

Prepared by and return to:  
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DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND EASEMENTS  
FOR  
GATELY RIDGE

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THIS DECLARATION is made this 31 day of July, 2005, by Gately Ridge, LLC, a Florida Limited Liability Company, hereinafter referred to as "Developer," who recites and provides:

RECITALS:

- A. Developer is the owner of certain land located in Duval County, Florida, being all of that real property described in the legal description attached hereto as "Exhibit A" which is commonly referred to as "Gately Ridge" (the "Property"). Developer desires to maintain the integrity and beauty of the Property and to assure high quality standards for the enjoyment of the Property.
- B. Developer intends to develop the Property for the purpose of constructing single family dwellings thereon, which dwellings will share certain Common Property (as hereinafter defined) and which will be occupied and maintained as a residential development for the mutual and common advantage of all Owners and occupants thereof, who shall own and occupy the Property subject to the provisions of this Declaration and all other rules and regulations applicable to the Property.
- C. To provide for the preservation, enhancement and maintenance of the Property and the improvements thereon, Developer desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens of this Declaration, each and all of which are for the benefit of the Property and of each Owner of a portion thereof.
- D. To Provide for the efficient management of the Property, Developer deems it desirable to create a non-profit corporation with the power and duty of administering and enforcing the protective covenants, conditions, restrictions and easements, charges and liens hereinafter set forth, including, without limitation, the maintenance and administration of the Common Property and the collection and disbursement of

the Assessments hereinafter created, and to this end, Developer has created or will create Gateley Ridge Homeowners Association, Inc., a Florida not-for-profit corporation, whose membership shall include all Owners of all or any part of the Property.

## DECLARATION

NOW, THEREFORE, Developer declares that the Property shall be held, sold, occupied, and conveyed subject to the following covenants, conditions, restrictions, easements, and limitations, which are for the purpose of protecting the value and desirability of the Property, shall run with the title to the Property, and shall be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, legal representatives, successors and assigns, and shall inure to the benefit of each owner thereof and Developer.

### I. DEFINITIONS

A. Definition of Terms. The following definitions shall apply wherever these capitalized terms appear in this Declaration:

1. "Additional Property" shall mean any property added to the Property by Supplemental Declaration in accordance with Article X hereof, which Additional Property shall then be included within the term "Property."

2. "ARB" means the Architectural Review Board of the Association.

3. "Articles" means the Articles of Incorporation for the Association, as amended from time to time, a copy of which is attached hereto and made a part hereof as Exhibit B.

4. "Assessment" means all types of charges to which a Lot is subject, including, without limitation, Annual Assessments, Special Assessments and Damage/Repair Assessments (as hereinafter defined).

5. "Assessment Charge" means all Assessments currently owed by each Owner, together with any late fees, interest, and costs of collection (including reasonable attorney's fees) when delinquent.

6. "Association" means Gateley Ridge Homeowners Association, Inc., a Florida nonprofit corporation, its successors and assigns, which is responsible for the management and operation of the Property.

7. "Board of Directors" means the Board of Directors of the Association.

8. "Bylaws" means the Bylaws of the Association, as amended from time to time, a copy of which is attached hereto and made a part hereof as Exhibit C.

9. "Common Property" means all of the Property, except the Lots, together with any improvements thereon and all personal property, intended for the common use and enjoyment of the Owners and any areas within the Property serving the Property, which the Association is obligated to maintain, notwithstanding that it may not own the underlying fee simple title to such areas (including, without limitation, the water within the lakes and retention areas, au drainage easements reserved herein and in any plat of the Property and all other portions of the Stormwater Management System, as hereinafter defined). The Common Property to be maintained by the Association shall specifically include, without limitation, rights of way of any publicly dedicated roads, signs, fencing, landscaped entry features (including entry sign, lighting, irrigation, and landscaping), any landscaping not located within a Lot, recreational or open areas dedicated for use by Owners and the Storm Water Management System, including preserved wetlands and uplands. Provided that the foregoing list shall not be deemed to be a representation or warranty that any or the foregoing types of Common Property will be provided. Common Property may also include personal property owned or leased by the Association and intended for use by the Association or common use and enjoyment by the Owners. Developer will endeavor to specifically identify (by recorded legal description, signage, physical boundaries, site plans or other means) the Common Property, but such identification shall not be required in order for a portion of the Property to be deemed Common Property hereunder.

10. "County" means Duval County, Florida.

11. "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements, as it may hereafter be amended and supplemented from time to time.

12. "Developer" means Gately Ridge, LLC, a Florida Limited Liability Company, its successors and assigns, or any successor or assign of all or substantially all of its interests in the development of the Property. Reference in this Declaration to Gately Ridge, LLC as the Developer under this Declaration is not intended and shall not be construed to impose upon it, any obligations, legal or otherwise, for the acts or omissions of third parties who purchase Lots within the Property from Developer, and develop and resell the same. Developer may also be an Owner, for so long as Developer shall be the record owner of any Lot.

13. "Initial Improvements" means the initial, original construction of

Residences and related improvements and the initial landscaping upon the Lots constructed by Developer or those builders specified by Developer.

14. "Lot" means any plot of land intended as a site for a Residence and shown upon any duly recorded subdivision plat of the Property or a parcel of land which is permitted to be improved with a Residence and subjected to this Declaration. References herein to "Lot" shall also include the Residence and all improvements constructed on a Lot, unless specifically set forth to the contrary. In the event that Developer conveys a Lot together with all or part of an adjacent Lot or additional un-platted lands (such combination of Lots and/or lands being hereafter referred to as a "Reconfigured Lot") to one Owner -who constructs only one single family dwelling unit thereon, such Reconfigured Lot shall be deemed to be a Lot subject to one Assessment and entitled to one vote, and except as specifically set forth herein, all references to Lots shall include Reconfigured Lots. Provided, however, if such a Reconfigured Lot is subsequently developed with an additional Residence, it shall be deemed to constitute two Lots, shall be entitled to two votes, and shall be liable for payment of two Assessments.

15. "Member" means a person entitled to membership in the Association, as provided in this Declaration and the Articles.

16. "Mortgage" means any bona fide *first* mortgage encumbering a Lot as security for the repayment of a debt obligation.

17. "Mortgagee" means any bank, savings and loan association, or other recognized institutional lender, any insurer or guarantor of Mortgages and any holder of Mortgages in the secondary market (including, without limitation, the Veteran's Administration, the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association), holding a Mortgage now or hereafter placed upon any Lot, including Developer, or its assignee.

18. "Permits" means all the permits, licenses, and approvals made by the St. Johns River Water Management District, Department of Environmental Protection, Army Corps of Engineers or any other governmental or quasi governmental agency which arise from or in connection with the development of the Property.

19. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including the buyer under a contract for deed. Owners shall not include those having such interest merely as security for the payment or repayment of a debt obligation.

20. "Property" means that certain real property described as such in the Recitals above and such additions thereto as may be added in accordance with the provisions of Article X below.

21. "Residence" means any single family residential dwelling constructed or to be constructed on or within any Lot, together with any permitted appurtenant improvements, including without limitation, driveways, detached buildings, patios, sidewalks, and recreational facilities which have been approved by the ARB or Developer.

22. "Storm Water Management System" means a system which is designed, constructed, or implemented 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, over drainage, environmental degradation and water pollution, or to otherwise affect the quality and quantity of discharge from the system, as permitted pursuant to Chapter 40C-4, 40C-40 or 40C42, Florida Administrative Code.

## II. ASSOCIATION

A. Members. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to each Lot. Membership shall be transferred automatically by conveyance of the title to any Lot, whereupon the membership of the previous Owner shall automatically terminate. Persons or entities which have an interest in any Lot merely as security for the performance of obligation shall not be Members of the Association, and in such case the beneficial Owner shall retain the membership in the Association. Provided that for so long as Developer owns any portion of the Additional Property, the Developer shall also be a member of the Association.

B. Voting Rights. The Association shall have two classes of voting members:

1. Class A. Class A Members shall be all Owners, with the exception of Developer while the Class B Membership exists. Class A Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they shall determine among themselves, but in no event shall more than one vote be cast with respect to any Lot. Notwithstanding the foregoing, if title to any Lot is held by a husband and wife, either spouse may cast the vote for such Lot unless and until a written voting authorization is filed with the Association designating a voting co-owner. When title to a Lot is in a corporation, partnership,

association, trust, or other entity (with the exception of Developer), such entity shall be subject to the applicable rules and regulations contained in the Articles and Bylaws. Provided, however, if any Owner owns a Reconfigured lot, for so long as such Reconfigured Lot is used consistent with the definition of a Reconfigured Lot, the Owner thereof shall have only one vote in Association matters.

2. Class B. The Class B Member shall be Developer and shall be entitled to the sole right to vote in Association matters until the occurrence of the earlier of the following events ("Turnover"):

a. Three (3) months after ninety percent (90%) of the Lots in the Property that will ultimately be operated by the Association have been conveyed to Class A Members;

b. Ten (10) years after recording the Declaration; or

c. Such earlier date as Developer, in its sole discretion, may determine in writing.

After Turnover, the Class A Members may vote to elect the majority of the members of the Board. For the purposes of this Article, builders, contractors or others who purchase a lot for the purpose of constructing improvements thereon for resale shall not be deemed to be Class A Members. After Turnover, for so long as the Developer owns at least five percent (5%) of the Lots within the Property, the Developer may appoint the minority of the Board members or not less than one (1) Director. After Turnover, the Developer will be a Class A Member with respect to Lots which it owns and shall have all rights and obligations of a Class A Member except that it may not cast its votes for the purpose of reacquiring control of the Association or selecting the majority of the Members of the Board.

C. Services. The Association may obtain and pay for the services of any person or entity to manage its affairs to the extent it deems advisable.

### III. OWNER'S RIGHTS AND DUTIES

A. Easement of Enjoyment. Subject to the limitations provided elsewhere in this Declaration, every Owner is granted a nonexclusive right and perpetual easement of enjoyment in and to the Common Property, which easement is appurtenant to and shall pass with the title to every Lot subject to the following:

1. The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure.

2. The right of Developer or the Association to grant easements and rights of way as may be appropriate for the proper development and maintenance of the Property, including, without limitation, Developer's right to reserve easements for itself, its successors and assigns for ingress, egress, drainage, maintenance and utilities over all Common Property.

3. All provisions of this Declaration, any plat of any part of the Property, and the Articles and Bylaws of the Association.

4. The rules and regulations governing the use and enjoyment of the Common Property adopted by the Association.

5. All easements and restrictions of record affecting any part of the Common Property.

B. Delegation of Use. Each Owner may delegate, subject to the Articles, Bylaws, and the Declaration, his right of enjoyment of the Common Property and facilities to the members of his family, his tenants, his guests, invitees, licensees, domestic servants, or contract purchasers who occupy the Lot.

C. Damage or Destruction. In the event any Common Property, facilities, or personal property of the Association or Developer are damaged or destroyed by an Owner or any of his guests, tenants, entities, agents, employees, or family members as a result of negligence or misuse, the Association shall repair the Common Property in a good and workman like manner, in accordance with the original plans and specifications of the Common Property involved, or as the Common Property may have been modified or altered subsequently by the Association. The cost of such repairs shall be the responsibility of that Owner and shall be a Damage/Repair Assessment, payable by the responsible Owner immediately upon receipt of a written invoice or statement.

