majority of the voting interests.

2. An amendment may be adopted by a written statement (in lieu of a meeting) signed by all Members and all members of the Board setting forth their intention that an amendment to the Articles be adopted.

D. These Articles may not be amended without the written consent of a majority of the members of the Board.

E. Notwithstanding any provisions of this Article XIII to the contrary, these Articles shall not be amended in any manner which shall prejudice the rights of: (i) Declarant, without the prior written consent thereto by Declarant, for so long as Declarant holds either a leasehold interest in or title to at least one (1) Lot; and (ii) any "Institutional Mortgagee" (as such term is defined in the Declaration) without the prior written consent of such Institutional Mortgagee.

F. Notwithstanding the foregoing provisions of this Article XIII, no amendment to these Articles shall be adopted which shall abridge, amend or alter the rights of Declarant hereunder, including, but not limited to, Declarant's right to designate and select members of the First Board or otherwise designate and select Directors as provided in Article X hereof, nor shall any amendment be adopted or become effective without the prior written consent of Declarant.

G. Any instrument amending these Articles shall identify the particular article or articles being amended and shall provide a reasonable method to identify the amendment being made. A certified copy of each such amendment shall be attached to any certified copy of these Articles, and a copy of each amendment certified by the Secretary of State shall be recorded amongst the Public Records of the County.

**ARTICLE XIV
REGISTERED OFFICE AND REGISTERED AGENT**

The street address of the initial registered office of the Association is Suite 1500, 200 East Broward Boulevard, Fort Lauderdale, Florida 33301 and the initial registered agent of the Association at that address shall be Mark F. Grant.

IN WITNESS WHEREOF, the Incorporator has hereunto affixed his signature, this 28th day of March, 2002.

Mark F. Grant

BOOK 1512 PAGE 2884

OR BOOK 1803 PAGE 991

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The undersigned hereby accepts the designation of Registered Agent as set forth in Article XIV of these Articles of Incorporation, and acknowledges that he is familiar with and accepts the obligations imposed upon registered agents under the Florida Not For Profit Corporation Act.

Mark F. Grant
Dated: MARCH 28, 2002

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 28th day of March 2002, by Mark F. Grant, the person described as the Incorporator of these Articles who executed the foregoing Articles of Incorporation, who is personally known to me. or ~~who has produced~~ _____ as identification.

Susan P. Scheid (SEAL)
Notary Public
SUSAN P. SCHEID
Printed, Typed or Stamped Notary Name

My Commission Expires:



Susan P. Scheid
MY COMMISSION # CC85716 EXPIRES
November 12, 2003
BONDED THROUGH FARM INSURANCE, INC.

BOOK 1512 PAGE 2885

DR BOOK 1803 PAGE 992

EXHIBIT "D"
BYLAWS
OF
TESORO PROPERTY OWNER'S ASSOCIATION, INC.

Section 1. Identification of Association

These are the Bylaws of Tesoro Property Owner's Association, Inc. ("Association") as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapter 617, Florida Statutes.

1.1. The office of the Association shall be for the present at 1 Florida Park Drive, Suite 300, Palm Coast, Florida 32137 and thereafter may be located at any place designated by the Board.

1.2. The fiscal year of the Association shall be the calendar year.

1.3. The seal of the Association shall bear the name of the Association, the word "Florida" and the words "Corporation Not For Profit."

Section 2. Explanation of Terminology

The terms defined in the Articles of Incorporation of the Association ("Articles") as well as in the Declaration of Covenants, Restrictions and Easements for Tesoro Club ("Declaration") are incorporated herein by reference and shall appear in initial capital letters each time such terms appear in these Bylaws.

Section 3. Membership; Members' Meetings; Voting and Proxies

3.1. The qualification of Members, the manner of their admission to membership in the Association, the manner of termination of such membership and the voting by Members shall be as set forth in the Articles.

