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Book: 1835
Page: 1580
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DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

MARGARET'S WALK

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24004.5 (05-12-99)
352.98105
Base Form - HUD/VA

INDEX OF DECLARATION OF COVENANTS AND RESTRICTIONS FOR MARGARET'S WALK

ARTICLE I - MUTUALITY OF BENEFIT AND OBLIGATION 1
Section 1.1 Mutuality 1
Section 1.2 Benefits and Burdens 1

ARTICLE II - DEFINITIONS 1
Section 2.1 Association 1
Section 2.2 Board 1
Section 2.3 CDD 1
Section 2.4 Common Area 1
Section 2.5 Community Common Area 2
Section 2.6 Developer 2
Section 2.7 DRI 2
Section 2.8 Fleming Island Declaration 2
Section 2.9 Limited Common Area 2
Section 2.10 Master Association 3
Section 2.11 Lot 3
Section 2.12 Owner 3
Section 2.13 Property or Subdivision 3
Section 2.14 PUD 3
Section 2.15 Surface Water or Stormwater Management System 3

ARTICLE III - PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS AND DELETIONS 3
Section 3.1 No Implied Extension of Covenants 3
Section 3.2 Additional Lands 3
Section 3.3 Withdrawal of Lands 4

ARTICLE IV - THE ASSOCIATION 4
Section 4.1 Membership 4
Section 4.2 Classes and Voting 4

ARTICLE V - THE MASTER ASSOCIATION 5
Section 5.1 Membership 5
Section 5.2 Lien Rights 5
Section 5.3 Priority of Declaration 5

ARTICLE VI - COMMON AREA RIGHTS 5
Section 6.1 Conveyance of Common Area 5
Section 6.2 Owners' Easement of Enjoyment 5
Section 6.3 Right of the Developer to Designate or Withdraw Property as Common Area or Community Common Area 6
Section 6.4 Maintenance of Common Area and Surface Water or Stormwater Management System and Compliance with Applicable Permits 7

Section 6.5 Easement for Maintenance Purposes 7

ARTICLE VII - ARCHITECTURAL CONTROL 8
Section 7.1 Architectural Review and Approval 8
Section 7.2 Architectural Review Board 8
Section 7.3 Powers and Duties of the ARB 8
Section 7.4 Compensation of ARB 9
Section 7.5 Review of Initial Construction by Developer 9
Section 7.6 Variance 9
Section 7.7 Exclusivity 10
Section 7.8 Limited Liability 10

ARTICLE VIII - COVENANTS FOR MAINTENANCE ASSESSMENTS 10
Section 8.1 Creation of the Lien and Personal Obligation of Assessments 10
Section 8.2 Purpose of Assessments 10
Section 8.3 Calculation and Collection of Assessments 11
Section 8.4 Effect of Non-Payment of Assessment: Lien, Personal Obligation, and Remedies of Developer 11
Section 8.5 Subordination of Lien to Mortgages 11
Section 8.6 CDD 12
Section 8.7 Developer's Assessments 12

ARTICLE IX - EXTERIOR MAINTENANCE ASSESSMENT 12
Section 9.1 Exterior Maintenance 12
Section 9.2 Assessments of Costs 12
Section 9.3 Access 13

ARTICLE X - UTILITY PROVISIONS 13
Section 10.1 Water System 13
Section 10.2 Sewage System 13
Section 10.3 Garbage Collection 13
Section 10.4 Utility Service 13

ARTICLE XI - USE RESTRICTIONS 13
Section 11.1 Residential Use 13
Section 11.2 Living Area 14
Section 11.4 No Detached Buildings 14
Section 11.5 Setbacks 14
Section 11.6 Easement Areas 14
Section 11.7 U.S. 17 Building Setback 14
Section 11.8 Measurement of Setbacks 15
Section 11.9 Landscaping 15
Section 11.10 Motor Vehicles and Boats 15
Section 11.11 Nuisances 15
Section 11.12 Antenna 15
Section 11.13 Lakes 15
Section 11.14 Insurance and Casualty Damages 16

Section 11.15 Trees 16
Section 11.16 Artificial Vegetation 16
Section 11.17 Signs 17
Section 11.18 Lighting 17
Section 11.19 Animals 17
Section 11.20 Maintenance of Lots and Limited Common Areas 17
Section 11.21 Fences 17
Section 11.22 Maintenance of Driveways 17
Section 11.23 Window Air Conditioning 18
Section 11.24 Compliance with Laws 18
Section 11.25 Platting and Additional Restrictions 18
Section 11.27 Jurisdictional Areas and Permits 18

ARTICLE XII - RIGHTS AND EASEMENTS GRANTED BY DEVELOPER 19
Section 12.1 Easement for Ingress and Egress 19
Section 12.2 Rights to Restrict Access 19
Section 12.3 Rights of Developer to Alter Roadways 19

ARTICLE XIII - RIGHTS AND EASEMENTS RESERVED BY DEVELOPER . . . 20
Section 13.1 Easements for Ingress, Egress, Utilities and Drainage 20
Section 13.2 Drainage Flow 20
Section 13.3 Future Easements 20
Section 13.4 Cable Television and Gas 20
Section 13.5 Easements for Maintenance Purposes 21
Section 13.6 Developer Rights Re: Temporary Structures, Etc. 21

ARTICLE XIV - MORTGAGEE PROTECTION 21
Section 14.1 Rights of Mortgagees 21

ARTICLE XV - GENERAL PROVISIONS 22
Section 15.1 Remedies for Violations 22
Section 15.2 Severability 23
Section 15.3 Additional Restrictions 23
Section 15.4 Titles 23
Section 15.5 Termination or Amendment 23
Section 15.6 Assignment of Permit Responsibilities and Indemnification 24
Section 15.7 Conflict or Ambiguity in Documents 24
Section 15.8 Usage 24
Section 15.9 Effective Date 24
Section 15.10 Disclaimers as to Water Bodies 24

Exhibit A - Property
Exhibit B - Articles of Incorporation
Exhibit C - Bylaws
Exhibit D - Common Area
Exhibit E - Master Common Area
Exhibit F - Roadways

DECLARATION
OF
COVENANTS AND RESTRICTIONS
FOR
MARGARET'S WALK

THIS DECLARATION is made this 30th day of November, 1999, by **FLEMING ISLAND-MLC, INC.**, a Florida corporation (the "Developer"), which declares that the real property described on Exhibit A attached hereto and made a part hereof (the "Property"), which is owned by the Developer, shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges, liens and all other matters set forth in this Declaration which shall be deemed to be covenants running with the title to the Property and shall be binding upon the Developer and all parties having or acquiring any right, title or interest in the Property or any part thereof.

ARTICLE I
MUTUALITY OF BENEFIT AND OBLIGATION

Section 1.1 **Mutuality**. The covenants, restrictions, and agreements set forth in this Declaration are made for the mutual and reciprocal benefit of every parcel within the Property, and are intended to create mutual equitable servitudes upon each such parcel in favor of the other parcels, to create reciprocal rights among the respective Owners, and to create privity of contract and an estate between the grantees of each and every parcel within the Property, their heirs, successors and assigns.

Section 1.2 **Benefits and Burdens**. Every person who is an Owner does by reason of taking title to land located within the Property agree to all the terms and provisions of this Declaration and shall be entitled to its benefits and subject to its burdens.

ARTICLE II
DEFINITIONS

The following words, when used in this Declaration shall have the following meanings:

Section 2.1 **Association**. The Margaret's Walk Homeowners Association, Inc., a Florida corporation not-for-profit. This is the Declaration to which the Articles of Incorporation (the "Articles") and Bylaws (the "Bylaws") of the Association make reference. Copies of the Articles and Bylaws are attached as Exhibits B and C, respectively.

Section 2.2 **Board**. The Board of Directors of the Association.

Section 2.3 **CDD**. The Fleming Island Community Development District as created and approved pursuant to Chapter 190, Florida Statutes.

Section 2.4 **Common Area**. All real property (including easements, licenses and rights to use real property) and personal property located within or adjacent to the Property, if any,

which is owned by the Developer, or by the Association, and which the Developer has designated for the common use of the Owners by reference thereto in this Section 2.4, or by recording a Supplementary Declaration, pursuant to the terms of Section 6.3 hereof. The Common Area initially designated by the Developer shall consist of the real property (and interests therein) more particularly described on Exhibit D attached hereto and made a part hereof together with all improvements constructed therein by Developer which are not owned or maintained by a public or private utility company.

Section 2.5 **Community Common Area**. All real property (including easements, licenses and rights to use real property) and personal property located within or adjacent to the Property, if any, which is owned by the Developer, the CDD or the Master Association, and which the Developer has designated for the common use of all of the residents of the CDD by reference in this Section 2.5, or by recording an instrument executed by the Developer and the CDD or the Master Association designating such property as Community Common Area, in the public records of Clay County, Florida. The Community Common Area initially designated by the Developer shall consist of the real property (and interests therein) more particularly described on Exhibit E attached hereto and made a part hereof together with all improvements constructed therein which are not owned or maintained by a public or private utility company.

Section 2.6 **Developer**. Fleming Island-MLC, Inc. and its successors and such of its assigns as to which the rights of the Developer hereunder are specifically assigned. Developer may assign all or only a portion of such rights in connection with portions of the Property. In the event of such a partial assignment, the assignee may exercise such rights of the Developer as are specifically assigned to it. Any such assignment may be made on a non-exclusive basis. Reference in this Declaration to Fleming Island-MLC, Inc. as the Developer of the Property is not intended and shall not be construed, to impose upon Fleming Island-MLC, Inc.. any obligations, legal or otherwise, for the acts or omissions of third parties who purchase lots or parcels within the Property from Fleming Island-MLC, Inc. and develop and resell the same.

Section 2.7 **DRI**. The Development Order for Fleming Island as enacted by the Board of County Commissioners of Clay County, Florida by Ordinance Nos. 88-49, 98-12, and 98-26 as the same may be amended from time to time.

Section 2.8 **Fleming Island Declaration**. The Declaration of Covenants and Restrictions for Fleming Island Plantation recorded in Official Records Book 1834, at page 819 of the public records of Clay County, Florida, as amended and supplemented from time to time.

Section 2.9 **Limited Common Area**. The Limited Common Area of a Lot shall consist of the portion of the Property between the front Lot line and the nearest edge of the paved road surface (as it may exists from time to time) and between the rear Lot line and the nearest shore line of any lake contiguous to or within twenty (20) feet of the Lot, within the area bounded by the extension of the side Lot lines, together with any portion of the Property contiguous to a Lot which, as a result of the natural configuration of the Property, is primarily of benefit to such Lot. Any question concerning the boundary of a limited common area shall be determined by the Board of Directors of the Association.

Section 2.10 **Master Association**. Fleming Island Plantation Owner's Association, Inc., a Florida not-for-profit corporation.

Section 2.11 **Lot**. Any platted Lot or any other parcel of real property located within the Property, on which one or more residential dwellings have been or could be constructed.

Section 2.12 **Owner**. The record owner or owners of any Lot.

Section 2.13 **Property or Subdivision**. The real property described on the attached Exhibit A and such additions and deletions thereto as may be made in accordance with the provisions of Sections 3.2 and 3.3 of this Declaration.

Section 2.14 **PUD**. Planned Unit Development control number Z99-23 as enacted by the Board of County Commissioners of Clay County, Florida, as the same may be amended from time to time.

Section 2.15 **Surface Water or Stormwater Management System**. A system which is designed and constructed or implemented within the Property to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 4OC-4, 4OC-40, or 4OC-42, F.A.C. or regulations of similar import.