D. Maintenance. In addition to other specified maintenance required herein, each Owner shall keep all parts of his Lot, including the Residence, clean and free of debris, and in good order and repair at such Owner's cost and expense. Such duties shall include, without limitation, repair or replacement of the roof, windows and doors (including glass or screens), and exterior of the Residence. Each Owner shall also maintain all landscaping on his Lot and any portion of the Property bounded by his front Lot line, the continuation of his side lot lines, and the paved portion of any road adjacent to his Lot and shall maintain the banks of any lake from the water level to such Owner's adjacent property line as more fully set forth in paragraph IV(D).

The foregoing obligations shall include all maintenance, repair or replacement

required because of the occurrence of any fire, wind, vandalism, theft or other casualty. All maintenance and repair shall be performed by each Owner at regular intervals as shall be necessary to keep the Lot and the Residence in an attractive condition and in substantially the same condition and appearance as existed at the time of completion of construction; subject to normal wear and tear that can not be avoided by normal maintenance. Each Owner shall promptly perform any maintenance or repair requested by the Association.

If an Owner fails to maintain his Lot, (including landscaping), his Residence, the adjacent road right-of-way or area between Lot and lake bank in good order and in a clean and attractive manner or to perform any other maintenance required hereunder, the Association, after ten (10) days written notice to the Owner and with the approval of the majority of the Board of Directors, shall have the right to enter upon such Lot to correct, repair, restore, paint, maintain, and landscape any part of such Lot or Residence, or the adjacent portion of the road right-of-way or area between Lot and pond. The cost of such repairs or maintenance shall be a Damage/Repair Assessment, payable by the responsible Owner immediately upon receipt of a written invoice or statement therefor.

#### IV. COMMON PROPERTY AND EASEMENTS

##### A. Common Property.

1. Title. It is the intention of the Developer to convey all Common Property to the Association. Provided however, the Developer shall retain title to the Common Property until such time as it has completed any improvements thereto, and unless Developer sooner conveys such Common Property or any portion thereof to the Association by recorded instrument. Remaining Common Property not deeded to the Association shall be deemed conveyed to the Association, without further act or deed by Developer at such time as Developer no longer owns any of the Property. Notwithstanding the foregoing, no part of the Common Property may be conveyed to any party other than the Association, dedicated to the public (other than the roads and drainage easements as shown on the plat of the Property), mortgaged, or otherwise encumbered without the written consent or vote of seventy five Percent (75%) of the Class A Members and, until Turnover, the prior written consent of the FHA or VA in accordance with BUD regulations, if the FHA or VA is the insurer of any Mortgage encumbering a Lot.

B. Maintenance. It shall be the duty of the Association to manage and maintain the Common Property in a clean, attractive, sanitary and serviceable condition, and in good order and repair subject to all governmental regulations, for the benefit of all Owners. The Association's duties shall commence upon the completion of any improvements upon the Common Property, irrespective of which entity holds title thereto, and shall include the management, operation, maintenance, repair, servicing, replacement, and renewal of all improvements, equipment, and tangible

personal property installed by Developer as a part of the Common Property. The Association shall keep the improvements located on the Common Property, including fixtures and personal property of the Association, insured for the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors. The Association shall also maintain all landscaping on the Common Property, provided, however, that neither Developer nor the Association shall be deemed a guarantor of such landscaping. In addition, the Association shall be responsible for the maintenance, operation and repair of the Stormwater Management System. Without limiting the generality of the foregoing, the Association shall assume all of the Developer's responsibilities to the County and the State and their respective governmental and quasi governmental subdivisions and similar entities with respect to the Common Property and shall indemnify and hold Developer harmless.

C. Utility Easements.

1. Blanket Easement. Developer reserves for itself, its successors and assigns, a nonexclusive, perpetual, alienable blanket easement and right for the benefit of the Property upon, across, over, through, and under the Property for ingress, egress, installation, replacement, repair, use and maintenance of all utility and service lines and service systems, public and private, including, but not limited to, water, sewer, drainage, irrigation systems, telephones, electricity, television cable or communication lines and systems, and police powers and services supplied by the local, state and federal governments. This easement shall in no way affect any other recorded easements on the Property. Upon construction of a Residence on a Lot, the blanket easement reserved herein shall be vacated with respect to any portion of the Lot on which the Residence and other approved improvements are located. In addition, Lots will be subject to an easement to the JEA for electrical lines.

2. Lot Easements. Developer reserves for itself, its successors and assigns, and grants to the Association and its designees, a ten foot (10) Perpetual nonexclusive easement over, under, and across the front of each Lot for the installation, repair and maintenance of utilities, including without limitation water, sewer, electrical and irrigation lines. In the event that the Owner shall construct any Improvements within such easement area specifically reserved on a Lot, and if, in connection with the exercise of the Developer's or the Association's easement rights hereunder, the Developer or the Association is required to remove such Improvements, the repair, replacement or restoration of such Improvements shall be at the cost and expense of the Owner.

3. Cable Television Easements. Developer reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, exclusive, alienable easement and right for the installation, maintenance, and supply of radio and television cables over, under and across the rights of way

and easement areas on any recorded plat of the Property. If the Association elects to enter into a "bulk rate contract" for cable television, cable television service shall be supplied to each Lot and each Owner shall be required to pay all costs in connection therewith.

D. Storm Water Management System.

1. Purpose and Powers of the Association: The Association shall operate, maintain and manage the surface water or stormwater management system(s) in a manner consistent with the St. Johns River Water Management District permit no. 42-031-97943-1 requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or stormwater management system.

The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.

2. Dissolution: In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C 42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

3. Blanket Easement. The plan for the development of the Property includes the construction of a Storm Water Management System, which may include, without limitation, retention lakes, swales, conduits, weirs, pipes, pumps, and berms across the rear of certain Lots and access easements to the Storm Water Management System as shown on the plat. Developer hereby reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, nonexclusive easement over and across all areas of the Storm Water Management System for the drainage of Storm Water from the Property. Portions of the Storm Water Management System are located entirely within Lots. The Association is hereby granted an easement over any Lots which is necessary or convenient for the Association to perform its maintenance obligations hereunder, provided however, such easement shall be released with respect to any portion of the Lots on which an approved Improvement is constructed and located.

4. Maintenance Easement. The Association is granted a perpetual, nonexclusive easement for ingress and egress, at all reasonable times and in a reasonable manner, over and across the Stormwater Management System and over any portion of a Lot which is a part of the Stormwater Management System, or upon which a portion of the Stormwater Management System is located to operate, maintain, and repair the Stormwater Management System as required by the St.

Johns River Water Management District ("District") permit. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any gradings of soil, construct or modify any berms placed along the rear of any Lots as part of the Stormwater Management System, or take any other action reasonably necessary, following which Developer or the Association shall restore the affected property to its original condition as nearly as practicable; provided, however, that Developer or the Association shall not be required to replace or repair fences, walks, structures, landscaping, or other improvements which are removed or damaged. Developer or the Association shall give reasonable notice of its intent to take such action to an affected Owners, unless, in the opinion of Developer or the Association, an emergency exists which precludes such notice. The right granted herein may be exercised at the sole option of Developer or the Association and shall not be construed to obligate Developer or the Association to take any affirmative action in connection therewith. The Owners of Lots adjacent to or containing a portion of the retention areas are granted a perpetual, nonexclusive easement for ingress and egress over and across the Stormwater Management System for the purpose of providing maintenance and erosion control to the embankments of such retention areas.

5. Maintenance. Except as specifically set forth herein to the contrary, the Association shall be responsible for the maintenance, operation, and repair of the Stormwater Management System. Such maintenance shall include the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance, or other capabilities in accordance with all the permits, statutes, rules, and regulations pertaining to surface water management, drainage, and water quality promulgated by the District, Florida Department of Environmental Protection, and all other local, state and federal authorities having jurisdiction. Maintenance of the Stormwater Management System shall mean the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance and other stormwater management capabilities as permitted by the District. The Association shall maintain and control the water level and quality of the Stormwater Management System; the bottoms of any retention lakes or drainage easements which retain or hold stormwater on a regular basis. The Association shall have the power, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish, and fungi in and on any portion of the retention lakes or drainage easements. The Owners of Lots adjacent to or containing any portion of the Stormwater System, the Stormwater Management System shall maintain all shoreline vegetation and the grade and contour of all embankments to the water's edge (as it may rise and fall from time to time) irrespective of ownership of such land, keep the grass, plantings, and other lateral support of the embankments in a clean and safe manner and to prevent erosion and shall remove trash and debris as it may accumulate in the System, from time to time. Maintenance of the Stormwater Management System shall mean the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance or other surface water capabilities as permitted by the District. Any repair or reconstruction of the

Stormwater Management System shall be consistent with the Permit as originally issued or any modification that may be approved by the District. In order to provide adequate assurance that the Stormwater Management System will adequately function, the following maintenance procedures shall be followed:

- a. The Association shall inspect or cause to be inspected all inlets and control structures for vandalism, deterioration or accumulation of sand and debris.
- b. The Association shall assure that all debris or sand shall be removed from the inlets and control structures and any orifice system.
- c. The Association shall inspect and repair or cause to be inspected and repaired all skimmer boards around control structures as necessary.

6. Improvements. No docks, bulkheads, or other structures, permanent or temporary, shall be constructed on, over, or under any portion of the Stormwater Management System without the prior written consent of the Association and the approval of the ARB or Developer, which consent or approval may be withheld for any reason. Any improvements to the Stormwater Management System permitted by the Association and installed by the Owner shall be maintained by such Owner in accordance with the maintenance provisions of this Declaration. Any improvements to the Stormwater Management System may also require the prior written approval of the District. After receiving the approval of the ARB, Owner shall be solely liable for obtaining all governmental permits necessary or convenient to construct such Improvements.

7. Use and Access. Developer and the Association shall have the right to adopt reasonable rules and regulations from time to time in connection with the use of the surface waters of any portion of the Stormwater Management System, and shall have the right to deny such use to any person who, in the opinion of Developer or the Association, may create or participate in a disturbance or nuisance on any part of the Stormwater Management System. The use of such surface waters by the Owners shall be subject to and limited by the rules and regulations of Developer and the Association, all permits issued by governmental authorities, and any rights granted to other persons pursuant to the rules and regulations of Developer and the Association. Only Developer and the Association shall have the right to pump or otherwise remove any water from any part of the Stormwater Management System for purposes of irrigation or any other use. No gas or diesel driven watercraft shall be operated on any portion of the Stormwater Management System, including the retention lakes.

8. LIABILITY. NEITHER DEVELOPER NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR

INVITEES IN CONNECTION WITH THE RETENTION LAKES AND DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DEVELOPER AND THE -ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH. NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES CONTAINED WITHIN OR ADJACENT TO 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 BANKS AND SLOPES WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY THEIR ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT WITHIN THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY LAKE BANKS, SLOPES, OR BOTTOMS.