3.2. The Members shall meet annually ("Annual Members' Meeting"). The Annual Members' Meeting shall be held at the office of the Association or at such other place in the County as the Board may determine and on such day and at such time as designated by the Board in the notice of such meeting commencing with the year following the year in which the Articles are filed with the Secretary of State. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (when that shall be appropriate as determined by the provisions of the Articles) and transact any other business authorized to be transacted at such Annual Members' Meeting.

3.3. Special meetings (meetings other than the Annual Members' Meeting) of the Members shall be held at any place within the County whenever called by the President or Vice President or by a majority of the Board. A special meeting must be called by such President or Vice

DR BOOK 1803 PAGE 993

President upon receipt of a written request from Members having the right to vote at least one-third (1/3) of the total number of votes entitled to be cast by Members at any such special meeting.

3.4. Except as otherwise provided in the Articles, a written notice of each Members' meeting, whether an Annual Members' Meeting or a special meeting (collectively "Meeting"), shall be given to each Member entitled to vote thereat at his last known address as it appears on the books of the Association and shall be mailed to the said address not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the Meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any notice given hereunder shall state the time and place of the Meeting and the purposes for which the Meeting is called. The notices of all Annual Members' Meetings shall, in addition, specify the number of Directors of the Association to be designated by Declarant and the number of Directors to be elected by the Members, if applicable. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member or by the person entitled to vote for such Member by signing a document setting forth the waiver of such notice.

3.5. The Members may, at the discretion of the Board, act by written response in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or duly waived in accordance with the provisions of these Bylaws. Unless some greater number is required under the Tesoro Club Documents and except as to the election of Directors, which shall be accomplished by plurality vote, the decision of a majority of the votes cast by Members as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written response in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written responses must be received by the Association.

3.6. (a) A quorum of the Members shall consist of Members entitled to cast thirty percent (30%) of the total number of votes of the Members. Limited "Proxies" and general "Proxies" (as hereinafter defined in Paragraph 3.10) may be used to establish a quorum.

(b) When a quorum is present at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written Proxy shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a quorum is required by express provision of the Tesoro Club Documents or by law, then such express provision shall govern and control the required vote on the decision of such question.

3.7. At any Annual Members' Meeting when elections of Directors are to occur, written ballots are to be supplied to Members for such purposes. Members may not vote for Directors by Proxy, but may vote by absentee ballot. Furthermore, at any Annual Members' Meeting at which Directors are to be elected, the "Chairman" (as hereinafter defined in Paragraph 7.2) shall appoint an "Election Committee" consisting of three (3) Members to supervise the election, count and verify ballots, disqualify votes if such disqualification is justified under the circumstances and

certify the results of the election to the Board. The Election Committee shall be able to determine questions within its jurisdiction by plurality vote of all three (3) members, but matters resulting in deadlocked votes of the Election Committee shall be referred to the entire Board for resolution.

3.8. If a quorum is not in attendance at a Meeting, the Members who are present, either in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present with no further notice of such adjourned Meeting being required unless otherwise determined by the Board.

3.9. Minutes of all Meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

3.10. Voting rights of Members shall be as stated in the Articles with respect to the election of all Boards other than the First Board. Such votes may be cast in person or by absentee ballot. Proxies may be used to vote on other agenda items at meetings at which Directors are to be elected, and may also be used to establish a quorum. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of the person or authorized representative of an entity entitled to vote. Proxies shall be in writing signed by the person or authorized representative of an entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof, provided, however, any proxy automatically expires ninety (90) days after the date of the meeting for which it was originally given. A Proxy must be filed with the Secretary of the Association before the appointed time of the Meeting in order to be valid. Any Proxy may be revoked prior to the time a vote is cast in accordance with such Proxy.

3.11. The voting on any matter at a Meeting shall be by secret ballot upon request of the holders of ten percent (10%) of the votes represented at such Meeting and entitled to be cast on such matter, if such request is made prior to the vote in question.

Section 4. Board; Directors' Meetings

4.1. The business and administration of the Association shall be by its Board.

4.2. The election and, if applicable, designation of Directors shall be conducted in accordance with the Articles. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses of Members.

4.3. (a) Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Association.