ARTICLE III
PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS AND DELETIONS

Section 3.1 **No Implied Extension of Covenants**. Each Owner and each tenant of any improvements constructed on any Lot, by becoming an Owner or tenant, shall be deemed to have agreed that (a) the Property described on Exhibit A and such additional property as may be annexed pursuant to Section 3.2 hereof shall be the only Property subject to this Declaration, (b) that nothing contained in this Declaration or in any recorded or unrecorded plat, map, picture, drawing, brochure or other representation of a scheme of development, shall be construed as subjecting, or requiring the Developer to subject any other property now or hereafter owned by the Developer to this Declaration, and (c) that the only manner in which additional land may be subjected to this Declaration is by the procedure set forth in Section 3.2 hereof.

Section 3.2 **Additional Lands**. Developer may, but shall not be obligated to, subject additional land to this Declaration (or to the assessment provisions of this Declaration) from time to time provided only that (a) any additional land subjected to this Declaration (or its assessment provisions) shall be contiguous to the Property then subject to this Declaration (for purposes of this Section 3.2, property separated only by public or private roads, water bodies, golf courses, or open space shall be deemed contiguous), and (b) the Owners of property within additional lands made subject to this Declaration (or its assessment provisions) shall be and become subject

to this Declaration (or its assessment provisions), and shall be responsible for their pro rata share of common expenses for which assessments may be levied pursuant to the terms of Article VIII of the Declaration. Addition of lands to this Declaration shall be made and evidenced by filing in the public records of Clay County, Florida, a Supplementary Declaration executed by the Developer with respect to the lands to be added. Developer reserves the right to supplement this Declaration to add land to the scheme of this Declaration (or its assessment provisions) pursuant to the foregoing provisions without the consent or joinder of any Owner or mortgagee of land within the Property.

Section 3.3 **Withdrawal of Lands**. With the consent and joinder of Owners holding a majority of the votes in the Association, the Developer may, but shall have no obligation to, withdraw at any time, or from time to time, portions of the Property from the terms and effect of this Declaration. Upon the Developer's request, the consent and joinder of each and every Owner to such withdrawal shall not be unreasonably withheld. The withdrawal of lands as aforesaid shall be made and evidenced by filing in the public records of Clay County, Florida, a Supplementary Declaration executed by the Developer with respect to the lands to be withdrawn.

ARTICLE IV
THE ASSOCIATION

Section 4.1 **Membership**. Each Owner, including the Developer (at all times so long as it owns any part of the Property), shall be a member of the Association, provided that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot.

Section 4.2 **Classes and Voting**. The Association shall have two classes of membership:

(a) **Class A Members**. The Class A Members shall be all Owners, with the exception of the Developer, who shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members of the Association. However, the vote for any such Lot shall be exercised as the Owner's thereof shall determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) **Class B Members**. The Class B Member shall be the Developer who shall be entitled to three (3) votes for each Lot owned by the Developer. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

(i) When the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership;

(ii) On December 31, 2004;

(iii) Three (3) months after ninety percent (90%) of the Lots have been conveyed to members of the Association other than the Developer; or

(iv) Such earlier date as the Developer may choose to terminate the Class B Membership upon notice to the Association.

ARTICLE V
THE MASTER ASSOCIATION

Section 5.1 **Membership**. Upon acceptance of a deed to a Lot, each Owner becomes a member of the Master Association. The Master Association, acting through its Board of Directors, shall have the powers, rights and duties with respect to the Property as set forth in the Fleming Island Declaration and the Articles of Incorporation and Bylaws of the Master Association, including without limitation, the right to levy assessments against each of the Owners. For purposes of the Fleming Island Declaration, the Property shall be considered a Village, as such term is defined in the Master Declaration.

Section 5.2 **Lien Rights**. The Master Association is entitled to a lien upon each Lot for any unpaid assessments due under the Fleming Island Declaration.

Section 5.3 **Priority of Declaration**. In the event of any conflict between the terms of and provisions of this Declaration and the Master Declaration, the terms and provisions of this Declaration shall control in all respects.

ARTICLE VI
COMMON AREA RIGHTS

Section 6.1 **Conveyance of Common Area**. Developer agrees that all of the Common Area and Community Common Area owned by Developer shall be conveyed or assigned to the Association, the CDD, or the Master Association, as applicable, subject to covenants, easements, restrictions and other matters of record, before the date which is ninety (90) days following the conveyance of the last Lot owned by the Developer to any third party. Upon the recordation of any deed or deeds so conveying Common Area or the Community Common Area, the Association, the CDD or the Master Association, as applicable, shall be conclusively deemed to have accepted the respective conveyances evidenced by such deed or deeds.

Section 6.2 **Owners' Easement of Enjoyment**. Each Owner shall have a right and easement of enjoyment in and to the Common Area and Community Common Area for its intended purpose, which shall be appurtenant to, and shall pass with, the title to the land of such Owner, subject to the following:

(a) The right of the owner of the Common Area, with the consent of the Developer (if different from such owner) and Owners holding not less than sixty-seven percent (67%) of the total votes of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility; or to mortgage the Common Area;

(b) All provisions of this Declaration, the Fleming Island Declaration, any plat of all or any parts of the Property, and all governmental restrictions, including the provisions of the PUD;

(c) Reasonable rules and regulations governing use and enjoyment of the Common Area or the Community Common Area adopted by the Developer, the Association, or the Master Association, as applicable;

(d) The rights reserved under Section 6.3 hereof to add to or withdraw land from the Common Area or Community Common Area;

(e) The rights of access to the Community Common Area by persons who are not members of the Association, which are created by Section 12.4 hereof.

(f) Easements, restrictions, agreements and other matters of record.

The foregoing easement of enjoyment in favor of the Owners shall not be construed to create or imply any other easements or rights not expressly created by this Declaration, it being the intent hereof to limit the Owners' rights of use of specific portions of the Common Area and Community Common Area to only the intended purposes of such portions of the Common Area and Community Common Area.

Section 6.3 **Right of the Developer to Designate or Withdraw Property as Common Area or Community Common Area**. Notwithstanding anything to the contrary contained in this Declaration, the Developer shall have the right, in its sole discretion, to designate land, easements, use rights and personal property owned by the Developer as Common Area or Community Common Area, provided only that such land shall be located within the Property or contiguous to the Property (for purposes of this Section 6.3, property separated only by public or private roads, water bodies, golf courses, or open space shall be deemed contiguous). For so long as the Developer shall own any Lot, the Developer may, at any time, withdraw, or cause to be withdrawn, land owned by the Developer from the Common Area in the Developer's sole discretion, or with the consent of the Master Association, from the Community Common Area. The prior sentence notwithstanding, in the event such withdrawal of Common Area or Community Common Area shall materially and adversely affect any Lot, or materially and adversely affect access, visibility, or drainage to or from any Lot, the Developer shall not have the right to withdraw such Common Area or Community Common Area without the consent and joinder of the Owner of the Lot which is so affected. Addition of land to and withdrawal of land from the Common Area or Community Common Area shall be evidenced by recording a Supplementary Declaration in the public records of Clay County, Florida, which shall specifically reference such addition or withdrawal. Withdrawal of land from the Common Area or Community Common Area shall terminate any and all easements and rights of use of the Owners or any other parties in such land. No land owned by the Developer shall be deemed to be Common Area or Community Common Area unless such land is expressly referenced as such under Sections 2.4 or 2.5 hereof, or subsequently designated as such by the Developer pursuant to Sections 2.4 or 2.5 hereof and this Section 6.3, even if the Developer consents or acquiesces to the use of such land by the Owners. In the event any land, easements, use rights, or personal

property owned by the Association or Master Association shall be withdrawn from the Common Area or Community Common Area pursuant to this Section 6.3, upon the Developer's written request, the Association or Master Association shall promptly execute and deliver to the Developer any and all deeds, bills of sale, assignments or other conveyance documents as may be necessary or appropriate to effectuate the withdrawal of such Common Area or Community Common Area.

Section 6.4 **Maintenance of Common Area and Surface Water or Stormwater Management System and Compliance with Applicable Permits**. The Association shall at all times maintain in good repair and manage, operate and insure, and shall replace as often as necessary, the Common Area and any improvements and landscaping (except utilities owned and maintained by public or private utility companies providing water, sewer, electrical, fire protection, cable television, telephone, or similar utilities to the Property, or any portion thereof) situated on the Common Area, if any. The Association shall conduct all such maintenance in accordance with all permit requirements and conditions contained in applicable dredge fill, consumptive use, surface water permits, or any other applicable permits issued by the United States Army Corps of Engineers ("ACOE"), Florida Department of Environmental Protection ("FDEP"), St. Johns River Water Management District ("SJRWMD"), and Clay County, Florida and all statutes, rules, regulations and requirements pertaining to surface water management, drainage and water quality promulgated by the SJRWMD, the FDEP, and all other local, state and federal authorities having jurisdiction. The CDD shall be responsible for the maintenance, operation and repair of the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the system to provide drainage, water storage, conveyance of other surface water, or stormwater management capabilities as permitted by the SJRWMD. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted, or if modified, as approved by the SJRWMD. All maintenance obligations of the Association shall be performed as ordered by the Board of Directors of the Association, and all or any portion of the cost of such maintenance incurred by the Association pursuant to this Section 6.4, shall be a common expense of the Association to be collected and paid in the manner prescribed by this Declaration.

Section 6.5 **Easement for Maintenance Purposes**. The Developer hereby grants to the Association, the Master Association, the CDD and their respective successors, assigns, agents, and contractors, an easement in, on, over and upon those portions of the Property as may be reasonably necessary for the purpose of maintaining the Common Area, the Community Common Area and the Surface Water or Storm Water Management System. The easement granted hereby shall not be exercised by any party in a manner which unreasonably interferes with the use, occupancy, or enjoyment of any improved portion of the Property. Further, in the event that any portion of the Property shall be damaged or altered in any way as the result of the exercise of the easement rights granted hereby, such portions of the Property shall be immediately restored to the condition that existed immediately prior to such damage or alteration by the party exercising such rights.

ARTICLE VII
ARCHITECTURAL CONTROL

Section 7.1 **Architectural Review and Approval**. Except for the initial construction of residential dwellings and related structures, landscaping, and other improvements ("Initial Construction"), no landscaping, improvement or structure of any kind, including without limitation, any building, fence, wall, screen enclosure, sewer, drain, disposal system, landscape device or object, driveway or other improvement shall be commenced, erected, placed or maintained upon any Lot, nor shall any addition, change or alteration therein or thereof be made, unless and until the plans, specifications and location of the same have been submitted to, and approved in writing by the Association. All plans and specifications shall be evaluated as to visual and acoustical privacy and as to the harmony of external design and location in relation to surrounding structures, topography, existing trees and other natural vegetation and as to specific conformance with architectural criteria which may be imposed from time to time by the Developer or the Association. It shall be the burden of each Owner to supply two (2) sets of completed plans and specifications to the Architectural Review Board ("ARB"), and no plan or specification shall be deemed approved unless a written approval is granted by the ARB to the Owner submitting same. The ARB shall approve or disapprove plans and specifications properly submitted within thirty (30) days of each submission. Any change or modification to an approved plan shall not be deemed approved unless a written approval is granted by the ARB to the Owner submitting same.

Section 7.2 **Architectural Review Board**. The architectural review and control functions of the Association shall be administered and performed by the ARB, which shall consist of three (3) or five (5) members who need not be members of the Association. The Board of Directors of the Association shall have the right to appoint all of the members of the ARB. A majority of the ARB shall constitute a quorum to transact business at any meeting of the ARB, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the ARB. Any vacancy occurring on the ARB because of death, resignation, or other termination of service of any member thereof shall be filled by the Board of Directors.