9. Wetlands, Jurisdictional and Conservation Area. This Declaration is subject to the rights of the State of Florida over any portion of the Property which may be considered wetlands, marshes, sovereignty or jurisdictional lands and Developer has obtained certain Permits to allow the development of the Property, and every Owner shall obtain any permit necessary prior to undertaking any dredging, filling, mowing, improving, landscaping, or removal of plant life existing on his Lot. In the event that an Owner violates the terms and conditions of the Permit, the Association is authorized to enter onto the Lot and cure such violation and such Owner shall be liable for all costs and expenses or remedying any violation and

shall indemnify and hold the Association and Developer harmless from any such costs and expenses, all of which shall be deemed to be a Damage/Repair Assessment.

a. "Conservation Tract." Areas within the community designated as "Conservation Tract" on the recorded plats are areas governed by the terms and conditions of the permits issued by SJRWMD and Army Corp of Engineers. These permits prohibit any construction, filling, removal of earth, cutting of trees or other plants within these areas. It is the responsibility of the Owner, his agents and any entity performing any activity adjacent to these areas to ensure these areas are left undisturbed. Each Owner shall indemnify and hold harmless the Developer and Association from any cost or expense, including legal fees incurred due to any action brought by any governmental agency due to a violation of this provision by the Owner or his agents.

10. Natural Areas/Landscape Buffer. Areas within the community designated as "Natural Areas and/or Landscape Buffer" on the recorded plats are areas to be owned and maintained by the Association for the benefit of the community at large. Any alteration, cutting, under-brushing or any other modification is prohibited without specific written permission from the ARB. Any Owner who alters these areas in any way shall be held to repair and restore the area to the satisfaction of the ARB at the Owners' sole cost and expense or may be fined by the ARB in an amount not to exceed \$25.00 per day. All fines shall be considered a Damage/Repair Assessment as further defined in Article V.

11. Rights of the District. Notwithstanding any other provisions contained elsewhere in this Declaration, the District shall have the rights and powers enumerated in this paragraph. The District 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 Stormwater Management System. Any repair or reconstruction of the Stormwater Management system shall be as permitted, or if modified, as approved by the District. No person shall alter the drainage flow of the Stormwater Management System, including any buffer areas, swales, treatment belms or swales, without the prior written approval of the<sup>1</sup>District. Any amendment to this Declaration which alters the Stormwater Management System, beyond maintenance in its original condition,. including the water management portions of the Common Property, must have prior written approval of the District. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the Stormwater Management System must be assigned to and accepted by an entity approved by the District.

12. Indemnity. Developer may be required to assume certain duties and liabilities for the maintenance of the Stormwater Management System or drainage system within the Property under the plat, permits, or certain agreements with governmental agencies. The Association further agrees that subsequent to the

recording of this Declaration, it shall hold Developer harmless from all suits, actions, damages, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Stormwater Management System occasioned in whole or in part by any action, omission of the Association or its agents, contractor, employees, servants, or licensees but not excluding any liability occasioned wholly or in part by the acts of the Developer, its successors or assigns. Upon completion of construction of the Stormwater Management System or drainage system Developer shall assign all its rights, obligations and duties thereunder to the Association. The Association shall assume all such rights, duties and liabilities and shall indemnify and hold Developer harmless therefrom.

- E. Permits. ANY OWNER OWNING A LOT WHICH CONTAINS OR IS ADJACENT TO JURISDICTIONAL WETLANDS AS ESTABLISHED BY THE ACOE OR DISTRICT, SHALL, BY ACCEPTANCE OF TITLE TO THE LOT, BE DEEMED TO HAVE ASSUMED ALL OBLIGATIONS UNDER ANY PERMITS AS SUCH RELATES TO ITS LOT AND SHALL AGREE TO MAINTAIN SUCH JURISDICTIONAL WETLANDS IN THE CONDITION REQUIRED UNDER THE PERMITS AND TO OTHERWISE COMPLY THEREWITH. IN THE EVENT THAT AN OWNER VIOLATES THE TERMS AND CONDITIONS OF SUCH PERMITS AND FOR ANY REASON THE DEVELOPER IS CITED THEREFOR, THE OWNER AGREES TO INDEMNIFY AND HOLD THE DEVELOPER 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.
- F. Developer's Rights. Developer, its successors and assigns shall have the unrestricted right, without approval or joinder of an other person or entity: (i) to designate the use of, alienate, release, or otherwise assign the easements shown in the plat of the Property or described herein, (ii) to plat or replat all or any part of the Property owned by Developer, and (iii) to widen or extend any right of way shown on any plat of the Property or convert a Lot to use as a right of way, provided that Developer owns the lands affected by such change.
- G. Restrictions on Uses Within Easements. Owners of lots subject to easements shown on any plat of the Property shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under the easement area. The Owners of Lots subject to any easements shall not construct any improvements on the easement areas, alter the flow or drainage, or landscape such areas with hedges, trees, or other landscape items that might interfere with the exercise of the easement rights. Any Owner who constructs any improvements or landscaping on such easement areas shall remove the improvements or landscape items upon written request of Developer, the Association, or the grantee of the easement. In the event that any landscaping within the easements is damaged in connection with the

performance of necessary maintenance by the Association or Developer, the Owner shall be solely liable for any cost or expense of replacement.

V. COVENANTS FOR MAINTENANCE ASSESSMENTS

A. Annual Assessments. For each Lot within the Property, Developer covenants, and each Owner, by acceptance of a deed or other conveyance, agrees to pay Annual Assessments levied by the Association for the improvement, maintenance, and operation of the Common Property, including, without limitation, the maintenance, operation and repair of the Stormwater Management System (including, but not limited to, work within retention areas, drainage structures, and drainage easements), the maintenance and operation of the fire protection system, the management and administration of the Association, and the furnishing of services as set forth in this Declaration. As further hereinafter described, the Board of Directors, by majority vote, shall set the Annual Assessments at a level sufficient to meet the Association's obligations, including contingencies and reserves as the Board may from time to time deem reasonable and necessary. The Board of Directors shall set the date or dates such Annual Assessments shall become due and may provide for collection of Assessments to be payable annually or in monthly, quarterly or semi-annual installments; provided, however, that upon default in the payment of any one or more installments, the entire balance of such Annual Assessment may be accelerated at the option of the Board of Directors, and be declared due and payable in full. Reconfigured Lots, for so long as only one single family Residence is located thereon, shall be subject to a single Annual Assessment.

B. Special Assessments. In addition to the Annual Assessments the Association may levy, by majority vote of the Board of Directors; (a) Special Assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto, provided any such Special Assessment shall have the consent of Owners holding fifty-one percent (51%) of the votes in the Association, other than Developer, voting in person or by proxy at a regular meeting or a special meeting called for that purpose at which a quorum of each membership class is present; (b) Special Neighborhood Assessments against particular Lots and/or Owners for fines as hereinafter set forth and; (c) Special Neighborhood Assessments for Reserves.

C. Damage/Repair Assessments. The Association may, from time to time, levy a Damage/Repair Assessment against a particular Lot and the Owner thereof by a majority vote of the Board of Directors, for the purpose of defraying, in whole or in part, the cost of any repair, maintenance or restoration as provided herein; for the construction, reconstruction, repair, or replacement of a capital improvement upon or serving the specific Lot, including any additional

special services to such Lot, including fines levied by the ARB, the cost of which is not included in the Annual Assessment; or to reimburse the Association for any costs it incurs as a result of the Owner's failure to comply with this Declaration or any damage to the Common Property.

D. Commencement of and Nonpayment of Annual Assessments.

1. Date of Commencement. The Annual Assessments provided for herein shall commence with respect to each Lot on the date of conveyance of the Lot to an Owner who intends to dwell in the Residence other than Developer or a builder constructing the Initial Improvements. During the initial year of ownership, the Owner subject to Assessments shall be responsible for the pro rata share of the Annual or Special Assessment charged to each Lot, prorated to the day of closing on a per them basis.

2. Non-Payment of Assessments: Remedies of the Association.

a. Non-Payment. If any Neighborhood Assessments (or installments thereof) are not paid on the date(s) when due, then the Assessments shall become delinquent and fully due and payable.

b. Creation of Lien. The Assessment Charge is a charge and continuing lien upon each Lot subject to this Declaration. The lien provided for in this Article shall be perfected by the filing of a notice of lien in the public records of the County, in favor of the Association.

c. Owner's Acceptance. The Assessment Charge is also the personal obligation of the person or entity which was the Owner of such Lot at the time when the Assessment was levied, and of each subsequent Owner thereof. Each Owner of a Lot, by acceptance of a deed or other transfer document therefor, whether or not it shall be so expressed in such deed or transfer document, is deemed to covenant and agree to pay to the Association the Assessments established or described in this Article. Each Owner, by his acceptance of title to a Lot, expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of such Assessment Charge as a debt and to enforce the aforesaid by any methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage lien on real property, and such Owner is deemed to have granted to the Association a power of sale in connection with such lien. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of his Lot.

d. Late Fees, Interest. Any Assessments not paid within ten (10) days after the due date shall be subject to a late fee as determined from time to time by the Board of Directors, and may, upon resolution of the Board of Directors, bear

interest at a percentage rate determined by such Directors.

e. Remedies. The Association may bring an action at law against the Owner or Owners personally obligated to pay an Assessment Charge, or may foreclose the lien against the Lot upon which the Assessment Charge is made in the manner provided below. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Lot at such foreclosure sale and to acquire, hold, lease, mortgage and convey the same. In addition, the Board of Directors, by majority vote, shall have the right to assess fines against Owners.

3 Subordination of the Lien to Mortgages. The lien of the Assessment Charge shall be inferior and subordinate to the lien of any Mortgagee, but only to the extent of the Mortgage balance outstanding as of the date the notice of an Assessment Charge was first recorded against the Lot, plus interest and reasonable costs of collection accruing thereafter. The sale or transfer of any Lot shall not affect the Assessment Charge; however, the sale or transfer of any Lot pursuant to foreclosure of a Mortgage or deed in lieu thereof shall extinguish the lien of an Assessment Charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve the transferee of such lot from liability for any Assessments thereafter becoming due or from the lien thereof, nor the Owner responsible for such payments from such Owner's personal liability as provided herein. Mortgagees shall in no event be responsible or liable for the collection of any Assessments. The failure to pay any Assessments shall in no event be deemed to constitute a default under any Mortgage by reason of anything contained in this Declaration, unless otherwise expressly provided in the Mortgage.