(b) The term of a Director's service shall be as stated in the Articles and, if not so stated, shall extend until the next Annual Members' Meeting and thereafter until his successor is duly elected and qualified or until he resigns or is removed in the manner elsewhere provided.

OR BOOK 1512 PAGE 2889

OR BOOK 1803 PAGE 996

4.4. The organizational meeting of a newly elected Board shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. Provided the organizational meeting is held directly following the Annual Members' Meeting, no further notice of the organizational meeting shall be necessary; if not, however, notice of the organizational meeting shall be given in accordance with Section 720.303(2) of the Florida Statutes.

4.5. Regular meetings of the Board may be held at such times and places in the County as shall be determined from time to time by a majority of the Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least one-third (1/3) of the Directors. Any such special meeting may be held in the County at such time and place as determined by the Directors requesting such meeting or in such other place as all of the Directors shall agree upon.

4.6. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.7. Notice of all Board meetings shall be given to the members in accordance with Section 720.303(2) of the Florida Statutes.

4.8. A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given unless otherwise determined by the Board.

4.9. The presiding officer at all Board meetings shall be the President. In the absence of the President, the Directors shall designate any one of their number to preside.

4.10. Directors' fees, if any, shall be determined by the Members.

4.11. Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times.

4.12. The Board shall have the power to appoint an "Executive Committee(s)" of the Board consisting of not less than three (3) Directors. An Executive Committee(s) shall have and exercise such powers of the Board as may be delegated to such Executive Committee(s) by the Board.

4.13. Meetings of the Board shall be open to all Members on such terms as the Board may determine. The Board may also hold closed meetings to the extent permitted by applicable law, including, by way of example but not by way of limitation, when the discussion at a meeting is governed by attorney-client privilege. If a meeting is open, unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in the meeting, no Member shall be entitled to participate in the meeting, but shall only be entitled to act as an observer. In the event a Member not serving as a Director or not otherwise invited by the Directors to participate in a meeting attempts to become more than a mere observer at the meeting or conducts himself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member or a duly authorized representative, agent or proxy holder of a Member, unless said person has been specifically invited by any of the Directors to participate in such meeting.

4.14. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, specifically setting forth the action to be taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of the Directors, provided, however, whenever assessments are to be considered, they may be considered only at a meeting of the Directors properly noticed in accordance with Section 720.303(2) of the Florida Statutes.

Section 5. Powers and Duties of the Board

5.1. All of the powers and duties of the Association shall be exercised by the Board. Such powers and duties of the Board shall include, but not be limited to, all powers and duties set forth in the Tesoro Club Documents, as well as all of the powers and duties of a director of a corporation not for profit not inconsistent therewith.

5.2. The Association may employ a manager to perform any of the duties, powers or functions of the Association. Notwithstanding the foregoing, the Association may not delegate to the manager the power to conclusively determine whether the Association should make expenditures for capital additions or improvements chargeable against the Association funds. The members of the Board shall not be personally liable for any omission or improper exercise by the manager of any duty, power or function delegated to the manager by the Association.

OR BOOK 1803 PAGE 997

Section 6. Late Fees

An Owner who fails to timely pay any Assessment shall be charged a late charge of Twenty-Five Dollars (\$25) by the Association for such late Assessment. Owners shall be responsible to pay all legal fees (including, but not limited to, attorney and paralegal fees and court costs) incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessments and foreclose the Association's lien has been commenced. The Board has authorized the following initial schedule of fees for such circumstances:

- (a) One Hundred Fifty Dollars (\$150) for a Claim of Lien plus recording costs and sending of Notice of Intention to Foreclose;
 - (b) One Hundred Dollars (\$100) for a Satisfaction of Lien plus recording costs;
- and
- (c) Any further action would require an hourly computation of attorney and/or paralegal time spent pursuing collection of such unpaid Assessments.

Section 7. Officers of the Association

7.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of the Directors at any meeting of the Board. The Board may, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. One person may hold any two offices simultaneously, except when the functions of such offices are incompatible, but no person shall hold the office of President and any of the following offices simultaneously: Vice President, Secretary or Assistant Secretary.