Section 7.3 **Powers and Duties of the ARB**. The ARB shall have the following powers and duties:

(a) To recommend amendments to the architectural criteria to the Board at such time as the Board shall have the right to adopt or amend architectural criteria for the Property. For so long as the Developer shall be entitled to elect or appoint a majority of the members of the Board, only the Developer shall have the right to promulgate, amend, eliminate, or replace architectural criteria applicable to architectural review to be conducted by the Association. At such time as members of the Association shall elect a majority of the members of the Board, such architectural criteria shall be promulgated, amended, eliminated, or replaced by the Board. Any amendment of the architectural criteria shall be consistent with the provisions of this Declaration. Notice of any amendment to the architectural criteria, which shall include a verbatim copy of such amendment, shall be delivered to each member of the Association. The delivery to each member of the Association of notice and a copy of any amendment to the architectural criteria shall not, however, constitute a condition precedent to the effectiveness or validity of such

amendment. It shall not be necessary for the architectural criteria, or any amendment thereto, to be recorded.

(b) To require submission to the ARB of two (2) complete sets of all plans and specifications for any improvement or structure of any kind requiring review and approval of the ARB pursuant to this Article VII. The ARB may also require submission of samples of building materials proposed for use on any Lot, and such additional information as reasonably may be necessary for the ARB to completely evaluate the proposed structure or improvement in accordance with this Declaration and applicable architectural criteria.

(c) To approve or disapprove in accordance with the provisions of this Article VII, any improvements or structures of any kind (other than Initial Construction), or any change or modification thereto, the construction, erection, performance or placement of which is proposed upon any Lot, and to approve or disapprove any exterior additions, changes, modifications or alterations therein or thereon. All decisions of the ARB may, but need not be evidenced by a certificate in recordable form executed under seal by the President or any Vice President of the Association. Any party aggrieved by a decision of the ARB shall have the right to make a written request to the Board, within thirty (30) days of such decision, for a review thereof. The determination of the Board upon review of any such decision shall be dispositive.

(d) To adopt a schedule of reasonable fees for processing requests for ARB approval of proposed improvements. Such fees, if any, shall be payable to the Association, in cash, at the time that plans and specifications are submitted to the ARB.

Section 7.4 **Compensation of ARB**. The Board may, at its option, pay reasonable compensation to any or all members of the ARB.

Section 7.5 **Review of Initial Construction by Developer**. No Initial Construction shall be commenced upon any Lot unless and until the plans, specifications and location of the same have been submitted to, and approved by, the Developer in writing. All plans and specifications shall be evaluated as to visual and acoustical privacy, as to harmony of external design and location in relation to surrounding structures, if any, topography, existing trees and other natural vegetation, and as to consistency with this Declaration and architectural criteria made applicable to Initial Construction by the Developer from time to time.

Section 7.6 **Variance**. The Developer and the ARB may authorize variances from compliance with any architectural provisions this Declaration or applicable architectural criteria when circumstances such as topography, natural obstructions, hardships, or aesthetic or environmental considerations require same. Such a variance must be evidenced by a document signed by an authorized representative of the Developer or ARB, as applicable. If such a variance was granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matters for which the variance was granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Lot and particular provisions of this Declaration or applicable architectural criteria covered by the variance, nor shall it effect in any way an Owner's obligation to comply with all governmental

laws and regulations, including but not limited to, zoning ordinances and setback lines or requirements imposed by any governmental or municipal authority.

Section 7.7 **Exclusivity**. Notwithstanding any provision of the Fleming Island Declaration to the contrary, the rights of architectural review reserved to the Developer and the Association by this Article VII shall constitute the sole and exclusive rights of architectural review within the Subdivision, and neither the Master Association nor any other party shall have any right of architectural review with respect to the Subdivision.

Section 7.8 **Limited Liability**. In connection with all reviews, acceptances, inspections, permissions, consents or required approvals by or from the Developer, the ARB, or the Association as contemplated by this Article VII, neither the Developer, the ARB, nor the Association shall be liable to an Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or such other person and arising out of or in any way related to the subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted or withheld by the Developer, the ARB, or the Association.

ARTICLE VIII
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 8.1 **Creation of the Lien and Personal Obligation of Assessments**. Each Owner of a Lot within the Property hereby covenants, and by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association any annual assessments, and any special assessments established and collected as hereinafter provided. All such assessments, together with interest thereon from the due date at the highest lawful rate and costs of collection thereof (including reasonable attorneys' fees), shall be a charge and continuing lien upon each Lot against which each such assessment is made, and shall also be the personal obligation of each Owner. No Owner may avoid liability for the assessments by waiver of rights to use, or by non-use of, the Common Areas or by abandonment.

Section 8.2 **Purpose of Assessments**.

8.2.1 The annual assessments levied by the Association shall be used for the purposes of management and accounting fees, taxes, insurance, and utility charges relating to the Common Area, to fund the obligations of the Association set forth in Section 6.4 hereof, and for all other purposes reasonably contemplated by this Declaration, the Articles, the Bylaws, or any cost sharing or similar agreement to which the Association is or may become a party. Further, such annual assessments may be levied to fund reasonable reserves for deferred maintenance of, or non-recurring expenses related to, the Common Area. Assessments collected by the Association to fund reserves shall be separately accounted for, it being the requirement of this Declaration that such funds shall be used exclusively for deferred maintenance of, or non-recurring expenses related to, the Common Area.

8.2.2 The Board of Directors may levy special assessments for any purpose relating to permissible or required activities of the Association pursuant to this Declaration, the Articles, or the Bylaws. Any funds collected pursuant to such a special assessment shall be used solely for the purpose or purposes identified by the Board of Directors at the time such special assessment is levied.

Section 8.3 **Calculation and Collection of Assessments**. Annual assessments shall be established by the Board of Directors based upon an annual budget. Owners of Lots shall pay a pro rata share of annual and special assessments which shall be allocated among the Owners in an equal amount per Lot. The assessment obligations of each Owner other than the Developer shall commence upon the recordation of this Declaration in the current public records of Clay County, Florida. Annual assessments shall be collectable in advance on a periodic basis established by the Board of Directors from time to time, which periodic basis shall not be less frequent than annually. Special assessments shall be collectible in advance in the manner established by the Board of Directors at the time such special assessments are authorized.

Section 8.4 **Effect of Non-Payment of Assessment: Lien, Personal Obligation, and Remedies of Developer**. The lien of the Association shall be effective from and after recording in the public records of Clay County, Florida, a claim of lien stating the description of the Lot encumbered thereby, the name of the Owner, the amount and the due date. Such claim of lien shall include assessments which are due and payable when the claim of lien is recorded as well as assessments which may accrue thereafter, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as herein provided. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record, and the affected Owner shall pay the cost of such satisfaction. If the assessment is not paid within fifteen (15) days after the due date, the assessment shall bear interest from the due date at the highest lawful rate, and the Association may at any time thereafter bring an action to enforce the lien authorized hereby by appropriate foreclosure proceedings and/or a suit on the personal obligation against the Owner. In the event the Association shall fail to bring such an action for collection of a delinquent assessment within thirty (30) days following receipt of written notice from any Owner demanding that such proceedings be commenced, such Owner shall be authorized to institute such proceedings. There shall be added to the amount of such delinquent assessment the costs of collection incurred by the Association, or such Owner, which shall specifically include without limitation reasonable attorneys' fees for trial and appeal.

Section 8.5 **Subordination of Lien to Mortgages**. The lien of the assessments provided for by this Declaration shall be subordinate to the lien of any bona fide mortgage which is perfected by recording prior to the recording of the claim of lien for any such unpaid assessments. Such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of the affected Lot by deed in lieu of foreclosure, pursuant to a decree of foreclosure, or pursuant to any other proceeding in lieu of foreclosure of such mortgage. No sale or other transfer shall release any Lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessments. A written statement of the Association that the lien is subordinate to a mortgage, shall be dispositive of any question of subordination.

Section 8.6 **CDD**. The CDD shall impose taxes or assessments, or both taxes and assessments, on each of the Lots which shall be payable to a special taxing district. These taxes and assessments fund the construction, operation and maintenance cost of certain public facilities of the CDD (including without limitation, the Surface Water or Stormwater Management System) and are set annually by the governing body of the CDD. These taxes and assessments are in addition to (i) all county and other taxes provided by law; and (ii) all assessments authorized by this Declaration or authorized by the Fleming Island Declaration.

Section 8.7 **Developer's Assessments**. Notwithstanding any provision of this Declaration to the contrary, during the Development Period (as defined below) the Lots and other portions of the Property owned by the Developer shall not be subject to any annual or special assessments levied by the Association or to any lien for such assessments. During the Development Period, the Developer shall pay the balance of the actual operating expenses of the Association (excluding costs of major repairs, deferred maintenance, replacements and reserves) remaining after the levying of and payment of assessments due from Owners other than the Developer pursuant to assessments levied by the Board of Directors pursuant to this Declaration. The Developer shall be obligated to fund such balance only as the expenses are actually incurred by the Association during the Development Period. The Development Period shall begin upon the conveyance of the first Lot in the Property to an Owner other than the Developer and shall continue until (i) the Developer shall notify the Association that it will no longer pay for operating deficits of the Association; or (ii) The Class B membership shall cease and be converted to Class A Membership. Upon termination of the Developer's agreement to pay operating deficits, the Developer shall become obligated to pay assessments on Lots owned by it within the Property on the same basis as other Owners. In no event shall the Developer be obligated to pay for operating deficits of the Association after the Developer no longer owns any Lots within the Property.

ARTICLE IX
EXTERIOR MAINTENANCE ASSESSMENT

Section 9.1 **Exterior Maintenance**. The Association may provide maintenance upon any Lot or Limited Common Area requiring same, when necessary in the opinion of the Association's Board of Directors to preserve the beauty, quality, or value of any or all portions of the Property. Such maintenance shall include but not be limited to painting, roof repair and replacement, repair of gutters, downspouts, and exterior building surfaces, and yard clean-up and yard maintenance. Each affected Owner shall have fifteen (15) days within which to perform the required maintenance after being notified in writing by the Association that such maintenance is necessary before the Association undertakes the maintenance.

Section 9.2 **Assessments of Costs**. The cost of any maintenance undertaken by the Association under the provisions of Section 9.1 shall be assessed against each Lot upon which such maintenance is performed or, in opinion of the Board, benefitting from same. Exterior maintenance assessments shall not be considered a part of the annual or special assessments imposed upon the Property pursuant to Article VIII of this Declaration. Any exterior maintenance assessment shall be a lien upon each Lot assessed and the personal obligation of the Owner of each such Lot and shall become due and payable in all respects, together with interest,

attorneys fees, and costs of collection, as provided for in Sections 8.3 and 8.4, and shall be subordinate to mortgage liens to the extent provided by Section 8.5.

Section 9.3 **Access**. For the purpose of performing the maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after the notice to the Owner provided under Section 9.1, to enter upon any Lot at reasonable hours on any day except Sunday. In the case of emergency repairs, access will be permitted at any time with only such notice as under the circumstances is practically affordable.

ARTICLE X
UTILITY PROVISIONS

Section 10.1 **Water System**. The central water supply system provided for the service of the Property shall be used as sole source of potable water for all water spigots and outlets located within or on all buildings and improvements located on each Lot. Each Owner shall pay water meter charges of the supplier thereof and shall maintain and repair all portions of the water lines serving the Owner's Lot in accordance with the requirements of the applicable utility supplier. No individual potable water supply system or well for consumptive or irrigation purposes shall be permitted on any Lot without the prior written consent of the Association and Clay County, Florida.

Section 10.2 **Sewage System**. The central sewage system provided for the service of the Property shall be used as the sole sewage system for each Lot. Each Owner shall maintain and repair all portions of the sewer lines serving the Owner's Lot in accordance with the requirements of the applicable utility provider, and shall pay when due the periodic charges or rates for the furnishing of such sewage collection and disposal services made by such utility provider. No sewage shall be discharged onto the open ground or into any wetland, lake, pond, park, ravine, drainage ditch or canal or roadway and no septic tank or drain field shall be placed or allowed within the Property.

Section 10.3 **Garbage Collection**.

(a) Garbage, trash and rubbish shall be removed from the Lots only by parties or companies approved by the Association, which approval shall not be unreasonably withheld. Each Owner shall pay when due the periodic charges or rate for such garbage collection service made by the party or company providing the same.