4. Budget.

a. Fiscal Year. The fiscal year of the Association shall consist of the twelve (12) month period commencing on January 1 of each year.

b. Initial Budget. Developer shall establish the budget for the fiscal year in which a Lot is first conveyed to an Owner other than Developer or a Builder.

c. Preparation and Approval of Annual Budget. Commencing December 1st of the year in which a Lot is first conveyed to an Owner other than Developer, and on or before December 1 of each year thereafter, the Board of Directors shall adopt a budget for the coming year containing an estimate of the total amount which it considers necessary to pay the cost of all expenses to be incurred by the Association to carry out its responsibilities and obligations, including, without limitations the cost of wages, materials, insurance premiums, services, supplies, and other expenses for the rendering to the Owners of all services required or permitted hereunder. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital for the

Association, and to provide for a general operating reserve and reserves for contingencies and replacements. The Board of Directors shall send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Annual Assessments payable by each Owner, on or before December 15 preceding the fiscal year to which the budget applies. Such budget shall constitute the basis for determining each Owner's Annual Assessment as provided above. The Assessments shall be determined by dividing the amount of the Budget by the number of Lots subject to the Declaration.

d. Reserves. The Association may, in its discretion, maintain such reserves as it deems reasonable or necessary for (i) working capital, (ii) contingencies, (iii) replacements, and (iv) the performance of such other coordinating or discretionary functions not contrary to the terms of this Declaration which the Board of Directors may from time to time approve, which may be collected as part of the Annual Assessment as provided above. The amount and manner of collection of reserves shall be as determined by the Board of Directors, in its sole discretion. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a vote or written consent of the Board of Directors. If the reserves are inadequate for any reason, including nonpayment of any Owner's Assessment, the Board of Directors may, at any time, levy a Special Assessment in accordance with the provisions of this Article, which may be payable in a lump sum or in installments as the Board of Directors may determine. In the event there is a balance of reserves at the end of any fiscal year and the Board of Directors so determines, any excess reserves may be taken into account in establishing the next year's budget and may be applied to defray general expenses incurred thereunder or may be retained as reserves for future expenses.

e. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt an annual budget or adjusted budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his Assessments, as herein provided, whenever the same shall be determined. In the absence of any annual Association budget or adjusted budget, each Owner shall continue to pay the Assessments at the then existing rate established for the previous fiscal period, in the manner such payment was previously due, until notified otherwise.

f. Accounts. Except as otherwise provided herein, all sums collected by the Board of Directors with respect to Assessments against the Owners may be commingled in a single fund.

5. Exempt Property. The following properties subject to this Declaration shall be exempted from the Assessments, Assessment Charges, and liens created herein: (a) all properties dedicated to and accepted by a governmental body, agency or authority; (b) all Common Property and (c) all Lots or Property owned by Developer (including, without limitation, any Lot used or leased by Developer, or by a builder constructing a Residence thereon for sale to third parties, for a model home, construction facility, or other use shall be exempt from payment of Assessments for so long as Developer funds any deficit in the annual budget, which deficit shall be the difference between the actual expenses incurred by the Association and the actual income to the Association from Assessments, capital contributions, and other fees. Developer shall fund such expenses only as they are actually incurred by the Association during the period that Developer is funding the deficit. Developer's obligation to fund any deficits shall terminate at such time as Developer, in its sole discretion, elects to pay the Assessment for each Lot owned by it, or after Turnover, whichever shall first occur. Developer may, but is not obligated to, assign this exemption right to any entity it may determine, including without limitation any builder owning Lots solely for the purpose of construction. Residences intended to be sold to ultimate purchasers. Any such assignment of Developer's exemption shall have no effect on Developer's exemption hereunder.

6. Real Estate Taxes. In the event the Common Property is taxed separately from the Lots, the Association shall include such taxes as part of the Annual Assessment. In the event the Common Property is taxed as a component of the value of the Lot owned by each Owner, it shall be the obligation of such Owner to promptly pay such taxes prior to their becoming a lien on the Property.

7. Certificate of Payment. The Treasurer of the Association, or the management company authorized by the Board of Directors, upon demand of any Owner liable for an Assessment, shall furnish to such Owner a certificate in writing setting forth whether such Assessment has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge for the services involved in preparing such certificate may be assessed by the Association or management company, as applicable.

8. Working Capital Contribution. At Closing, Owners shall make a contribution to the working capital of the Association in the amount of Two Hundred Fifty and No/100 Dollars (\$250.00). The working capital contribution will be placed in the general fund of the Association and may be used to fund deficits in the annual budget.

## VI. ARCHITECTURAL CONTROL

A. Purpose. Except for the Initial Improvements, the Association through

the ARB shall have the right to exercise architectural control over all improvements constructed, erected, or placed upon any part of the Property, to assist-in making the Property a community of high standards and aesthetic beauty. Such architectural control may include all architectural aspects of any such improvement including, without limitation, size, height, site planning, setbacks, exterior design, materials, colors, open space, landscaping, waterscaping, and aesthetic criteria. For so long as Developer owns any Lot, (and irrespective of whether Class B Membership has terminated or Turnover has occurred), Developer shall have the sole right to appoint the members of the ARB. Thereafter, the members of the ARB shall be appointed by the Board of Directors as designated in the Bylaws. If the Board of Directors fails to so appoint the ARB, then the Board of Directors shall constitute the ARB. The Developer shall have the sole right to approve the Initial Improvements on the Property and the rights granted to the ARB hereunder shall only be in effect after the Residence has been completed.

The purpose of this review procedure is solely to promote the aesthetic development of the Property to assure that the Architectural Guidelines as established from time to time are complied with. This review is not intended to be a condition to the issuance of a building permit by the County and the review undertaken by the Developer or the ARB is not to be construed as any quasi governmental action.

B. Construction Subject to Architectural Control.

1. ARB Approval. Except for the Initial Improvements, no construction, modification, alteration, or improvement of any nature whatsoever, except for interior alterations not affecting the external structure or appearance of any Residence, shall be undertaken on any Lot unless and until a plan of such construction, modification, alteration, or improvement shall have been approved in writing by the ARB. Developer solely shall evaluate all plans and specifications for Initial Improvements submitted to it for conformance with the provisions of this Declaration.

2. Improvements Subject to Approval. Construction, modifications and improvements subject to approval by the ARB or Developer, as applicable, specifically include, but are not limited to, painting or other alteration of the exterior appearance of a Residence and appurtenances including garages, storage facilities, bath houses (including doors, windows and roof); installation of antennae, satellite dishes or receivers, solar panels or other devices; construction of docks, fountains, swimming pools, screened enclosures, whirlpools, or other pools, recreational facilities, construction of privacy walls or other fences; addition of awnings, signs (whether located on the Lot or in windows of the Residence), gates, flower boxes,

shelves, statues, or other outdoor ornamentation, patterned or brightly colored window coverings; alteration of the landscaping or topography of the Property, including, without limitation, any cutting or removal of trees, planting or removal of plants, and creation or alteration of lakes or similar features of the Property; and all other modifications, alterations, or improvements visible from any road or other Lots. All of the foregoing are jointly referred to herein as "Proposed Improvements".

3. Procedures.

a. Application. It shall be the responsibility of each Owner to supply two (2) sets of the documents described herein to the ARB, or to Developer for any improvement subject to ARB review. The ARB or Developer, as applicable, shall approve or disapprove the documents properly submitted to it in writing within thirty (30) days of such submission. There may be a review fee levied. If a review fee is charged by the ARB, it shall be non refundable in any event, whether or not the application submitted by an Owner is approved. Any requests shall be deemed disapproved if the ARB or Developer, as applicable, fails to issue a written approval or disapproval, with thirty (30) days of the proper submission of au required documentation. The documents, materials and items to be submitted for approval shall include two (2) sets of the following: (i) the construction plans and specifications, if any, including all proposed landscaping; (ii) an elevation or rendering of all Proposed Improvements, if any, (iii) samples of materials or paint colors and (iv) such other items as the ARB or Developer may deem appropriate.

b. Basis for Decision. Approval shall be granted or denied by the ARB or Developer based upon compliance with the provisions of this Declaration and any guidelines established pursuant thereto, the quality of workmanship and materials, the harmony of external design with its surroundings, the effect of the construction on the appearance from surrounding lots, and all other factors, guidelines and standards promulgated from time to time, including purely aesthetic considerations, which, in the sole opinion of the ARB or Developer, will affect the desirability or suitability of the improvement within its surroundings.

In connection with its approval or disapproval of an application, the ARB or Developer shall evaluate each application for total effect. The evaluation relates to matters of judgment and taste which cannot be reduced to a simple list of measurable criteria. It is possible, therefore, that an application may meet individual criteria and still not receive approval, if in the sole judgment of the ARB or Developer, its overall aesthetic impact to the community and surrounding neighborhood is unacceptable. The approval of an application shall<sup>1</sup>not be construed as creating any obligation on the part of the ARB or Developer to approve applications involving similar designs for different Lots. In addition, the Developer and ARB shall have the right to waive or modify the requirements as more fully set

forth in subparagraph (e).

c. Uniform Procedures. The ARB may establish uniform procedures for the review of applications, including the assessment of review costs and fees, if any, to be paid by the applicant, and the requirement of a security deposit, the time and place of meetings, and the posting of a compliance bond to ensure the full and timely compliance by the applicant the conditions, imposed by the ARB. No submission for approval shall be considered by the ARB unless and until such submission, in compliance with the provisions of this Article, has been accepted by the ARB. Developer may establish separate guidelines for the submission of the plans and specifications for Initial Improvements. Any architectural guidelines established by the Developer or ARB may be amended from time to time as the Developer or ARB may determine.

d. Notification. Approval or disapproval of applications to the ARB shall be given to the applicant in writing within thirty (30) days of receipt thereof, by the ARB in accordance with the procedures adopted by the ARB. The ARB shall indicate its approval by stamping the plans with its seal and the date of approval or by written approval referencing the plans submitted. If the ARB disapproves the requested Proposed Improvement, it shall provide written notice of such disapproval to the Owner. Disapproval by the ARB may be appealed to the Board of Directors of the Association, and the determinations of the Board of Directors shall be dispositive. If the ARB does not act within the thirty (30) day period (unless an extension is agreed to) from receipt of the plans and specifications in acceptable form, the plans and specifications for the Proposed Improvements shall be deemed to have been disapproved. No construction (other than Initial Improvements) on any Lot or within the Property shall be commenced, and no Residence shall be modified, except in accordance with such approved plans and specifications.

e. Variances. The ARB or Developer, as applicable, may authorize a variance from compliance with any of the architectural provisions of this Declaration when circumstances such as topography, natural obstructions, hardships, or aesthetic or environmental consideration Justifying such variances in the opinion of the ARB or by Developer. A variance shall be evidenced by a document signed by the chairman of the ARB, if it involves a Proposed Improvement, or by Developer, if it involves Initial Improvements. If such a variance is granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions this Declaration for any purpose except as to the particular Lot and the particular provisions of this Declaration covered by the variance, nor shall it affect in any way the Owners' obligation to comply with all governmental laws and regulations, including, but not limited to, zoning ordinances and set back lines or

requirements imposed by any governmental or municipal authority. Provided, however, 'in no event shall granting of a variance set a precedent which required the granting of another such variance.

f. Enforcement. The Board of Thirectors shall have the authority and standing on behalf of the Association to enforce in courts of competent jurisdiction, the decisions of the ARB. The Developer shall have the authority and standing to enforce, in courts of competent jurisdiction, the decisions of the Developer.