7.2. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not for profit, including, but not limited to, the power to appoint such committees from among the Members at such times as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association. If in attendance, the President ("Chairman") shall preside at all meetings of the Board and the Members; provided, however, that the President may appoint a substitute.

7.3. In the absence or disability of the President, a Vice President shall exercise the powers and perform the duties of the President. If there is more than one (1) Vice President, the Board shall designate which Vice President is to perform which duties. The Vice President(s) shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by

OR BOOK 1803 PAGE 998

the Board, then they shall be designated "First," "Second," *etc.*, and shall exercise the powers and perform the duties of the presidency in such order.

7.4. The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. The Secretary shall have custody of the seal of the Association and affix the same to instruments requiring such seal when duly authorized and directed to do so. The Secretary shall be custodian for the corporate records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

7.5. The Treasurer shall have custody of all of the monies of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the Members and shall keep the books of the Association in accordance with good accounting practices and he shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall assist the Treasurer under the supervision of the Treasurer.

7.6. The compensation, if any, of the officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from hiring a Director as an employee of the Association or preclude contracting with a Director or a party affiliated with a Director for the management or performance of contract services for all or any part of Tesoro Club.

Section 8. Resignations

Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer (other than appointees of Declarant) shall constitute a written resignation of such Director or officer.

Section 9. Accounting Records; Fiscal Management

9.1. The Association shall use the cash basis method of accounting and shall maintain accounting records in accordance with good accounting practices, which shall be open to inspection by Members and Institutional Mortgagees or their respective authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Such records shall include, but not be limited to: (i) a record of all receipts and expenditures; (ii) an account for each Lot within Tesoro Club which shall designate the name and address of the Owner

thereof, the amount of Individual Lot Assessments and all other Assessments, if any, charged to the Lot, the amounts and due dates for payment of same, the amounts paid upon the account and the dates paid, and the balance due; (iii) any tax returns, financial statements and financial reports of the Association; and (iv) any other records that identify, measure, record or communicate financial information.

9.2. The Board shall adopt a Budget (as defined and provided for in the Declaration) of the anticipated Operating Expenses for each forthcoming calendar year (the fiscal year of the Association being the calendar year) at a special meeting of the Board ("Budget Meeting") called for that purpose to be held during the month of November of the year preceding the year to which the Budget applies. Prior to the Budget Meeting, a proposed Budget for the Operating Expenses shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to each Member, upon request, and each Owner shall be given notice of the Individual Lot Assessment applicable to his Lot(s). The copy of the Budget, if requested, shall be deemed furnished and the notice of the Individual Lot Assessment shall be deemed given upon its delivery or upon its being mailed to the Owner shown on the records of the Association at his last known address as shown on the records of the Association. If a Neighborhood within Tesoro is administered by a Neighborhood Association, the total anticipated Neighborhood Expense for the Neighborhood each calendar year shall be set forth in a budget prepared by the Board of the Neighborhood Association. If a Neighborhood is not administered by a Neighborhood Association, the total anticipated Neighborhood Expenses for the Neighborhood each calendar year shall be set forth in a budget prepared by the Board of the Association.

9.3. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any monies received by the Association in any calendar year may be used by the Association to pay expenses incurred in the same calendar year; (iii) there shall be apportioned between calendar years on a *pro rata* basis any expenses which are prepaid in any one calendar year for Operating Expenses and Neighborhood Expenses, if any, which cover more than such calendar year; (iv) Assessments shall be made quarterly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current Operating Expenses and Neighborhood Expenses, if any, and for all unpaid Operating Expenses and Neighborhood Expenses, if any, previously incurred; and (v) items of Operating Expenses and Neighborhood Expenses, if any, incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Operating Expenses and Neighborhood Expenses, if any, and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting.

9.4. Individual Lot Assessments and Neighborhood Assessments, if any, shall be payable as provided in the Declaration or any Supplemental Declaration.