Section 10.4 **Utility Service**. It shall be the responsibility of the Owner or occupant of each Lot to make direct arrangements with the suppliers of electricity, water, sewer, and any other utility services for service to such Lot.

ARTICLE XI
USE RESTRICTIONS

Section 11.1 **Residential Use**. The Lots subject to this Declaration may be used for residential dwellings and for no other purpose except that one or more Lots may be used for

model homes during the development and sale of Lots within the Property or other properties. No business or commercial building may be erected on any Lot and no business may be conducted on any part thereof. No Lot shall be divided, subdivided or reduced in size without the prior written consent of the Developer. Assessments for common expenses attributable to any Lot which may be subdivided pursuant to this Section 11.1 shall be reallocated by the Developer, in its sole discretion, at the time written consent for such subdivision is given by the Developer.

Section 11.2 **Living Area**. Each detached single family residence constructed upon a Lot shall contain a minimum heated and cooled living area set forth as follows:

Lots	Minimum Living Area
Lots 31-39 and 144-152	3,000 square feet
Lots 142,143 and 153	2,700 square feet
Lots 28,29,30,40,41,42,43,102,103, 104,105,140,141,154 and 162-167	2,200 square feet

Single family residences constructed on all other Lots shall contain a minimum of 1,800 square feet of heated and cooled living area.

Section 11.3 **Exterior Building Materials**. All buildings within the Property shall be constructed with exterior masonry walls. All building roofs shall have a minimum pitch of 7/12 and shall be constructed with architectural grade shingles as approved by the Developer or ARB, as applicable.

Section 11.4 **No Detached Buildings**. No garages, tool or storage sheds, tents, trailers, tanks, temporary or accessory buildings or structures shall be erected or permitted to remain on any Lot without the prior written consent of the Developer.

Section 11.5 **Setbacks**.

11.5.1 **Front**. No dwelling shall be erected within twenty (20) feet of any front Lot line.

11.5.2 **Side**. No dwelling shall be erected within five feet (5) of any side Lot line.

11.5.3 **Rear**. No dwelling shall be erected within fifteen (15) feet of any rear Lot line.

Section 11.6 **Easement Areas**. No dwelling shall be erected within any easement area shown on any plat of all or any portion of the Property or within any easement reserved by Section 12.1 of this Declaration.

Section 11.7 **U.S. 17 Building Setback**. There shall be a thirty-five (35) foot building setback from the property boundary adjacent to US 17. Not less than thirty (30) feet of the setback shall be maintained as an undisturbed vegetative buffer.

Section 11.8 **Measurement of Setbacks**. All setbacks shall be measured from the exterior wall of the dwelling to the applicable Lot or parcel boundary.

Section 11.9 **Landscaping**. At the time of construction of a residence on each Lot, landscaping shall be installed on such Lot as stated hereafter.

11.9.1 Maximum utilization of existing trees and shrubs and natural landscaping techniques shall be encouraged. Sodding with St. Augustine or Bermuda grass varieties only will be required as set forth in the architectural criteria established pursuant to Article VII hereof. All portions of Lots and appurtenant Limited Common Areas that are not landscaped or left in a natural wooded state shall be fully irrigated with an underground irrigation system and grassed to the paved roadway and/or lake's edge where applicable.

11.9.2 Each lot shall be landscaped in accordance with the architectural criteria referenced in Article VII hereof.

11.9.3 The use of water wells for irrigation of residences shall not be permitted.

Section 11.10 **Motor Vehicles and Boats**. No boats, recreation vehicles, motor homes or other motor vehicles, except four wheel passenger trucks or automobiles, shall be placed, parked or stored upon any Lot, nor shall any maintenance or repair be performed upon any boat or motor vehicle upon any Lot, except within an enclosed building or within a fully screened area within the rear year of the Lot. Commercial vehicles shall not be parked within the Property within public view on a regular basis. Construction trailers may be parked only with the prior written consent of the Developer and in an area designated by the Developer.

Section 11.11 **Nuisances**. Nothing shall be done or maintained on any Lot which may be or become an annoyance or nuisance to any party. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. If a dispute or question arises as to what may be or become a nuisance, the issue shall be submitted to the Association's Board of Directors, whose decision shall be dispositive of such dispute or question. No immoral, improper or unlawful use shall be made of any portion of the Property and all valid laws, zoning ordinances and regulations of governmental agencies having jurisdiction thereof shall be complied with.

Section 11.12 **Antenna**. The installation of all aerials, antennae or satellite dishes shall be subject to the approval of the ARB in accordance with architectural criteria imposed by the Developer or the Association from time to time and in accordance with all applicable rules and regulations of the Federal Communications Commission or other governmental authorities having jurisdiction.

Section 11.13 **Lakes**. Only the Developer and the Association shall have the right to pump or otherwise remove any water from any lake adjacent to or near to the Subdivision for the purpose of irrigation or other use, or to place any refuse in such lake or lakes. The Developer and the Association shall have the sole and absolute right (but no obligation) to control the water level of such lake or lakes and to control the growth and eradication of plants, fowl,

reptiles, animals, fish and fungi in or on any such lake. No gas or diesel driven boat shall be permitted to be operated on any lake. Lots which now or may hereafter be adjacent to or include a portion of a lake (the "lake parcels") shall be maintained with such grass, planting or other lateral support as is necessary to prevent erosion of the embankment adjacent to the lake, and the height, grade and contour of the embankment shall not be changed without the prior written consent of the Association. Further, all shoreline vegetation, including cattails and the like, shall be maintained and controlled by the Owner of any lake parcel pursuant to the requirements of Section 11.20 hereof. If the Owner of any lake parcel fails to maintain the embankment or shoreline vegetation as part of its landscape maintenance obligations in accordance with the foregoing, the Association shall have the right, but no obligation, to enter upon any such lake parcel to perform such maintenance work which may be reasonably required, all at the expense of the Owner of such lake parcel pursuant to the provisions of Article IX of this Declaration. Title to any lake parcel shall not include ownership of any riparian rights associated therewith. No docks, bulkheads or other structures shall be constructed on such embankments unless and until same shall have been approved by the Developer. The Association shall have the right to adopt reasonable rules and regulations from time to time in connection with use of the surface waters of any lake adjacent to or nearby the Subdivision. The Association shall have the right to deny such use to any person who in the opinion of the Association may create or participate in the disturbance or nuisance on any part of the surface waters of any such lake. The use of the surface waters of any such lake shall be subject to rights granted to other persons pursuant to the rules and regulations of the Association.

WITH RESPECT TO WATER QUALITY, WATER LEVELS, WILDLIFE AND LAKE BANKS, SLOPES AND LAKE BOTTOMS, ALL PERSONS ARE REFERRED TO SECTION 15.10 HEREOF.

Section 11.14 **Insurance and Casualty Damages**. Each Owner shall be required to obtain and maintain in force and effect a policy of fire and other casualty insurance with coverage adequate to cover the full replacement cost of the dwelling and other improvements located on the Owner's Lot. In the event of damage or destruction by fire or other casualty to the improvements on any Lot, the Owner shall commence reconstruction of the improvements within six (6) months from date of casualty and shall repair or rebuild such damaged or destroyed improvements in a good workmanlike manner, within a reasonable time not to exceed one year and in accordance with the provisions of this Declaration. The improvements shall be reconstructed in accordance with the original plans and specifications including color scheme, placement on Lot and materials. All debris must be removed immediately and the Lot shall be restored to an orderly condition within a reasonable time not to exceed sixty (60) days from the date of such damage or destruction.

Section 11.15 **Trees**. Trees shall be preserved and/or planted on each Lot in the manner required by the Fleming Island Tree Protection Criteria, as the same shall be established pursuant to the DRI from time to time.

Section 11.16 **Artificial Vegetation**. No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot, unless approved by the ARB.

Section 11.17 **Signs**. No sign of any kind shall be displayed to the public view on any Lot except as may be approved as to size and design and in accordance with criteria established by the Association.

Section 11.18 **Lighting**. No lighting shall be permitted which alters the residential character of the Subdivision.

Section 11.19 **Animals**. No more than three (3) domestic animals shall be kept on any Lot. Dogs, Cats and other permitted pets shall be kept under control by each Owner at all times and all dogs leashed when outside the boundaries of the Owner's Lot. Animals shall be kept for the pleasure of Owners only and not for any commercial or breeding use or purposes, (a maximum of three domestic animals shall be allowed). If, in the discretion of the Board, any animal shall become dangerous or an annoyance or a nuisance to other Owners, or destructive of wildlife or property, such animal may not thereafter be kept on a Lot. Further, in the event any group of animals shall collectively become dangerous or an annoyance or nuisance to other Owners, or destructive to wildlife or property, the Board shall have the right to require the applicable Owner to reduce the number of animals kept on the Lot, or to take such other remedial action as the Board shall specify.

Section 11.20 **Maintenance of Lots and Limited Common Areas**. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot or Limited Common Area, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere within the Property. All Lots and all portions of the Property and any improvements placed thereon, shall at all times be maintained in a neat and attractive condition and landscaping shall be maintained in a neat, attractive and orderly manner, including maintenance of grass, plants, plant beds, trees, turf, proper irrigation and lake edge maintenance, all in a manner with such frequency as is consistent with good property management. In order to implement effective control, the Association, its agents and assigns, shall have the right to enter upon any Lot for the purpose of mowing, pruning, removing, clearing, or cutting underbrush, weeds or other unsightly growth and trash which in the opinion of the Board distracts from the overall beauty and safety of the property in accordance with the provisions of Article IX hereof. During construction upon any Lot, any and all vehicles involved in the construction or delivery of materials and supplies to the site shall enter and exit the site only over the driveway or driveway subsurface and shall not park on any roadway or any Property other than the Lot on which construction is proceeding. During construction of the dwelling or other improvements, the Owner will be required to maintain his Lot in a clean condition, providing for trash and rubbish receptacles and disposal. Construction debris shall not be permitted to remain upon any Lot for more than thirty (30) days.

Section 11.21 **Fences**. Except as approved by the Developer as part of Initial Construction, or as subsequently approved by the ARB, no fence, wall or other barrier shall be constructed upon any Lot or any other portion of the Property.

Section 11.22 **Maintenance of Driveways**. Each Lot Owner shall be responsible for maintenance of the driveway serving his Lot.

Section 11.23 **Window Air Conditioning**. No window air conditioning units shall be installed on any building within the Subdivision.

Section 11.24 **Compliance with Laws**. All Owners and other occupants of the Property shall at all times comply with the terms of the DRI, the PUD, and all environmental, land use, marketing and consumer protection ordinances, statutes, regulations, and permits applicable to the Property or to any improvements constructed thereon.

Section 11.25 **Platting and Additional Restrictions**. The Developer shall be entitled at any time, and from time to time, to plat or replat all or any part of the Property owned by it, and to file any covenants and restrictions, or amendments to this Declaration, with respect to any undeveloped portion or portions of the Property owned by the Developer.

Section 11.26 **Mailboxes**. All mailboxes shall be constructed in accordance with one or more standard designs which shall be approved by the Developer or the ARB from time to time.

Section 11.27 **Jurisdictional Areas and Permits**. THE PROPERTY HAS BEEN OR WILL BE DEVELOPED IN ACCORDANCE WITH REQUIREMENTS OF PERMIT NUMBER 1997-07801 (IP-J) ISSUED BY THE ACOE (THE "PERMIT"). THE PERMIT IS OR WILL BE OWNED BY THE ASSOCIATION AND THE ASSOCIATION HAS THE OBLIGATION TO ASSURE THAT ALL TERMS AND CONDITIONS THEREOF ARE ENFORCED. THE ASSOCIATION SHALL HAVE THE RIGHT TO BRING AN ACTION, AT LAW OR IN EQUITY, AGAINST ANY OWNER VIOLATING ANY PROVISION OF THE PERMIT.