4. Architectural Guidelines. The ARB or Developer, as applicable, shall consider the following provisions in connection with their review, together with any architectural guidelines issued by the ARB or Developer from time to time. Specific references to the ARB or Developer in these provisions shall not be construed as a limitation of the general review power of the ARB or Developer, as set forth in this Article.

a. Building Type. No building shall be erected, altered, placed or permitted to remain on and Lot or Reconfigured Lot, other than one - detached single family Residence which shall not exceed thirty five (35') feet in height and shall have a private and enclosed garage for not less than two (2) cars.

b. Roofs. Flat roofs and protrusions through roofs for power ventilators or other apparatus shall not be permitted unless approved by the Developer or ARB, in its sole discretion. Roofing and shingle material shall be approved by Developer as to color and material. Any re-roofing or re-shingling of the Residence other than with the same materials and same color shall be approved by the ARB.

c. Garages. AR garages must have a garage for at least two cars unless otherwise approved by the Developer or the ARB. No carports will be permitted unless approved by Developer or the ARB, as applicable. All garage doors shall be kept closed except when entering or leaving the garage.

d. Driveway Construction. All Residences shall have a paved driveway of stable and permanent construction. All driveways must be constructed with approved materials.

e. Fences. No fence or wall shall be built, placed or altered on any Lot without prior written approval of the Developer of ARB.

f. Ancillary Structures. Unless approved by Developer or the ARB, as applicable, as to use, location and architectural design, no garage, tool, guest quarters, or storage buildings can be constructed separate and apart from the Residence, nor can any such structures be constructed prior to construction of the Residence. Any such permitted ancillary structures, such as detached garages, guest quarters, or storage buildings shall be constructed of the same materials and in the same architectural style as the Residence, and shall be subject to the same setback approvals of the ARB, and other restriction applicable to the Residence itself.

g. Antennae and Other Devices. AR antennae, satellite dishes and other receptor devices to be installed on the Property shall be no larger than thirty (30") inches in diameter and twelve (12') feet in height. AU such devices shall be placed to assure that the location of such devices is screened to the extent possible from the view of others which may include the addition of landscaping to screen its view from the street and adjacent neighbors.

h. Artificial Vegetation. No artificial grass, plants, or other artificial vegetation shall be place or maintained upon the exterior portion of any lot, unless approved by Developer or the ARB, as applicable.

i. Lighting. No external lighting shall be installed without the prior approval of Developer or the ARB, as applicable. No lighting will be permitted which alters the residential character of the Property.

j. Recreational Structures. All basketball backboards, tennis courts, and play structures shall be located so as to minimize noise to adjoining Residences. No platform, doghouse, tennis court, playhouse, or play fort shall be constructed on any part of a Lot located in front of the rear facade of the Residence, and any such structure shall have prior approval of Developer or the ARB, as applicable and may require additional landscaping to screen it from adjacent neighbors. Any portion of a Reconfigured Lot used for recreational purposes must be adequately screened in the front and sides by landscaping, fencing or walls, as approved by the ARB or Developer, as applicable, so that such uses shall not be visible from any road.

k. Utility Connections. Building connections for all utilities, including, but not limited to, electricity, telephone and television, shall be

run underground from the connecting points to the Residence in a manner acceptable to the governing utility authority.

1. Window coverings. Reflective window coverings and heat mats are expressly prohibited, and only neutral, solid colored window coverings shall be permitted on any Residence. The ARB or Developer, as applicable, may prohibit window treatments which are not reasonably compatible with the aesthetic standards of the Property.

m. Mailboxes. No mailbox, paper box or other receptacle of any kind for any use in the delivery of mail, newspapers, magazines, packages, or similar materials shall be erected on any Lot without the approval of the ARB or Developer, as applicable, as to style and location. The Developer or ARB may elect to require group mailboxes.

n. Energy Conservation. Solar energy and other energy conservation devices are not prohibited or discouraged, but the design and appearance of such devices will be closely scrutinized and controlled by the ARB or Developer, as applicable, to assure consistency with the aesthetic standards of the Property.

0. Interference with Roads or Easements. Without limiting or qualifying the other provisions of this Declaration, nothing shall be erected, constructed, planted, or otherwise placed in such a position so as to create a hazard or block the vision of motorists upon any road within or adjacent to the Property. No modification, alteration, or improvement shall interfere with the easements or other rights set forth in this Declaration.

5. Remedy for Violations. In the event any Proposed Improvement is constructed without first obtaining the approval of the ARB or Developer, as applicable, or is not constructed in strict compliance with any approval given or deemed given by the ARB or Developer, as applicable, or the provisions of this Article are otherwise violated, the ARB, as the authorized representative of the Association or the Developer, shall have the specific right to injunctive relief to require the Owner to stop, remove, and alter any improvements in order to comply with the requirements hereof, or the ARB or Developer may pursue any other remedy available to it. In connection with this enforcement paragraph, the ARB and Developer shall have the right to enter into any Lot or Residence and make any inspection necessary to determine that the provisions of this Declaration have been complied with. The failure of the ARB or Developer to object to any Proposed Improvement prior to its completion shall not constitute a waiver of the ARB's or Developer's right to enforce this Article. The foregoing rights shall

be in addition to any other remedy set forth herein for violations of this Declaration.

6. Reservation of Right to Release Restrictions. In each instance where a structure has been erected, or construction thereof has substantially advanced, in such a manner that some portion of the structure encroaches on any Lot line, setback line, or easement area, Developer reserves for itself, its successors, assigns and designees, the right to release such Lot from the encroachment and to grant an variance to permit the, encroachment without the consent or joinder of any person, irrespective of who owns the burdened Lot or easement areas, so long as Developer, in the exercise of its sole discretion, determines that the release or exception will not materially or adversely affect the value of the adjacent Lot and the overall appearance of the Property. This reserved right shall automatically pass to the Association when Developer no longer owns any portion of the Property. Upon granting of an exception to an Owner, the exception shall be binding upon all subsequent Owners of the affected Lots.

7. No Liability. Notwithstanding anything contained herein to the contrary, the ARB and Developer shall merely have the right, but not the obligation, to exercise architectural control, and shall not be liable to any Owner, its successors, assigns, personal representatives, or heirs, due to the exercise or non-exercise of such control or the approval or disapproval of any Proposed Improvement. Furthermore, the approval of any plans and specifications or any Proposed Improvements shall not be deemed to be a determination or warranty that such plans and specifications or Proposed Improvements are complete, do not contain defects, or in fact meet any standards, guidelines, or criteria of the ARB or Developer, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and neither the ARB, the Association, nor Developer shall be liable for any defect or deficiency in such plans and specifications or Proposed Improvements, or any injury to persons or property resulting therefrom.

## VII. USE OF PROPERTY

A. Protective Covenants. In order to keep the Property a desirable place to live for all Owners, the following protective covenants are made a part of this Declaration. Without limiting any of the provisions or requirements hereof, the specific references to Developer or ARB approval set forth in this Article or elsewhere in this Declaration shall not be construed as a limitation of the requirements of Article.

B.1 Lot Resubdivision. No Lot shall be further subdivided, replatted, or separated into smaller Lots by any Owner. Provided however, this restriction shall not prohibit corrective deeds or similar corrective instruments. Developer shall have the right to reconfigure Lots or modify subdivision plats of the Property if Developer owns all the Lots within the legal description of the Property to be subjected to the replat, or if all Owners of Lots which are included within the portion of the plat so modified consent to such modification, which consent shall not be unreasonably withheld or delayed.

C. Residential Use. Each Lot shall be used, improved and devoted exclusively to single family residential use, and for no commercial purpose. No time share ownership of Lots shall be permitted without Developer's approval. Nothing herein shall be deemed to prevent any Owner from leasing a Residence, subject to all of the provisions of the Declaration, Articles, and Bylaws, nor to prevent Developer from converting the use of a platted lot to a road for ingress and egress from an adjacent Lot or land. The foregoing restriction shall not operate to prevent Developer or its designees from using one or more Residences as model homes or sales centers during the development and sale of the Property nor from undertaking such activities as are necessary and convenient to develop the Property and Additional Property or construct Improvements thereof. No other business or commercial use may be made of any part of the Property. Provided, however, an occupant of a Residence who maintains a personal or professional library, keeps personal or professional books or accounts, conducts a home business permitted by applicable zoning (provided that such use does not involve customers, clients, employees, licenses or invitees regularly visiting the Residence or deliveries on a regular basis), upon any Lot, Residence, the Common Property, or from any window, unless express prior written approval of its size, shape, content, appearance and location has been obtained from the ARB, which approval may be withheld for any reason, and the ARB may, in its sole discretion, prohibit all signs. Notwithstanding the foregoing, Developer, and those persons or entities specifically designated by Developer, shall be permitted to post and display advertising signs on the Property for the marketing, sale, or rental of Lots.

I. Parking. Only automobiles bearing current license and registration tags, as required pursuant to state law, shall be permitted to be parked on any of the Property except wholly within a garage. All parking within the Property shall be in accordance with rules and regulations

adopted by the Association. The Association may, from time to time, adopt rules and regulations regulating the storage and parking of non standard size vehicles, including any recreational type vehicles, including architectural guidelines for the location of such storage areas and the required screening therefor.

J. Visibility at Street Intersections. No obstruction to visibility at street intersections shall be permitted. The ARB and shall have the right to adopt additional restrictions concerning the height and type of trees and shrubs within any of the Lots.

K. Clotheslines. No clotheslines or other clothes-drying facility shall be permitted on the Common Property or other portions of the Property where it would be visible from any road or any other Lot.

L. Garbage and Trash Containers. All garbage and trash containers must be placed and maintained in accordance with rules and regulations adopted by the Board of Directors. No garbage or trash shall be placed elsewhere and no portion of the Property shall be used for dumping refuse.

M. Window Air Conditioners. No window air conditioning unit shall be installed in any of the Residences without the prior approval of the ARB.

N. Temporary Structures. No structure of a temporary character, including, without limitation, any trailer, tent, shack, barn, shed, or other outbuilding, shall be permitted on any Lot at any time, except temporary structures maintained for the purpose of construction of Residences. The foregoing restriction shall not preclude Developer from maintaining temporary structures for the purpose of construction of any improvements or Residences and the marketing and sales of Lots.

O. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or on the Property.

P. Hazardous Materials. No hazardous or toxic materials or pollutants shall be maintained, stored, discharged, released, or disposed of

in or under the Property except in strict compliance with applicable statutes, rules and regulations. Fuel or gas storage tanks or other flammable, combustible, or explosive fluids, materials, or substances for ordinary household use may be stored or used in the Property only in strict compliance with manufacturers' directions and applicable *safety* laws and codes, and shall be stored in containers specifically designed for such purposes.

Q. Removal of Trees. In order to preserve the environment and migratory bird populations, no trees which remain on a Lot at the time of completion of the Initial Improvements thereon shall be felled, removed, or cut down unless such tree represents a hazard to the Residence or other improvements on the Lot, or to persons occupying or utilizing the Property with written prior approval from the ARB and/or City of Jacksonville, if required.

R. Garages. Garage doors shall be kept closed except when automobiles are entering or leaving the garage. No garage shall at any time be used as a Residence or converted to become part of the Residence, except if another garage is constructed in compliance with the provisions hereof. Provided, however, a garage may be used by Developer or its designated builders as a sales office during the marketing of the Property.