9.5. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses or Neighborhood Expenses not budgeted or which shall exceed

budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Operating Expenses or Neighborhood Expense than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a Special Assessment or an upward adjustment to the Individual Lot Assessment or Neighborhood Assessment, if applicable.

9.6. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

9.7. A report of the accounts of the Association shall be made annually by an accountant and a copy of the report shall be furnished to each Member who requests same in writing no later than the first day of April of the year following the year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at his last known address shown on the records of the Association.

Section 10. Rules and Regulations

The Board may at any meeting of the Board adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation of Tesoro Club; provided, however, that such rules and regulations are not inconsistent with the terms or provisions of the Tesoro Club Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all Members at the last known address for such Members as shown on the records of the Association at the time of such delivery or mailing and shall not take effect until forty-eight (48) hours after such delivery or mailing, or, in the event both forms of notification are used, whichever is later. Notwithstanding the foregoing, when rules and regulations are to regulate the use of a specific portion of the Association Property, same shall be conspicuously posted at such facility and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view toward protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced.

Section 11. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Members and the Board; provided, however, if such rules of order are in conflict with any of the Tesoro Club Documents, Robert's Rules of Order shall yield to the provisions of such instrument.

Section 12. Roster of Owners

Each Owner shall file with the Association a copy of the deed or other document showing his ownership interest in Tesoro Club. The Association shall maintain such information. The Association may rely on the accuracy of such information for all purposes until notified in writing of changes therein.

Section 13. Amendment of the Bylaws

13.1. These Bylaws may be amended as hereinafter set forth in this Section 13.

13.2. After the Turnover Date, any Bylaw of the Association may be amended or repealed, and any new Bylaw of the Association may be adopted by either:

(i) a majority vote of the Members at any Annual Members' Meeting or any special meeting of the Members called for that purpose or by majority action of the Members who have acted by written response in lieu of a Meeting as permitted by these Bylaws; or

(ii) by the affirmative vote of a majority of the Directors then in office at any regular meeting of the Board or at any special meeting of the Board called for that purpose or by written instrument signed by all of the Directors as is permitted by these Bylaws, provided that the Directors shall not have any authority to adopt, amend or repeal any Bylaw if such new Bylaw or such amendment or the repeal of a Bylaw would be inconsistent with any Bylaw previously adopted by the Members.

13.3. Notwithstanding any of the foregoing provisions of this Section 13 to the contrary, until the Turnover Date, all amendments or modifications to these Bylaws and adoption or repeal of Bylaws shall only be made by action of the First Board as described in the Articles, which First Board shall have the power to amend, modify, adopt and repeal any Bylaws without the requirement of any consent, approval or vote of the Members.

13.4. Notwithstanding the foregoing provisions of this Section 13, there shall be no amendment to these Bylaws which shall abridge, amend or alter the rights of: (i) Declarant, without the prior written consent thereto by Declarant for so long as Declarant holds title to at least one (1) Lot; or (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

13.5. Any instrument amending, modifying, repealing or adding Bylaws shall identify the particular section or sections affected and give the exact language of such modification, amendment or addition or of the provisions repealed. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

Section 14. Interpretation

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

**TESORO PROPERTY OWNER'S
ASSOCIATION, INC.**

By: _____
Tom O'Leary, President

Attest: _____
John Gantt, Secretary

[CORPORATE SEAL]

OR BOOK 1512 PAGE 2896

OR BOOK 1803 PAGE 1003

EXHIBIT E

South Florida Water Management District Permit

To be added by Amendment to this Declaration.

DR BOOK 1512 PAGE 2897

STATE OF FLORIDA
ST. LUCIE COUNTY
THIS TO CERTIFY THAT THIS IS A
TRUE AND CORRECT COPY OF THE
ORIGINAL.

JOANNE HOLMAN, CLERK

BY 
Deputy Clerk

DATE 4-9-02



DR BOOK 1803 PAGE 1004

EXHIBIT E

South Florida Water Management District Permit

To be added by Amendment to this Master Declaration.

DR BOOK 1803 PAGE 1005