FURTHER, ANY OWNER OWNING A LOT WHICH CONTAINS OR IS ADJACENT TO JURISDICTIONAL WETLANDS OR CONSERVATION AREAS AS ESTABLISHED BY THE JURISDICTIONAL WETLANDS OR CONSERVATION AREAS AS ESTABLISHED BY THE ACOE OR SJRWMD OR BY ANY APPLICABLE CONSERVATION EASEMENT SHALL BY ACCEPTANCE OF TITLE TO THE LOT, BE DEEMED TO HAVE ASSUMED THE OBLIGATION TO COMPLY WITH THE REQUIREMENTS OF THE PERMITS AS THE SAME RELATE TO SUCH OWNER'S LOT AND SHALL AGREE TO MAINTAIN SUCH JURISDICTIONAL WETLANDS AND CONSERVATION AREAS IN THE CONDITION REQUIRED UNDER THE PERMITS. IN THE EVENT THAT AN OWNER VIOLATES THE TERMS AND CONDITIONS OF THE PERMITS AND FOR ANY REASON THE DEVELOPER, THE ASSOCIATION, THE MASTER ASSOCIATION, OR THE CDD ARE CITED THEREFORE, THE OWNER AGREES TO INDEMNIFY AND HOLD EACH OF SAID PARTIES HARMLESS FROM ALL COSTS ARISING IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION ALL COST AND ATTORNEYS' FEES, AS WELL AS ALL COSTS OF CURING SUCH VIOLATION. NO PERSON SHALL ALTER THE DRAINAGE FLOW OF THE SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM OR ANY PORTION OF THE JURISDICTIONAL WETLANDS OR CONSERVATION AREAS, INCLUDING WITHOUT LIMITATION, ANY BUFFER AREAS, SWALES, TREATMENT BERMS OR SWALES, WITHOUT THE PRIOR WRITTEN APPROVAL OF THE SJRWMD OR ACOE, AS APPLICABLE.

ARTICLE XII
RIGHTS AND EASEMENTS GRANTED BY DEVELOPER

Section 12.1 **Easement for Ingress and Egress**. All Owners and their guests, invitees, agents and employees, and all delivery, pickup and fire protection services, police, and other authorities of the law, United States mail carriers, representatives of the utilities authorized by the Association to serve the Property, holders of mortgage liens on any portion of the Property and such other persons as the Developer or the Association may designate from time to time, shall have and are hereby granted the non-exclusive and perpetual right of vehicular and pedestrian ingress and egress over and across all paved areas located within the real property more particularly described on Exhibit F attached hereto and made a part hereof (the "Roadways"). To the extent that additional lands are made subject to this Declaration pursuant to Section 3.2 hereof, the easement granted hereby may be expanded to include additional roadways by specific reference thereto contained in one or more Supplementary Declarations referenced in Section 3.2 hereof.

Section 12.2 **Rights to Restrict Access**. Notwithstanding the provisions of this Declaration to the contrary, the Developer and the Association shall have the unrestricted and absolute right to deny ingress to any person who, in the opinion of the Developer or the Board, may create or participate in a disturbance or nuisance on any part of the Property or on any land owned by the Developer which is adjacent to or near the Property. The Developer and the Association shall have the right, but no obligation, from time to time to control and regulate all types of traffic on the Roadways referenced in this Article XII including the right to prohibit use of the Roadways by traffic or vehicles (including and without limitation, motorcycles and "go carts") which in the sole opinion of the Developer or the Board would or might result in damage to the Roadways or pavement or other improvements, or create a nuisance for the residents, and the right, but no obligation, to control and prohibit parking on all or any part of such Roadways. The Developer and the Association shall have the right, but no obligation, to remove or require the removal of any fence, wall, hedge, shrub, bush, tree or other things natural or artificial, placed on or located on any portion of the Property, if the location of the same will in the sole judgment and opinion of the Developer or the Board, obstruct the vision of a motorist upon any of the Roadways referenced in this Article XII. In the event and to the extent that the Roadways or easements over and across the Roadways for ingress and egress shall be dedicated to or otherwise acquired by the public, the preceding provisions of this Section 12.2 thereafter shall be of no further force or effect.

Section 12.3 **Rights of Developer to Alter Roadways**. Developer and its successors and assigns shall have the sole and absolute right at any time, with the consent of the Clay County, Florida or the governing body of any municipality or other governmental body or agency then having jurisdiction over the Property, to dedicate to the public all or any part of the Roadways and all or any part of the easements reserved herein or on any plat of any portion of the Property. In addition, Developer shall have the right to redesignate, relocate or terminate any of the easement areas described in Sections 12.1 and 12.2 without the consent or joinder of any party so long as no Lot is denied reasonable access to a public dedicated street or highway by such redesignation, relocation or closure.

Section 12.4 **Community Common Area**. All residents of the CDD, and their guests and invitees, shall have and are hereby granted a non-exclusive and perpetual right of pedestrian ingress and egress over all portions of the Community Common Property. To the extent that additional lands are made subject to this Declaration pursuant to Section 2.2 hereof, the easement granted hereby shall be expanded to include any additional Community Common Property located within such additional lands by specific reference thereto contained in one or more Supplementary Declarations as referenced in Sections 3.2 and 6.3 hereof.

ARTICLE XIII
RIGHTS AND EASEMENTS RESERVED BY DEVELOPER

Section 13.1 **Easements for Ingress, Egress, Utilities and Drainage**. The Developer reserves for itself, its successors, assigns and designees, a right-of-way and perpetual, nonexclusive easement for ingress and egress and to erect, maintain and use electric, telephone and street lighting poles, wires, cables and conduits, and storm sewers, sanitary sewers, water mains and lines, and drainage ways and structures, or other public conveniences or utilities, on, in and over, (i) any portion of the Common Area; (ii) any area designated as an easement, private street or right-of-way area on any plat of all or any portion of the Property; and (iii) a strip of land within each Lot ten feet in width along the front, rear and sides of each Lot.

Section 13.2 **Drainage Flow**. Drainage flow shall not be obstructed or diverted from drainage easements. The Developer or the Association may, but shall not be required to, cut drainways for surface water wherever and whenever such action may appear to be necessary to maintain reasonable aesthetic standards relative to the Property and surrounding properties. These easements include the right to cut any trees, bushes or shrubbery, make any grading of the land, or to take any other reasonable action necessary to install utilities and to maintain reasonable aesthetic standards, but shall not include the right to disturb any permanent improvements erected upon a Lot which are not located within the specific easement area designated on the plat or reserved in this Declaration. Except as provided herein, existing drainage shall not be altered so as to divert the flow of water onto an adjacent Lot or into sanitary sewer lines.

Section 13.3 **Future Easements**. Developer reserves the right to impose further restrictions and to grant or dedicate additional easements and rights of way on any Lots within the Property owned by Developer. In addition, Developer hereby expressly reserves the right to grant easements and rights-of-way over, under and through the Common Area so long as Developer shall own any portion of the Property. The easements granted by Developer shall not materially or adversely affect any improvements or unreasonably interfere with the enjoyment of the Common Area.

Section 13.4 **Cable Television and Gas**. Developer reserves for itself, and its successors and assigns, an exclusive easement for the installation, maintenance and supply of radio and television cables and natural or propane gas mains and lines within the rights of way and easement areas depicted upon any plat of any portion of the Property or within any easement reserved by this Declaration.

Section 13.5 **Easements for Maintenance Purposes**. The Developer reserves for itself, the Association, and their respective agents, employees, successors or assigns, easements, in, on, over and upon each Lot and the Common Area as may be reasonably necessary for the purpose of preserving, maintaining or improving roadways, landscaped areas, wetland areas, lakes, ponds, hammocks, wildlife preserves or other areas, the maintenance of which may be required to be performed by the Developer or the Association.

Section 13.6 **Developer Rights Re: Temporary Structures, Etc.** Developer reserves the right for itself, it successors, assigns, nominees and grantees, to erect and maintain such temporary dwellings, model houses and/or other structures upon Lots owned by the Developer, which it may deem advisable for development purposes and to do all acts reasonably necessary in connection with the construction and sale of improvements located on the Lots within the Subdivision. Nothing contained in this Declaration shall be construed to restrict the foregoing rights of Developer.

ARTICLE XIV
MORTGAGEE PROTECTION

Section 14.1 **Rights of Mortgagees**. The following provisions are hereby made for the benefit of parties holding first mortgages that encumber any Lot or other portion of the Property ("Mortgagees"). To the extent that said provisions conflict with any other provisions of this Declaration, the following provisions shall control:

(a) The Association shall be required to make available to all Owners and Mortgagees, and to insurers and guarantors of any first mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of this Declaration (with all amendments) and the Association's Articles of Incorporation, Bylaws, architectural criteria, rules and regulations and the books and records of the Association. Furthermore, such persons shall be entitled, upon written request, to (i) receive a copy of the Association's financial statement for the immediately preceding fiscal year, (ii) receive notices of and attend the Association meetings, (iii) receive notice from the Association of an alleged default by an Owner in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation or the Bylaws of the Association, which default is not cured within thirty (30) days after the Association learns of such default, and (iv) receive notice of any substantial damage or loss to the Common Areas or Community Common Areas.

(b) Any holder, insurer or guarantor of a mortgage encumbering a Lot shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Common Areas or Community Common Areas, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot, (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, (iv) any amendment to this Declaration, the Association's Articles of Incorporation, Bylaws, architectural criteria or rules and regulations; and (v) notice of any extraordinary action taken by the Association.

ARTICLE XV
GENERAL PROVISIONS

Section 15.1 **Remedies for Violations**.

15.1.1 If any Owner or other person shall violate or attempt to violate any of the covenants or restrictions herein set forth, it shall be lawful for the Association, the Developer, or any Owner (i) to prosecute proceedings at law for the recovery of damages against those so violating or attempting to violate any such covenant; or (ii) to maintain any proceeding against those so violating or attempting to violate any such covenant for the purpose of preventing or enjoining all or any such violations, including mandatory injunctions requiring compliance with the provisions of this Declaration. The ACOE and the SJRWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System and/or jurisdictional wetlands or conservation areas subject to the control of the ACOE or the SJRWMD. In the event litigation shall be brought by any party to enforce any provisions of this Declaration, the prevailing party in such proceedings shall be entitled to recover from the non-prevailing party or parties, reasonable attorneys fees for pre-trial preparation, trial, and appellate proceedings. The remedies in this section shall be construed as cumulative of all other remedies now or hereafter provided or made available elsewhere in this Declaration, or by law.

15.1.2 In addition to all other remedies, and to the maximum extent allowed by law, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, lessees, invitees or employees, to comply with any covenant or restriction herein contained, or rule of the Association, provided the following procedures are adhered to:

(a) For a first violation, the Association shall warn the Owner of the alleged infraction in writing.

(b) For a subsequent violation, the Association shall provide the Owner with a notice of its intent to impose a fine for such violation. Included in the notice shall be the date and time of a meeting of a committee appointed by the Board of Directors (the "Rules Enforcement Committee") at which time the Owner shall present argument as to why a fine should not be imposed. At least fourteen (14) days prior notice of such meeting shall be given.

(c) At the meeting, the alleged infractions shall be presented to the Rules Enforcement Committee, after which the Committee shall receive evidence and hear argument as to why a fine should not be imposed. A written decision of the Rules Enforcement Committee shall be submitted to the Owner not later than thirty (30) days after the Board of Directors meeting. At the meeting, the Owner shall have the right to be represented by counsel and to cross-examine witnesses.

(d) The Rules Enforcement Committee, by majority vote, may impose a fine not to exceed the maximum amount allowed by law from time to time.

(e) Fines shall be paid not later than five (5) days after notice of the imposition or assessment thereof.

(f) The payment of fines shall be secured by one or more liens encumbering the Lot or Lots owned by the offending Owner. Such fines and liens may be collected an enforced in the same manner as regular and special assessments are collected and enforced pursuant to Article VIII hereof.