S. Soliciting. No soliciting will be allowed at any time within the Property.

T. Amendments and Modifications. The Board of Directors and the ARB may from time to time adopt and amend rules and regulations governing the details of the operation, use, maintenance and control of the Residences, Lots, Common Property and any facilities or services made available to the Owners. A copy of the rules and regulations adopted from time to time as herein provided shall be available to each Owner.

U. Compliance. It shall be the responsibility of all Owners, family members of Owners, and their authorized guests and tenants to conform with and abide by the rules and regulations in regard to the use of the Residences, Lots, and Common Property which may be adopted in writing from time to time by the Board of Directors and the ARB, and to see that all persons using the Owner's Lot(s) do likewise.

## VIII. INSURANCE

### A. Types of coverage.

1. Insurance of Common Property. The Board of Directors shall obtain liability insurance on the Common Property and, to the extent the Board of Directors deems reasonable or necessary, may obtain casualty insurance and increase the amounts of liability insurance, all as is consistent with prudent business judgment, including them following:

a. Hazard insurance on the Common Property and any improvements constructed thereon, with extended coverage, vandalism, malicious mischief and windstorm endorsements in an amount not less than that necessary to comply with the coinsurance percentage stipulated in the policy, and in any event not less than 80% of the insurable value (based upon replacement cost) of the improvements constructed on the Common Property.

b. Public liability insurance in such limits as the Board of Directors may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Common Property or adjoining the Property. Such insurance shall be issued on a comprehensive liability basis and shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board of Directors, or other Owners. The Board of Directors shall review such limits once each year.

2. Insurance of the Lots. It shall be the responsibility of each Owner to obtain, at his own expense, liability insurance with respect to the ownership and use of his Lot, including his Residence, and the Association shall not be responsible for obtaining such insurance or have any liability whatsoever in connection therewith. It shall be the responsibility of each Owner to obtain and maintain hazard insurance and insurance against the perils customarily covered by an extended coverage endorsement in an amount equal to not less than the full replacement cost of the Residence.

3. Director and Officer Liability Insurance. The Board of Directors may obtain, as a matter of common expense payable from the Annual Assessments, liability insurance against personal loss for actions taken by members of the Board of Directors and officers of the Association in the performance of their duties. Such insurance shall be of the type and amount determined by the Board of Directors, in its discretion.

4. Other Coverage. The Board of Directors shall obtain and maintain worker's compensation insurance, if and to the extent necessary to meet the requirements of law, and such other insurance as the Board of Directors may determine or as may be requested from time to time by a majority of the Owners. The Board of Directors may from time to time increase or decrease the types and

amounts of insurance coverage, as may be necessary or convenient to comply with requirements of Mortgagees or based upon the cost and availability of such coverage.

B. Repair and Reconstruction After Casualty.

1. Common Property. In the event of damage to or destruction of all or any the improvements on the Common Property as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of such improvements substantially in accordance with the plans and specifications under which the improvements were originally constructed, or any modification thereof approved by Developer or the ARB. The Board of Directors shall proceed towards reconstruction of such improvements as quickly as practicable under the circumstances, and shall obtain funds for such reconstruction from the insurance proceeds and any Special Assessments that may be necessary after exhaustion of reserves for the repair and replacement of such improvements. Nothing contained herein shall impose absolute liability for damages to the Common Property on the Owners.

2. Residences. Any Owner whose Residence is destroyed or damaged by fire or other casualty shall immediately proceed to rebuild and restore his Residence to the conditions existing immediately prior to such damage or destruction, unless other plans are approved in accordance with the provisions of Article VI above. Provided, however, if the damage is so extensive that the Owner determines not to rebuild the Residence, the Owner may remove all remaining improvements and debris and sod the Lot. In such event, all obligations for landscaping on the part of Owner shall remain in effect.

IX. ASSOCIATION LIABILITY

A. Disclaimer of Liability. Notwithstanding anything contained in this Declaration, in the Articles or Bylaws, or in any other document governing or binding the Association (collectively, "Association Documents"), neither Developer nor the Association shall be liable or responsible for, or shall be deemed in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant, or user of any portion of the Property, including, without limitations Owners, occupants, tenants, and their families, guests, invitees, agents, servants, contractors or subcontractors, nor for any property of such persons.

B. Specific Provisions. Without limiting the generality of the foregoing:

1. It is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern and regulate the use of the Property have been written and are to be

interpreted and enforced for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof.

2. Neither Developer nor the Association is empowered, nor have they have been created, to act as an entity which ei%forces or insures compliance with the laws of the United States of America, the State of Florida, the County, or any other jurisdiction, or prevents tortious or criminal activities.

3. The provisions of the Association Documents setting forth the uses of Assessments which may relate to health, safety, or welfare shall be attributed and implied only as limitations on the usage of such funds, and not as creating an obligation of the Association or Developer to protect the health, safety or welfare of any persons.

C. Owner Covenant. Each Owner, for himself and his heirs, legal representatives, successors and assigns (by virtue of his acceptance of title of his Lot), and every other person or entity having an interest in or a hen upon, or making use of, any portion of the Property (by virtue of accepting such interest or lien or making use thereof, shall be bound by this Article and shall be deemed to automatically waive all rights, claims, demands, and causes of action against the Association or Developer arising from or connected with any act or omission for which the liability of the Association or Developer has been described in this Article.

X. PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

A. Existing Property. The Property which initially is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration consists of that land described in the Recitals above.

B. Additional Property.

1. By Developer. The Developer shall have the right, but not the obligation, for a period of thirty (30) years after the date of recording this Declaration, from time to time and, within it sole discretion, to annex and include within this Declaration, other parcels of land (the "Additional Property") which can be developed in a consistent manner with the Property, now or hereafter acquired by it, as well as parcels of land owned by others, with such, owners' consent and joinder. Provided that the consent of all other Owners or Mortgagees shall not be required.

2. By Association. Alternatively, Additional Property owned by the Association, may be annexed to the Property, either upon a majority vote of Class A Members at a regular Association meeting or a special meeting place for that purpose, or the consent in writing of Owners of a majority of the Parcels. The consent of the Class B Member, if any, shall be required.

3. Residences. Residences constructed on the Additional Property may be different in appearance from existing Residences, and may be constructed in a style or other manner.

C. Supplemental Declaration. Any such additions authorized in Section B shall be made by the filing of record of one or more Supplemental Declarations with respect to the Additional Property. A Supplemental Declaration may contain any additions to or modifications of the provisions hereof applicable to the Additional Property as may be necessary, in Developer's judgment, to reflect the different character, if any, of the Additional Property that is the subject of the Supplemental Declaration, including, without limitation, any differences in the method or level of Assessments to be levied upon such Additional Property, taking into account the different nature or amount of services to be rendered to its Owners by the Association. A Supplemental Declaration shall become effective upon being recorded in the public records of the County.

D. Effect of Annexation. In the event that any Additional Property is annexed to the Property pursuant to the provisions of this Article X upon recording of the Supplemental Declaration, (a) such Additional Property shall be considered within the definition of the term "Property" for all purposes of this Declaration, and (b) all voting of each class of membership of the Association and all voting by the Owners hereunder shall be aggregated, it being intended that (1) any voting requirements need not be fulfilled separately for the Additional Property, and (ii) any Class B Member shall at all times have a majority of the votes of the Association until converted to Class A membership as described in Article II.

E. Withdrawal. Developer reserves the right to amend this Declaration unilaterally at any time without prior notice and without the consent of any person or entity for the purpose of removing certain portions of the Property then owned by Developer or its affected by the Association from the provisions of this Declaration to the extent included originally in-error or as a result of any changes whatsoever in the plans for the Property desired to be effected by the Developer; provided, however, that such withdrawals not unequivocally affect the overall, uniform scheme for the Property.

#### XI. GENERAL PROVISIONS

A. Duration. This Declaration, as amended and supplemented from time to time, shall run with and bind the Property, and shall inure to the benefit of and be binding upon Developer, the Association, the Owners, and their respective legal representatives, heirs, successors or assigns, for a term of forty (40) years from the date of this Declaration is recorded in the public records of the County, after which time all of said provisions shall be extended automatically for successive periods of

ten (10) years each, unless an instrument or instruments signed by the then Owners of seventy five percent (75% ) of the Lots subject to this Declaration is recorded in the public records of the County, agreeing to terminate all of said provisions as of a specified date. Unless this Declaration is terminated as provided above, the Association shall re-record this Declaration or other notice of its terms at intervals necessary under Florida law to preserve its effect.

B. Condemnation. In the event all or part of the Common Property owned by the Association shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board of Directors shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such Property. The Owners holding seventy five percent (75%) of the votes shall agree to the distribution of the proceeds of any condemnation or taking by eminent domain, and if the Owners shall not so agree, such proceeds shall be added to the funds of the Association.

C. Notices. Any notice required to be sent to the Owner of any Lot under the provisions of this Declaration shall be deemed to have been properly sent when hand delivered or mailed, postage prepaid, to the Lot and to the last known address of the person who appears as Owner of such Lot on the records of the Association at the time of such mailing, if different.

D. Enforcement of Covenants. If any person, firm, corporation, trust, or other entity shall violate or attempt to violate any of the covenants or restrictions set forth in this Declaration, it shall be lawful for Developer, the Association, or any Owner: (a) to prosecute proceedings for the recovery of damages against those so violating or attempting to violate any such covenant or restriction; or (b) to maintain a proceeding in any court of competent jurisdiction against those so violating or attempting to violate any such covenant or restriction for the purpose of preventing or enjoining all or any such violations or attempted violations or for specific enforcement of the provision. In addition to all other remedies, the Board of Directors shall have the authority, in its sole discretion, to impose a fine or fines upon any Owner for failure of the Owner, his family' guests, invitees, tenants, or occupants, to comply with any covenant, restriction, rule, or regulation contained in this Declaration, the Articles, or the Bylaws, provided the following procedures are adhered to:

1. The Association shall notify the Owner or occupant of the infraction(s) and the date and time of a meeting which shall be at least fourteen (14) days from the date of notice. The Owner shall meet with a committee appointed by the Board which committee is composed of three (3) Owners who are not officers, directors or employees of the Association.

2. At such meeting, the committee shall be presented with the

infraction(s) and shall give the Owner or occupant the opportunity to present, reasons why penalties should not be imposed. A written decision of the committee shall be provided to the Owner or occupant within twenty one (21) days after the date of the meeting.

3. If approved by the committee, the Board of Directors may impose fines against the applicable Lot of up to the amounts permitted by State law per incident. The maximum permitted fine may be increased from time to time by the Board of Directors, as permitted by applicable statutes.

4. Each incident which is grounds for a fine shall be the basis for a separate fine. In case of continuing violations, each continuation after notice is given shall be deemed a separate incident.

5. Fines shall be paid within thirty (30) days after the receipt of notice of their imposition.

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

7. The imposition of a fine shall not be an exclusive remedy and shall exist in addition to all other rights and remedies to which the Association may otherwise be entitled, including without limitation the right to impose a Damage/Repair Assessment; however, any fine paid by the Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner or occupant. The limitations on fines in this paragraph does not apply to suspensions or fines arising from failure to pay Assessments.

8. The failure of Developer, the Association, or any Owner, or their respective successors or assigns, to enforce any covenant, restriction, obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall not be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation occurring prior or subsequent thereto.

E. Interpretation. Unless the context expressly requires otherwise, the use of the singular includes the plural and vice versa; the use of all genders includes all genders; the use of the terms "Including" or "include" is without limitation; and the use of the terms "will", "must", and "should" shall have the same effect as the use of the term "shall". Wherever any time period is expressed in days, if such time period ends on a Saturday, Sunday, or legal holiday, it shall be extended to the next succeeding calendar day that is not a Saturday, Sunday, or legal holiday. The terms "Lot" and "Property" mean all or any portion applicable to the context, and include all improvements, fixtures, trees, vegetation, and other

property from time to time situated thereon, and the benefit of all appurtenant easements. The terms of this Declaration shall be liberally construed in favor of the party seeking to enforce its provisions to effectuate their purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a uniform and consistent plan for the development and enjoyment thereof. Headings and other textual divisions are for convenience only and are not to be used to interpret, construe, apply, or enforce any substantive provisions. The provisions of this subparagraph apply also to the interpretation, construction, application, and enforcement of all the Association Documents.

F. Invalidity. The Invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the balance of the Declaration which shall remain in full force and effect.

G. Rules and Regulations. All Owners shall comply with the rules and regulations adopted and amended from time to time by the Board of Directors, the ARB and this Declaration. Such rules and regulations shall be for the purpose of elaboration and administration of the provisions of this Declaration and shall relate to the overall development of the Property, and shall not in any way diminish the powers of self-government of the Association.

H. Amendment. This Declaration may be amended at any time by an instrument signed by the President or Vice President and the Secretary or Assistant Secretary of the Association, certifying that such amendment has been adopted by the written consent of seventy-five percent (75%) of the Class A Members or upon a seventy-five percent (75%) vote of the Class A Members voting in person or by proxy at a regular Association meeting or a special meeting called for that purpose at which there is a quorum, which amendment shall become effective upon its filing in the public records of the County. Provided, however, that:

1. As long as Developer is an Owner of any Lot, no amendment shall become effective without the written consent of Developer.

2. Until Turnover, any amendments to this Declaration (including, without limitation, any amendment which results in the annexation of additional lands into the Property, the merger or consolidation of the Association with any other property owners association, the dedication of any part of the Common Property for public use, and the conveyance, mortgaging, or encumbrance of any part of the Common Property) must have prior written approval of the FHA or VA in accordance with HUD regulations, if the FHA or VA is the insurer of any Mortgage encumbering a Lot.

3. Developer specifically reserves the absolute and unconditional right (subject only to FHA or VA approval as set forth above, if required), so long as

it owns any of the Property, to amend this Declaration without the consent or joinder of any party: (1) to conform to the requirements of any holder of a Mortgage; (ii) to conform to the requirements of title insurance companies; (iii) to conform to the requirements of any governmental entity having control or jurisdiction over the Property; (iv) to clarify the provisions of this Declaration; or (v) in such other manner as Developer may deem necessary or convenient.

Amendments to the Articles and Bylaws shall be made in accordance with the requirements of the Articles and Bylaws and need not be recorded in the public records of the County.

Assignment of Developer Right. Developer may assign all or only a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of the Property. In the event of such a partial assignment, the assignee shall not be deemed to be the Developer but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a nonexclusive basis. In addition, in the event that any person or entity obtains title to all of the Property owned by Developer as a result of foreclosure or deed in lieu thereof, such person or entity may elect to become the Developer by written election recorded in the public records of the County, and regardless of the exercise of such election, such person or entity may appoint the Developer or assign any rights of Developer to any other party which acquires title to all or any portion of the Property by written appointment recorded in the public records of the County. In any event, no subsequent Developer shall be liable for any actions or defaults of, or obligations incurred by, any prior Developer, except as the same may be expressly assumed by the subsequent Developer.

J. Rights of Mortgagees. All Mortgagees shall have the following rights:

1. During normal business hours, and upon reasonable notice and in a reasonable manner, to inspect current copies of the Association Documents and the books, records and financial statements of the Association.

2. Upon written request to the Secretary of the Association, to receive copies of, the annual financial statements for the immediately preceding fiscal year of the Association, i provided, however, the Association may make a reasonable, uniform charge to defray its costs incurred in providing such copies.

3. To designate a representative to attend all meetings of the Members of the Association, who shall be entitled to a reasonable opportunity to be heard in connection with any business brought before such meeting, but in no event shall be entitled to vote thereon.

4. By written notice to the Secretary of the Association, and upon payment to the Association of any reasonable, uniform annual fee established from

time to time by the Association to defray its costs, to receive: (i) any notice that is required to be given to the Class A Members under any provision of the Association Documents, (ii) written notice of any condemnation or casualty loss affecting a material portion of the Property or any Lot encumbered by its Mortgage; (iii) any sixty (60) day delinquency in the payment of Assessment Charges imposed upon any Lot encumbered by its Mortgage; (iv) the lapse, cancellation, or material modification of any insurance coverage or fidelity bond maintained by the Association; and (v) any proposed action requiring the consent of a specified percentage of Mortgagees.

K. Legal Fees and Costs. The prevailing party in any dispute arising out of the subject matter of this Declaration or its subsequent performance shall be entitled to reimbursement of its costs and attorney's fees, whether incurred before or at trial, on appeal, in bankruptcy, in post-judgment collection, or in any dispute resolution proceeding, and whether or not a lawsuit is commenced.

L. Law to Govern. This Declaration shall be governed by and construed in accordance with the laws of the State of Florida, both substantive and remedial.

M. Tax Deeds and Foreclosure. All provisions of the Declaration relating to Lot which has been sold for taxes or special assessments survive and are enforceable after the issuance of a tax deed or upon a foreclosure of an Assessment, a certificate or lien, a tax deed, tax certificate or tax lien, to the same extent that they would be enforceable against a voluntary grantee of title before such transfer.

N. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed in its name, the day and year first above written.

GATELY RIDGE, LLC

By: Dana H. Edmonds

Its: Dana H. Edmonds, Manager

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing Declaration of Covenants and Restrictions for Gately Ridge was acknowledged before me this 8<sup>th</sup> day of September, 2005 by Dana H. Edmonds, Manager of Gately Ridge, LLC, a Florida Limited Liability Company, on behalf of the company.



**LAUREN M. HAGINS**  
MY COMMISSION # DD 305681  
EXPIRES: March 31, 2008  
Bonded Thru Budget Notary Services

Lauren M. Hagins

Printed Name: Lauren M. Hagins

Notary Public, State of Florida

Commission No.: DD 305681

Commission Expires: 3-31-2008

**Legal Description**

**DESCRIPTION:** A PORTION OF O.R.B. 7635, PAGE 1253

A PORTION OF GOVERNMENT LOT 1, SECTION 10, TOWNSHIP 2 SOUTH, RANGE 28 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID GOVERNMENT LOT 1, THE SAME AS BEING THE NORTHERLY LINE OF SECTION 10, WITH THE WESTERLY RIGHT-OF-WAY LINE OF GATELY ROAD (A 60 FOOT RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE SOUTH 00°34'23" EAST, 466.71 TO THE POINT OF BEGINNING:

THENCE CONTINUE ALONG LAST MENTIONED WESTERLY RIGHT-OF-WAY LINE SOUTH 00°34'23" EAST, 327.94 FEET TO THE NORTHEAST CORNER OF SAID GATELY OAKS UNIT THREE A, AS RECORDED IN PLAT BOOK 48, PAGE 87, 87A-87C OF THE CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA; THENCE SOUTH 89°05'19" WEST, 369.43 FEET ALONG THE NORTHERLY LINE OF AFORESAID GATELY OAKS UNIT THREE A TO AN ANGLE POINT ON THE LAST MENTIONED LINE; THENCE NORTH 76°11'47" WEST, 530.75 FEET ALONG LAST MENTIONED LINE TO THE NORTHWEST CORNER OF AFORESAID GATELY OAKS UNIT THREE A ALSO BEING THE EASTERLY CORNER OF GATELY OAKS UNIT THREE B, AS RECORDED IN PLAT BOOK 49, PAGE 95 & 95A OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; CONTINUE NORTH 76°11'47" WEST, 112.60 FEET TO A POINT LYING ON THE NORTHEASTERLY LINE OF AFORESAID GATELY OAKS UNIT THREE B; THENCE RUN THE FOLLOWING 19 COURSES AND DISTANCES ALONG THE LAST MENTIONED LINE, WHICH ALSO MEANDERS ALONG THE APPROXIMATE CENTERLINE OF AN EXISTING CREEK; (COURSE NO. 1) NORTH 29°29'09" EAST, 6.11 FEET; (COURSE NO. 2) NORTH 18°16'50" EAST, 22.20 FEET; (COURSE NO. 3) NORTH 10°02'26" WEST, 25.63 FEET; (COURSE NO. 4) NORTH 23°19'11" EAST, 22.56 FEET; (COURSE NO. 5) NORTH 18°36'23" EAST, 30.02 FEET; (COURSE NO. 6) NORTH 00°47'40" WEST, 45.89 FEET; (COURSE NO. 7) NORTH 15°05'22" EAST, 25.08 FEET; (COURSE NO. 8) NORTH 17°21'30" EAST, 75.54 FEET; (COURSE NO. 9) NORTH 09°17'00" WEST, 28.57 FEET; (COURSE NO. 10) NORTH 2°48'22" EAST, 25.02 FEET; (COURSE NO. 11) NORTH 16°57'32" WEST, 28.18 FEET; (COURSE NO. 12) NORTH 04°57'18" WEST, 13.08 FEET; (COURSE NO. 13) NORTH 02°32'20" WEST, 15.93 FEET; (COURSE NO. 14) NORTH 14°20'46" EAST, 40.38 FEET; (COURSE NO. 15) NORTH 13°47'33" WEST, 50.09 FEET; (COURSE NO. 16) NORTH 06°04'49" WEST, 50.01 FEET; (COURSE NO. 17) NORTH 09°31'00" WEST, 50.04 FEET; (COURSE NO. 18) NORTH 02°58'40" EAST, 50.80 FEET; (COURSE NO. 19) NORTH 06°25'50" WEST, 44.48 FEET TO THE NORTHEAST CORNER OF AFORESAID GATELY OAKS UNIT THREE B, POINT LYING ON THE NORTHERLY LINE OF GOVERNMENT LOT 1 AND SECTION 10, ALSO BEING THE SOUTHERLY LINE OF HUNTER'S MILL, AS RECORDED IN PLAT BOOK 42, PAGE 54, 54A-54D OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE NORTH 89°12'42" EAST, 211.92 FEET ALONG LAST MENTIONED LINE; THENCE SOUTH 00°35'11" EAST, 133.52 FEET ALONG THE WEST LINE OF LANDS DESCRIBED IN O.R.B. 5639, PAGE 1575 OF SAID COUNTY; THENCE NORTH 89°13'00" EAST, 84.60 FEET ALONG THE SOUTH LINE OF LANDS DESCRIBED IN O.R.B. 5639, PAGE 1575 OF SAID COUNTY; THENCE SOUTH 00°34'19" EAST, 133.11 FEET ALONG THE WEST LINE OF LANDS DESCRIBED IN O.R.B. 5565, PAGE 767 OF SAID COUNTY; THENCE NORTH 89°13'04" EAST, 160.37 FEET ALONG THE SOUTH LINE OF LANDS DESCRIBED IN O.R.B. 5565, PAGE 767 OF SAID COUNTY TO THE POINT OF BEGINNING.