(g) All monies received from fines shall be allocated as directed by the Board of Directors.

(h) The imposition of fines shall not be construed to be an exclusive remedy, and shall exist in addition to all other rights and remedies to which the Association or any Owner may be otherwise legally entitled; provided, however, any fine paid by an offending Owner shall be deducted from or offset against any damages which may be otherwise recoverable from such Owner.

(i) The Rules Enforcement Committee shall be comprised of not less than three (3) members who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee.

Section 15.2 **Severability**. Invalidation of any of the provisions of this Declaration by judgment or court order shall not affect or modify any of the other provisions, which shall remain in full force and effect.

Section 15.3 **Additional Restrictions**. No Owner, without the prior written consent of the Developer, may impose any additional covenants or restrictions on any part of the Property, but the Developer may include in any contract or deed hereafter made and covering all or any part of the Property, any additional covenants or restrictions applicable to the Property so covered which are not inconsistent with and which do not lower standards established by this Declaration.

Section 15.4 **Titles**. The addition of titles to the various sections of this Declaration are for convenience and identification only and the use of such titles shall not be construed to limit, enlarge, change, or otherwise modify any of the provisions hereof, each and all of which shall be construed as if not entitled.

Section 15.5 **Termination or Amendment**. The covenants, restrictions, easements and other matters set forth herein shall run with the title to the Property and be binding upon each Owner, the Developer, the Association, and their respective successors and assigns for a period of fifty (50) years, and shall be automatically renewed for successive ten (10) year periods unless terminated as herein provided. The Owners holding two-thirds (2/3) or more of the total votes of the Association may alter, amend or terminate these covenants provided however, that so long as the Developer owns any land within the Property, no such termination or amendment shall be effective without the written consent and joinder of the Developer. Further, until such time as the Developer shall not own any lands subject to this Declaration, the Developer shall have the unilateral right to amend this Declaration without the consent or joinder of any other party in any

manner which does not materially and adversely affect the value of any Lot or other building parcel located within the Property. Any amendment to the Declaration which amends the responsibilities or obligations of the parties with respect to the ACOE Permit, must have prior written approval of the ACOE. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the Permits must be assigned to and accepted by an entity approved by the ACOE. Any amendment to this Declaration shall be executed by the Association and Developer, if applicable, and shall be recorded in the Public records of Clay County, Florida. For so long as there is a Class B membership, any material amendments to this Declaration, or extraordinary actions of the Association shall require the approval of HUD and VA, provided that HUD or VA has guaranteed one or more loans secured by any Lot or Lots within the Property.

Section 15.6 **Assignment of Permit Responsibilities and Indemnification**. In connection with the platting and development of the Property, the Developer assumed certain obligations in connection ACOE Permit. The Developer hereby assigns to the Association, and the Association shall be solely responsible for, all of the Developer's obligations and responsibilities for compliance with the ACOE Permit. Subsequent to the termination of the Class B Membership, the Association shall indemnify, defend and hold the Developer harmless from all suits, actions, damages, liability and expenses in connection with loss of life, bodily or personal injury or property damage, or any other damage arising from or out of an occurrence in, upon, at or resulting from the operation or maintenance of the Surface Walter or Stormwater Management System, occasioned wholly or in part by any act or omission of the Association or its agents, contractors, employees, servants or licensees.

Section 15.7 **Conflict or Ambiguity in Documents**. To the extent of any conflict, ambiguity, or inconsistency between this Declaration, the Articles, or the Bylaws, the terms of this Declaration shall control both the Articles and Bylaws.

Section 15.8 **Usage**. Whenever used, the singular shall include the plural and the singular, and the use of any gender shall include all genders.

Section 15.9 **Effective Date**. This Declaration shall become effective upon its recordation in the public records of Clay County, Florida.

Section 15.10 **Disclaimers as to Water Bodies**. NEITHER THE DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUB-CONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY ADJACENT TO OR WITHIN THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO

HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS, POISONOUS SNAKES, AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ALL PERSONS ARE HEREBY NOTIFIED THAT LAKE BANKS AND SLOPES WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT OR OTHER PORTION OF THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ANY AND ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY LAKE BANKS, SLOPES, OR LAKE BOTTOMS LOCATED THEREIN.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed under seal this 30th day of November, 1999.

Signed, sealed and delivered
in the presence of:

Elsa B. Murphy

Elsa B. Murphy

Patsy A. Hite

Patsy A. Hite

FLEMING ISLAND-MLC, INC.,
a Florida corporation

By: Mitchell R. Montgomery

Mitchell R. Montgomery, President

STATE OF FLORIDA)
)SS
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 30th day of November, 1999, by Mitchell R. Montgomery, the President of **FLEMING ISLAND-MLC, INC.**, a Florida corporation, on behalf of the corporation.

Elsa B. Murphy

Elsa B. Murphy
NOTARY PUBLIC, State of Florida at Large
Commission # CC 709167
My Commission Expires: 2/9/02
Personally Known ✓
or Produced I.D. _____
[check one of the above]

OFFICIAL SEAL
ELSA B. MURPHY
Notary Public - State of FLorida
Commission No. CC 709167
My Commission Expires Feb. 9, 2002

Type of Identification Produced

_____

CONSENT AND JOINDER

FLEMING ISLAND PLANTATION OWNERS ASSOCIATION, INC., a Florida nonprofit ("Master Association") and **CENTEX HOMES**, a Nevada general partnership ("Master Developer") hereby consent to and join in the Declaration of Covenants and Restrictions for Margaret's Walk to which this Consent and Joinder is attached.

Signed, Sealed and Delivered
in the presence of:

Meredith Hines
Print Name: Meredith Hines

Candice Paulsen
Print Name: Candice Paulsen

FLEMING ISLAND PLANTATION OWNERS ASSOCIATION, INC., a Florida corporation

By: Clinton F. Smith
Print Name: Clinton F. Smith
Title: VICE PRESIDENT

Candice Paulsen
Print Name: Candice Paulsen

Angela Gould
Print Name: Angela Gould

CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada corporation, as general partner

By: Douglas W Smith
Print Name: Douglas W Smith
Title: Division President

00024410.WPD.
352.98105

STATE OF FLORIDA }
}SS
COUNTY OF Duval }

The foregoing instrument was acknowledged before me this 10th day of December, 1999 by Clinton F. Smith, the Vice President of **FLEMING ISLAND PLANTATION OWNERS ASSOCIATION, INC.**, a Florida nonprofit corporation, on behalf of the corporation.

TODD WHITE
MY COMMISSION # CC 779503
EXPIRES: September 29, 2002
Bonded Thru Notary Public Underwriters

Todd White
(Print Name TODD WHITE)
NOTARY PUBLIC
State of _____ at Large
Commission # _____
My Commission Expires:
Personally known ✓
or Produced I.D. _____
[check one of the above]

Type of Identification Produced
_____

STATE OF FLORIDA }
}SS
COUNTY OF Duval }

The foregoing instrument was acknowledged before me this 2nd day of December, 1999 by Douglas W. Smith, the Division President of Centex Real Estate Corporation, a Nevada corporation, as general partner of **CENTEX HOMES**, a Nevada general partnership, on behalf of the partnership.

Sharon D. Gipson
MY COMMISSION # CC713466 EXPIRES
February 3, 2002
BONDED THRU TROY FAIN INSURANCE, INC.

Sharon D. Gipson
(Print Name SHARON D. GIPSON)
NOTARY PUBLIC
State of FLORIDA at Large
Commission # CC713466
My Commission Expires: 2/3/02
Personally known ✓
or Produced I.D. _____
[check one of the above]

Type of Identification Produced
_____

CONSENT AND JOINDER

AMERICAN HOMEBUILDERS, INC., a Florida corporation hereby consents to and joins in the Declaration of Covenants and Restrictions for Margaret's Walk to which this Consent and Joinder is attached.

AMERICAN HOMEBUILDERS, INC.
a Florida corporation

Signed and Sealed in
Our Presence

Ellen F Sigler
(Print Name) ELLEN F SIGLER

By: Craig Scott
Craig Scott, President

Crissy H. Shaw
(Print Name) Crissy H. Shaw

STATE OF FLORIDA }

COUNTY OF DUVAL }

The foregoing instrument was acknowledged before me this 26th day of August, 1999, by Craig Scott, President of American Homebuilders, Inc., a Florida corporation, on behalf of the corporation.

Ellen F Sigler
(Print Name)
NOTARY PUBLIC
State of Florida at Large
Commission #
My Commission Expires:
Personally Known ✓
or Produced I.D.
[check one of the above]
Type of Identification Produced

ELLEN F. SIGLER
NOTARY PUBLIC - STATE OF FLORIDA
My Commission Exp.: 09/22/2000
Comm#: CC583684

Consent&Joinder.MW

CONSENT AND JOINDER

C. RICHARD DOBSON BUILDERS, INC., a Virginia corporation hereby consents to and joins in the Declaration of Covenants and Restrictions for Margaret's Walk to which this Consent and Joinder is attached.

C. RICHARD DOBSON BULDERS, INC.
a Virginia corporation

Signed and Sealed in
Our Presence

Malonie Ayers
(Print Name) MALONIE AYERS

By: Edward Woodland
Edward Woodland, Vice President

Tracy West
(Print Name) TRACY WEST

STATE OF FLORIDA }

COUNTY OF DUVAL }

The foregoing instrument was acknowledged before me this 23rd day of September, 1999, by Edward Woodland, Vice President of C. Richard Dobson Builders, Inc., a Virginia corporation, on behalf of the corporation.

Marsha L Kehrt
(Print Name) MARSHA L. KEHRT
NOTARY PUBLIC
State of Florida at Large
Commission # 794557
My Commission Expires: 12-3-02
Personally Known ✓
or Produced I.D. _____
[check one of the above]
Type of Identification Produced
_____

STATE OF FLORIDA NOTARY PUBLIC
MARSHA L. KEHRT
My Comm Exp. 12/3/2002
No. CC 794557
[✓] Personally Known [ ] Other I.D.

C:\DOCUMENT\Consent&Joinder.MW.doc

Consent&Joinder.MW

EXHIBIT A

"Property"

All of Margaret's Walk at Fleming Island according to the plat thereof recorded in Plat Book 34, pages 44 through 57 of the current public records of Clay County, Florida.

EXHIBIT B

ARTICLES OF INCORPORATION
OF
MARGARET'S WALK HOMEOWNERS ASSOCIATION, INC.
(a corporation not-for-profit)

I. NAME AND DEFINITIONS.

The name of this corporation shall be Margaret's Walk Homeowners Association, Inc. All defined terms contained in these Articles shall have the same meanings as such terms are defined by the Declaration of Covenants and Restrictions for Margaret's Walk to be recorded in the current public records of Clay County, Florida (the "Declaration").

II. PRINCIPAL OFFICE AND MAILING ADDRESS.

The location of the corporation's principal office and its mailing address shall be 9440 Phillips Highway - Suite 9, Jacksonville, Florida 32256, or at such other place as may be established by resolution of the Association's Board of Directors from time to time.

III. PURPOSES.

The general nature, objects and purposes of the Association are:

A. To promote matters of common interest and concern of the Owners of property within Margaret's Walk.

B. To own, maintain, repair and replace the Common Area, including without limitation the streets, street lights, landscaping, structures, and other improvements located thereon, for which the obligation to maintain and repair has been delegated to and accepted by the Association.

D. To cooperate with other associations responsible for administration of adjacent or contiguous properties in matters of common interest to the Association and such other associations and to contribute to such common maintenance interests whether within or without the Property.

E. To provide, purchase, acquire, replace, improve, maintain, operate and repair such buildings, structures, landscaping, paving and equipment, and to provide such other services for the benefit of the members of the Association, as the Board of Directors in its discretion determines necessary, appropriate, and/or convenient.

F. To operate without profit for the sole and exclusive benefit of its Members.

G. To perform all of the functions contemplated for the Association and undertaken by the Board of Directors pursuant to the terms and conditions of the Declaration.

IV. **GENERAL POWERS.**

The general powers that the Association shall have are as follows:

A. To hold funds solely and exclusively for the benefit of the Members for purposes set forth in these Articles of Incorporation.

B. To promulgate and enforce rules, regulations, bylaws, covenants, restrictions and agreements to effectuate the purposes for which the Association is organized.

C. To delegate power or powers where such is deemed in the interest of the Association.

D. To purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of real or personal property, to enter into, make, perform or carry out contracts of every kind with any person, firm, corporation or association; to do any and all acts necessary or expedient for carrying on any and all of the activities and pursuing any and all of the objects and purposes set forth in the Declaration and these Articles of Incorporation and not forbidden by the laws of the State of Florida.

E. To fix assessments to be levied against all or any portion of the Property to defray expenses and costs of effectuating the objects and purposes of the Association and to create reasonable reserves for such expenditures, and to authorize its Board of Directors to enter into agreements with other property owner's associations or maintenance entities for the collection of such assessments. The foregoing shall include the power to levy and collect adequate assessments against the Members for the costs of maintenance and operation of the Surface Water or Stormwater Management System. Such assessments shall be used for the maintenance and repair of the Surface Water or Stormwater Management System, including but not limited to, work within retention areas, drainage structures and drainage easements.

F. To charge recipients for services rendered by the Association and the users of the Association property where such is deemed appropriate by the Board of Directors of the Association and permitted by the Declaration.

G. To pay taxes and other charges, if any, on or against property owned, accepted, or maintained by the Association.

H. To borrow money and, from time to time, to make, accept, endorse, execute and issue debentures, promissory notes or other obligations of the Association for monies borrowed, or in payment for property acquired, or for any of the other purposes of the Association, and to secure the payment of such obligations by mortgage, pledge, or other instrument of trust, or by lien upon, assignment of or agreement in regard to all or any part of the property rights or privileges of the Association wherever situated.

I. To merge with any other association which may perform similar functions located within the same general vicinity of the Property.

J. In general, to have all powers conferred upon a corporation by the laws of the State of Florida, except as prohibited herein and by the terms and conditions set forth in the Declaration.

V. MEMBERS.

The Members ("Members") shall consist of the Developer, and all other Owners of Lots located within the Property. Membership in the Association is appurtenant to, and inseparable from, ownership of a Lot.

VI. VOTING AND ASSESSMENTS.

A. The Association shall have two classes of voting membership as follows:

1. Class A Membership. The Class A Members shall be all Owners, with the exception of the Developer, and shall be entitled to one (1) vote for each Lot owned.

2. Class B Membership. The Class B Member shall be the Developer who shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

(i) When the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership;

(ii) On December 31, 2004;

(iii) Three (3) months after ninety percent (90%) of the Lots have been conveyed to members of the Association other than the Developer; or

(iv) Such earlier date as the Developer may choose to terminate the Class B Membership upon notice to the Association.

B. When one or more persons or entities holds an interest or interests in any Lot or other portion of the Property, all such persons shall be Members, and the vote(s) for such portions of the Property shall be exercised as they among themselves shall determine. The votes for any Lot, or other portion of the Property cannot be divided for any issue and must be voted as a whole, except where otherwise required under the provisions of these Articles, the Declaration, or by law. The affirmative vote of a majority of the votes allocated to the Members cast at any meeting of the Members duly called at which a quorum is present, or cast by written ballot by a quorum of the membership, shall be binding upon the Members and the Association.

C. The Association will obtain funds with which to operate by assessment of its Members in accordance with the provisions of the Declaration, as supplemented by the provisions of the Articles and Bylaws of the Association relating thereto.

VII. **BOARD OF DIRECTORS.**

A. The affairs of the Association shall be managed by a Board of Directors consisting of three (3) Directors. Directors need not be members of the Association and need not be residents of the State of Florida. For so long as the Class B Membership shall exist, the Developer shall have the right to appoint two (2) of the Directors and there shall be one (1) Director elected by the Members of the Association other than the Developer.

B. Elections shall be by plurality vote. At the first annual election of the Board of Directors, the terms of office of the elected Director shall be established at one (1) year. The Developer shall appoint two (2) Directors to serve for terms of two (2) years each. Thereafter, as many Directors shall be elected and appointed, as the case may be, as there are regular terms of office of Directors expiring at such time; and the term of each Director so elected or appointed at each annual election shall be for two (2) years expiring at the second annual election following their election, and thereafter until their successors are duly elected and qualified, or until removed from office with or without cause by the affirmative vote of a majority of the Members which elected or appointed them. In no event can a Board member appointed by the Developer be removed except by action of the Developer. Any Director appointed by the Developer shall serve at the pleasure of the Developer, and may be removed from office, and a successor Director may be appointed, at any time by the Developer.

C. The names and addresses of the members of the first Board of Directors who shall hold office until the first annual meeting of the Members and until their successors are elected or appointed and have qualified, are as follows:

Mitchell R. Montgomery
9440 Phillips Highway - Suite 9
Jacksonville, Florida 32256

Patsy A. Hite
9440 Phillips Highway - Suite 9
Jacksonville, Florida 32256

Royce C. Gandy
9440 Phillips Highway - Suite 9
Jacksonville, Florida 32256

VIII. **OFFICERS.**

A. The Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create. Any two (2) or more offices, may be held by the same person except the offices of President and Secretary. Officers shall be elected for one (1) year terms in accordance with the procedure set forth in the Bylaws. The names of the officers who are to manage the affairs of the Association until the first annual meeting of the Members and until their successors are duly elected and qualified are:

President	Mitchell R. Montgomery
Vice President	Royce C. Gandy
Treasurer	Patsy A. Hite
Secretary	Patsy A. Hite

IX. **CORPORATE EXISTENCE.**

The Association shall have perpetual existence. These Articles shall become effective upon filing as prescribed by law.

X. **BYLAWS.**

The Board of Directors shall adopt Bylaws consistent with these Articles. Such Bylaws may be altered, amended, or repealed by resolution of the Board of Directors.

XI. **AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS.**

These Articles may be altered, amended or repealed upon the affirmative vote of Members holding not less than two-thirds (2/3) of the total votes allocated to the Members pursuant to these Articles.

XII. **INCORPORATOR.**

The name and address of the Incorporator is as follows:

Mitchell R. Montgomery
9440 Phillips Highway - Suite 9
Jacksonville, Florida 32256

XIII. **INDEMNIFICATION OF OFFICERS AND DIRECTORS.**

A. To the extent allowed by law, the Association hereby indemnifies any Director or officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:

1. Whether civil, criminal, administrative, or investigative, other than one by or in the right of the Association to procure a judgment in its favor, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity as a Director or officer of the Association or as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal thereof, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal

actions or proceedings, without reasonable grounds for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interest of the Association or that he had reasonable grounds for belief that such action was unlawful.

2. By or in the right of the Association to procure a judgment in its favor by reason of his being or having been a Director or officer of the Association, or by reason of his being or having been a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against the reasonable expenses including attorneys' fees, actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein if such person acted in good faith in the reasonable belief that such action was in the best interest of the Association. Such person shall not be entitled to indemnification in relation to matters to which such person has been adjudged to have been guilty of gross negligence or misconduct in the performance of his duty to the Association unless, and only to the extent that, the court, administrative agency, or investigative body before which such action, suit or proceeding is held shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

B. The Board of Directors shall determine whether amounts for which a Director or officer seek indemnification were properly incurred and whether such Director or officer acted in good faith in a manner he reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.

C. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law.

XIV. TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED.

A. No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or in which they have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose. All such contracts or transactions shall, however, be fair and reasonable and upon terms reasonably comparable to those which could be obtained in arms-length transactions with unrelated entities. No Director or Officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

B. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

XV. DISSOLUTION OF THE ASSOCIATION.

A. Upon dissolution of the Association, all of its assets remaining after provisions for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

1. Dedication to any applicable municipal or other governmental authority of any property determined by the Board of Directors of the Association to be appropriate for such dedication and which the authority is willing to accept.

2. If no municipal or other governmental authority will accept such dedication, the remaining assets shall be distributed among the Members, subject to the limitation set forth below, each Member's share of the assets to be determined by multiplying such remaining assets by a fraction the numerator of which is all amounts assessed by the Association since its organization against the portion of Property which is owned by the Member at that time, and the denominator of which is the total amount (excluding penalties and interest) assessed by the Association against all properties which at the time of dissolution are part of the Property. The year of dissolution shall count as a whole year for purposes of the preceding fractions.

B. The Association may be dissolved upon a resolution to that effect being approved by a majority of the Board of Directors and by two-thirds (2/3) of the Members. In the event of incorporation by annexation or otherwise, of all or part of the Property by a political subdivision of the State of Florida, the Association may be dissolved in the manner set forth above.

XVI. MERGERS AND CONSOLIDATIONS.

Subject to the provisions of the Declaration applicable to the Property and to the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall be approved in the manner provided by Chapter 617, Florida Statutes as the same may be amended from time to time. For purposes of any vote of the Members required pursuant to said statutes, for so long as the Developer shall own any portion of the Property, any such merger or consolidation shall require the Developer's prior approval.

XVII. HUD/VA APPROVAL.

For so long as the Class B Membership shall exist, the following actions will require the prior approval of the Federal Department of Housing and Urban Development ("HUD") or the Veteran's Administration ("VA"): Annexation of additional properties, mergers and consolidations, mortgaging of the Common Area, dedication of Common Area, dissolution of the Association, and amendment of these Articles of Incorporation.

IN WITNESS WHEREOF, the Incorporator has hereto set his hand and seal this 1st day of September, 19 99.

Signed, sealed and delivered
in the presence of:

Patsy A. Hite

Mitchell R. Montgomery
Incorporator

Maurice Rudolph

STATE OF FLORIDA }
}SS
COUNTY OF CLAY }

The foregoing instrument was acknowledged before me this 1st day of September, 19 99, by Mitchell R. Montgomery, the Incorporator of **MARGARET'S WALK HOMEOWNERS ASSOCIATION, INC.**, on behalf of the corporation.

I Patsy A. Hite
NOTARY PUBLIC
State of Florida at Large
Commission # CC703051
My Commission Expires: 02-17-02

OFFICIAL SEAL
PATSY A. HITE
NOTARY PUBLIC-FLORIDA
COMMISSION NO. CC 703051
MY COMMISSION EXPIRES FEB. 17, 2002

Personally Known XXXX
or Produced I.D. _____
[check one of the above]

Type of Identification Produced

_____

IN COMPLIANCE WITH SECTION 617.0501, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED:

MARGARET'S WALK HOMEOWNERS ASSOCIATION, INC., DESIRING TO ORGANIZE UNDER THE LAWS OF THE STATE OF FLORIDA WITH ITS PRINCIPAL PLACE OF BUSINESS AT 9440 PHILLIPS HIGHWAY - SUITE 9, JACKSONVILLE, FLORIDA 32256, HAS NAMED MITCHELL R. MONTGOMERY, WHOSE ADDRESS IS 9440 PHILLIPS HIGHWAY - SUITE 9, JACKSONVILLE, FLORIDA 32256, AS ITS REGISTERED AGENT TO ACCEPT SERVICE OF PROCESS WITHIN THE STATE OF FLORIDA. SAID REGISTERED AGENT'S ADDRESS IS THE CORPORATION'S REGISTERED OFFICE.

MARGARET'S WALK HOMEOWNERS ASSOCIATION, INC.

By: _____
Mitchell R. Montgomery
Incorporator

Dated: 9/1, 19 99

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE NAMED CORPORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY AGREE TO ACT IN THIS CAPACITY, AND I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES.

_____
Mitchell R. Montgomery
Registered Agent

Dated: 9/1, 19 99

EXHIBIT C

BYLAWS
OF
MARGARET'S WALK HOMEOWNERS ASSOCIATION, INC.

I. DEFINITIONS.

All defined terms contained herein which are defined in the Declaration of Covenants and Restrictions for Margaret's Walk ("Declaration") to be recorded in the public records of Clay County, Florida, and in the Articles of Incorporation of the Association, shall have the same meanings as such terms are defined in the Declaration and Articles of Incorporation.

II. LOCATION OF PRINCIPAL OFFICE.

The office of the Margaret's Walk Homeowners Association, Inc. ("Association") shall be at 9440 Philips Highway - Suite 9, Jacksonville, Florida 32256, or at such other place as may be established by resolution of the Board of Directors of the Association from time to time.

III. VOTING RIGHTS AND ASSESSMENTS.

A. Every person or entity who is a record fee simple owner of a Lot or any other portion of the Property, and the Developer as long as it owns any Property subject to the Declaration, shall be a member of the Association (the "Members") as provided in the Articles of Incorporation of the Association, and shall have the voting rights as set forth in the Articles of Incorporation, provided that any such person or entity who holds such interest only as a security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to, and may not be separated from, ownership of any parcel within the Property.

B. Assessments and installments thereon not paid when due shall bear interest from the date when due until paid at the highest lawful rate and shall result in the suspension of voting privileges during any period of such non-payment.

IV. BOARD OF DIRECTORS.

A. A majority of the Board of Directors of the Association (the "Board") shall constitute a quorum to transact business at any meeting of the Board, and the action of the majority present at a meeting at which a quorum is present shall constitute the action of the Board.

B. Any vacancy occurring on the Board because of death, resignation or other termination of services of any Director, shall be filled by the Board, except that the Developer, to the exclusion of other Members and/or the Board itself, shall fill any vacancy created by the death, resignation, removal or other termination of services of any Director appointed by the Developer. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office and thereafter until his successor shall have been elected or appointed, and qualified.

V. ELECTION OF DIRECTORS.

A. Nominations for the election of Board members (other than Board members appointed by the Developer) shall be made by the Nominating Committee described in Article IX hereof, or upon petition in accordance with Section C. of this Article V. The Nominating Committee shall make as many nominations as it shall in its discretion determine.

B. The Developer shall, within fourteen (14) days of the date set for the annual meeting of the Association, notify the Secretary of the names of the Directors that such Owner is appointing to the Board.

C. Petitions for nominees shall also be accepted if signed by Members representing one-third (1/3) of the total votes held by the Class A Members, and if received by the Secretary of the Association not less than thirty (30) days prior to the date fixed for the annual meeting of the Members. Nominations and notification of the vacancies being filled by the Developer shall be placed on the written ballot referenced in Section D of this Article V.

D. All elections to the Board shall be made on written ballots to be voted at the annual meeting, or in the discretion of the Board, by mail, provided such ballots are mailed to the Members not less than fifteen (15) days prior to the date fixed for the annual meeting. The ballots shall (i) describe the vacancies to be filled by the Class A Members, (ii) set forth the names of those nominated for each such vacancy, and (iii) set forth the names of those appointed to the Board by the Developer. Each Member may cast the number of votes to which such Member is entitled as set forth in the Articles of Incorporation.

E. In order for an election of members of the Board to be valid and binding, the election must occur at a meeting of the Members at which a quorum is present; or if the election is conducted by mail, the Association must receive as of the date established by the Board for receipt of ballots, a number of ballots representing not less than a quorum of the Members.

F. The members of the Board elected or appointed in accordance with the procedures set forth in this Article V shall be deemed elected or appointed as of the date of the annual meeting of the Members.

VI. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

A. The Board of Directors shall have power:

1. To call meetings of the Members.

2. To appoint and remove at its pleasure all officers, agents and employees of the Association; and to prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.

3. To establish, levy and assess, and collect the annual and special assessments necessary to operate the Association and carry on its activities, and to create such reserves as may be deemed appropriate by the Board.

4. To collect assessments on behalf of any other property owners association entitled to establish, levy and collect assessments from the Members of the Association.

5. To appoint committees, adopt and publish rules and regulations governing the use of the Common Areas or any portion thereof and the personal conduct of the Members and their guests thereon, including reasonable admission charges if deemed appropriate.

6. To authorize and cause the Association to enter into contracts for the day-to-day operation of the Association and the discharge of its responsibilities and obligations.

7. To cause the financial records of the Association to be compiled, reviewed, or audited by an independent certified public accountant at such periodic intervals as the Board may determine in its sole discretion.

8. To exercise for the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to Members in the Declaration or the Articles of Incorporation of the Association.

B. It shall be the duty of the Board of Directors:

1. To cause to be kept a complete record of all of its acts and corporate affairs.

2. To supervise all officers, agents and employees of this Association to insure that their duties are properly performed.

3. With reference to assessments of the Association:

(i) To fix the amount of annual assessments against each Class A Member for each annual assessment period at least thirty (30) days in advance of such date or period;

(ii) To prepare and maintain a roster of the Members and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member; and

(iii) To send written notice of each assessment to every Member subject thereto.

VII. DIRECTORS MEETINGS.

A. Regular meetings of the Board shall be held quarterly on such date and at such

time as the Board may establish. Notice of such meetings is hereby waived.

B. Special meetings of the Board shall be held when called by the President or Vice President of the Association or by any two (2) Directors, after not less than three (3) days notice to each Director.

C. Meetings of the Board of Directors shall be open to all Members and notices of meetings shall be posted in a conspicuous place within the Property at least forty-eight (48) hours in advance, except in an emergency. Notice of any meeting of the Board of Directors during which assessments are to be established, shall specifically contain a statement that the assessments shall be considered and a statement of the nature of such assessments.

D. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records of the Association and made a part of the minutes of the meeting.

VIII. **OFFICERS.**

A. The Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as may be determined from time to time by the Board, in accordance with the Articles of Incorporation of the Association. The President shall be a member of the Board, but the other Officers need not be.

B. The Officers of the Association shall be elected by the Board at the annual meeting of the Board, which shall be held immediately following the annual meeting of the Association. New offices may be created and filled at any meeting of the Board. Each Officer shall hold office until his successor shall have been duly elected.

C. A vacancy in any office because of death, resignation, or other termination of service, may be filled by the Board for the unexpired portion of the term.

D. All Officers shall hold office for terms of one (1) year.

E. The President shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

F. The Vice President, or the Vice President so designated by the Board if there is more than one Vice President, shall perform all the duties of the President in his absence. The Vice President(s) shall perform such other acts and duties as may be assigned by the Board.

G. The Secretary shall be ex officio the secretary of the Board, and shall record the votes and keep the minutes of all meetings of the Members and of the Board of Directors in a

book to be kept for that purpose. The Secretary shall keep all records of the Association and shall record in the book kept for that purpose all the names of the Members of the Association together with their addresses as registered by such members.

H. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board, provided however, that a resolution of the Board shall not be necessary for disbursement made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer may, but need not, be a required signatory on checks and notes of the Association.

I. The Treasurer, or his appointed agent, shall keep proper books of account and cause to be prepared at the completion of each fiscal year an annual budget and an annual balance sheet statement, and the budget and balance sheet statement shall be open for inspection upon reasonable request by any Member.

J. With the approval of the Board of Directors, any or all of the Officers of the Association may delegate their respective duties and functions to a licensed and qualified property manager, provided, however, such property manager shall at all times be subject to the supervision and control of the Board of Directors.

IX. COMMITTEES.

A. The standing committees of the Association shall be the Nominating Committee and the Architectural Review Board. The Nominating Committee and Architectural Review Board shall have the duties, authority and functions as described in the Declaration and as elsewhere described in these Bylaws.

B. The Board shall have the power and authority to appoint such other committees as it deems advisable. Any committee appointed by the Board shall consist of a Chairman and two (2) or more other members and shall include a member of the Board. Committee members shall serve at the pleasure of the Board, and shall perform such duties and functions as the Board may direct.

X. BOOKS AND RECORDS.

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association shall at all times maintain the Declaration, Articles of Incorporation, these Bylaws, and any architectural criteria or rules and regulations, and all amendments thereto as a part of its official records. The Association shall retain the minutes of all meetings of the Members and the Board of Directors and all of its budgets and financial records and reports for not less than seven (7) years.

XI. MEETINGS OF MEMBERS.

A. The annual meeting of the Members shall be held prior to April 30th of each year, at such time as the Board may designate, or at such other date and time as may be selected by

the Board.

B. Special meetings of the Members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, by any two or more members of the Board or upon the written request of Members holding a majority of all the votes allocated to the entire Membership.

C. Notice of all meetings of the Members shall be given to the Members by the Secretary. Notice may be given to the Member either personally or by sending a copy of the notice through the mail, postage fully prepaid, to his address appearing on the books of the Association. Each Member shall be responsible for registering his address and telephone number with the Secretary and notice of the meeting shall be mailed to him at such address. Notice of the annual meeting of the Members shall be delivered at least forty-five (45) days in advance. Notice of any other meeting, regular or special, shall be mailed at least thirty (30) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve any action as governed by the Articles of Incorporation or the Declaration in which other notice provisions are provided for, notice shall be given or sent as therein provided.

D. The presence, in person or by proxy, of the Members holding not less than thirty percent (30%) of the total votes in the Association as established by the Articles of Incorporation, shall constitute a quorum of the Membership for any action governed by the Declaration, the Articles of Incorporation, or these Bylaws.

XII. PROXIES.

A. Except for elections of the Board of Directors, at all meetings of the Members, each Member may vote in person or by limited or general proxy.

B. All proxies shall be in writing and shall state the date of the proxy and the date, time and place of the meeting for which the proxy is given, and must be signed by the authorized Member giving the proxy. A proxy shall be effective only for the specific meeting for which it is given, as such meeting may be lawfully adjourned and reconvened from time to time. No proxy shall extend beyond a period of ninety (90) days from the date of the meeting for which it was originally given, and every proxy shall automatically cease upon the sale by the Member of his interest in the Property. All proxies shall be revocable at any time at the pleasure of the Member who executes same, and may include powers of substitution.

C. For elections of the Board of Directors, the Members shall vote in person at a meeting of the Members, or by a written ballot that each Member personally casts.

XIII. SEAL.

The Association shall have a seal in circular form having within its circumference the words: MARGARET'S WALK HOMEOWNERS ASSOCIATION, INC., not for profit, 19___.

XIV. AMENDMENTS.

These Bylaws may be altered, amended or rescinded by majority vote of the Board of Directors at a duly constituted meeting of the Board. Amendments shall be effective on the date of passage by the Board and no amendment need be recorded in the public records of Clay County, Florida. For so long as the Class B Membership shall exist, HUD or VA shall have the right to veto amendments to these Bylaws.

XV. INCONSISTENCIES.

In the event of any inconsistency between the provisions of these Bylaws and the Declaration or Articles of Incorporation, the provisions of the Declaration and Articles of Incorporation shall control.

EXHIBIT D

"Common Area"

Tracts A and B, and Margaret's Walk Road, Sentry Oak Court, Marsh Winds Court, Green Willow Court, Grande Oaks Way, Silver Leaf Way, and Cinnamon Fern Court, according to the plat of Margaret's Walk at Fleming Island recorded in Plat Book 34, pages 44 through 57 of the current public records of Clay County, Florida.

EXHIBIT E

"Master Common Area"

Tracts C, D and E of Margaret's Walk at Fleming Island according to the plat thereof recorded in Plat Book 34 pages 44 through 57 of the current public records of Clay County, Florida.

EXHIBIT F

"Roadways"

Margaret's Walk Road, Sentry Oak Court, Marsh Winds Court, Green Willow Court, Grande Oaks Way, Silver Leaf Way, and Cinnamon Fern Court, according to the plat of Margaret's Walk at Fleming Island recorded in Plat Book 34, pages 44 through 57 of the current public records of Clay County, Florida.