CONTAINING 9.45 ACRES±

SAID LANDS SITUATED, LYING AND BEING IN DUVAL COUNTY, FLORIDA

Articles of Amendment  
to  
Articles of Incorporation  
of

Gately Ridge Homeowners Association, Inc.

(Name of corporation as currently filed with the Florida Dept. of State)

N05000001821

(Document number of corporation (if known))

Pursuant to the provisions of section 617.1006, Florida Statutes, this *Florida Not For Profit Corporation* adopts the following amendment(s) to its Articles of Incorporation:

**NEW CORPORATE NAME (if changing):**

N/A

(must contain the word "corporation," "incorporated," or the abbreviation "corp." or "inc." or words of like import in language: "Company" or "Co." may not be used in the name of a not for profit corporation)

**AMENDMENTS ADOPTED- (OTHER THAN NAME CHANGE)** Indicate Article Number(s) and/or Article Title(s) being amended, added or deleted: **(BE SPECIFIC)**

Art. III -- for added language see attached Exhibit "A"

Art. XII -- for added language see attached Exhibit "A"

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(Attach additional pages if necessary)  
(continued)

## EXHIBIT "A"

Bold lettering indicates new language:

III.  
PURPOSES

The corporation is organized and operated to further the common good and general welfare of the property owners in the Gately Ridge development. The corporation has not been formed for pecuniary profit or financial gain, and no part of the net earnings of the corporation shall be distributable to or inure to the benefit of its officers or directors or any private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth in this Article III. **The Association shall operate, maintain, and manage the surface water or stormwater management system(s) in a manner consistent with the St. Johns Water Management District permit no. 42-031097943-1 requirements and the applicable District rules and shall assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or stormwater management system. The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.**

XII.  
DISPOSITION OF ASSETS UPON DISSOLUTION

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation. Further, the Directors shall, after paying or making provision for the payment of all liabilities of the corporation, distribute all of the remaining assets and property of the corporation in accordance with applicable State law.

**AMENDED ARTICLES OF INCORPORATION  
OF  
GATELY RIDGE HOMEOWNERS ASSOCIATION, INC.  
A Florida Corporation Not For Profit**

**I.  
NAME**

The name of this corporation is GATELY RIDGE HOMEOWNERS ASSOCIATION, INC.

**II.  
TERM OF EXISTENCE**

The term for which this corporation shall exist shall commence on the date of filing of these Articles and shall be perpetual.

**III.  
PURPOSES**

The corporation is organized and operated to further the common good and general welfare of the property owners in the Gately Ridge development. The corporation has not been formed for pecuniary profit or financial gain, and no part of the net earnings of the corporation shall be distributable to or inure to the benefit of its officers or directors or any private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth in this Article III. The Association shall operate, maintain, and manage the surface water or stormwater management system(s) in a manner consistent with the St. Johns Water Management District permit no. 42-031097943-1 requirements and the applicable District rules and shall assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or stormwater management system. The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.

**IV.  
INITIAL REGISTERED OFFICE AND AGENT**

The initial registered office and the principal office of this corporation in the State of Florida is 9309 Old Kings Road S., Suite 1A, Jacksonville, FL 32257 and the name of the initial registered agent of this corporation at that address is Capstone Development, LLC. The Board of Directors may from time to time, change the registered agent or move the registered office to any other address in Florida.

V.  
INITIAL BOARD OF DIRECTORS

This corporation shall have three (3) Directors initially. The number of Directors may be increased or diminished, from time to time, by amendment to the Bylaws, but in no event shall the number of Directors be reduced below three (3) . The initial Directors shall be elected in accordance with the method set forth in the Corporation's Bylaws.

VI.  
INCORPORATOR

The name and address of the Incorporator of this corporation is:

NAME	ADDRESS
Koko Head, Esq.	P.O. Box 600788, Jacksonville, FL 32260

VII.  
MEMBERS

Membership shall consist of all owners who purchase property in the Gately Ridge Development and become subject to the Covenants and Restrictions which run with the land.

VIII.  
OFFICERS

The officers of the corporation shall be elected by the Board of Directors annually and in the manner provided in the Bylaws; and each officer shall hold his respective office for one (1) year or until his or her successor is duly elected and qualified, and shall have such powers and duties as may be prescribed in the Bylaws or determined by the Board of Directors. Any person may hold two (2) or more offices, except that the President shall not serve either as Secretary or Assistant Secretary of this corporation.

IX.  
BYLAWS

The Board of Directors, by a two-thirds (2/3) vote, may repeal, amend or adopt Bylaws for the corporation, pursuant to these Articles.

X.  
EXISTENCE AND DURATION

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall thereafter exist in perpetuity.

XI.  
AMENDMENTS

These Articles of Incorporation may be amended in the manner provided by law, provided that an amendment to these Articles must be approved and adopted by the affirmative vote of at least three-fourths (3/4) of the Board of Directors of the corporation.

XII.  
DISPOSITION OF ASSETS UPON DISSOLUTION

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation. Further, the Directors shall, after paying or making provision for the payment of all liabilities of the corporation, distribute all of the remaining assets and property of the corporation in accordance with applicable State law.

IN WITNESS WHEREOF, the undersigned Incorporator, being a natural person competent to contract, has hereunto set his hand on October 12, 2005.

Koko Head  
Koko Head, Incorporator

**CERTIFICATE OF ACCEPTANCE OF DESIGNATION OF  
REGISTERED AGENT OF  
GATELY RIDGE HOMEOWNERS ASSOCIATION, INC.**

Pursuant to Sections 48.091 and 607.0501, Florida Statutes, the undersigned, having been designated as the initial Registered Agent for the service of process within the State of Florida upon Gately Ridge Homeowners Association, Inc., a corporation organized under the laws of the State of Florida, does hereby accept the appointment as such Registered Agent for the above-named corporation, and does hereby agree to comply with the provisions of Section 48.091(2) relative to keeping open the Registered Office of said corporation, which Registered Office is located at 9309 Old Kings Road S., Suite 1A, Jacksonville, FL 32257.

IN WITNESS WHEREOF, I, such designated Registered Agent, have hereunto set my hand and seal in Jacksonville, Duval County, Florida, on October 12, 2004.



Dana Edmonds  
Manager, Capstone Development, LLC

**CORPORATE BYLAWS  
OF  
GATELEY RIDGE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I  
OFFICES AND RESIDENT AGENT**

Section 1. PRINCIPAL OFFICE. The principal office of the corporation shall be 9309 Old Kings Road S., Suite 1A, Jacksonville, Florida 32257. The corporation also may have other offices at such places, within or without the State of Florida, as the Board of Directors may from time to time determine the business of the corporation to require.

Section 2. REGISTERED AGENT. The Board of Directors of the corporation shall designate a registered agent for service of process on the corporation. The initial registered agent for service of process in the state of incorporation of the corporation shall be set forth in its Articles of Incorporation. Each registered agent and each successor or registered agent appointed pursuant to this Section 2 shall file a statement in writing with the Department of State of the State of Florida or state official of any other state accepting the appointment as registered agent simultaneously with being designated, unless such agent signed the document making the appointment.

**ARTICLE II  
MEMBERS**

Section 1. IN GENERAL. Members are those homeowner as defined in the recorded covenants and restriction affecting the property.

Section 2. APPROVAL OF MEMBERS. Members will be approved by the Board of Directors. An affirmative vote of two-thirds (2/3) of the Directors is required for approval.

Section 3. VOTING OF MEMBERSHIP. Each member is entitled to one vote on each matter submitted to a vote of the members.

Section 4. RESIGNATION. Any member may resign by filing a written resignation with the Secretary, but such resignation will not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

Section 5. REINSTATEMENT. Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds (2/3) of the members of the Board, reinstate the former member to membership upon such terms as the Board of Directors may deem appropriate.

Section 6. TRANSFER OF MEMBERSHIP. Membership in this corporation is not transferable or assignable, except upon the sale or transfer of ownership of the real property under which membership arises.

Section 7. ANNUAL MEETING. An annual meeting of the members will be held during the month of February each year for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday, the meeting will be held on the next succeeding business day. If the election of Directors is not held on the day designated for any annual meeting, or at any adjournment thereof, the Board of Directors will cause the election to be held at a special meeting of the members as soon thereafter as convenient.

Section 8. SPECIAL MEETINGS. Special meetings of the members may be called by the President, the Board of Directors, or by not less than one-tenth (1/10) of the members having voting rights.

Section 9. PLACE OF MEETING. The Board of Directors may designate any convenient location as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting is otherwise called, the place of meeting will be the principal office of the corporation; but if all of the members meet at any time and place, and consent to the holding of a meeting, such meeting will be valid without call or notice, and at such meeting any corporate action may be taken.

Section 10. NOTICE OF MEETINGS. Written notice stating the place, day and hour of any meeting of members will be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of the meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting, or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called will be stated in the notice. If mailed, the notice of a meeting will be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid. \*

Section 11. INFORMAL ACTION BY MEMBERS. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, will be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 12. QUORUM. The members holding one-tenth (1/10) of the votes which may be cast at any meeting will constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 13. PROXIES. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy will be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 14. MANNER OF ACTING. A majority of the votes entitled to be cast on a matter to be voted upon by the members present or represented by proxy at a meeting at which a quorum is present will be necessary for the adoption thereof unless a greater proportion is required by law or by these bylaws.

ARTICLE III  
DIRECTORS

Section 1. GENERAL POWERS. The Board of Directors shall have the management and control of the business of the corporation, and, in addition to the power and authority by these Bylaws expressly conferred upon it, the Board of Directors may exercise all such powers as are expressly or by implication conferred on the Board of Directors by the Articles of Incorporation, these Bylaws or the laws of Florida.

Section 2. NUMBER OF DIRECTORS. The corporation shall have three (3) Directors initially. The corporation shall have a minimum of at least three (3) Directors, but a maximum of not more than seven (7) Directors without amendment to these Bylaws; however the minimum and maximum number of Directors may be increased or decreased by amendment to these Bylaws duly adopted by the Board of Directors of the corporation, but in no event shall the number of Directors be reduced below three (3) and no decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.

Section 3. ELECTION AND TERM. Each person named in the Articles of Incorporation or elected at the organizational meeting of the corporation as a member of the initial Board of Directors, and each member of the Board of Directors elected at any annual meeting of members, shall hold office until the next succeeding annual meeting of members, and until his successor shall have been elected and qualified, or until such member's earlier resignation, removal from office or death; provided, however, that the President, Vice-President, Secretary, Treasurer, and immediate past President shall serve ex-officio, with vote.

Section 4. VACANCIES. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors or director, though less than a quorum of the Board of Directors. Any director elected by the members of the Board of Directors to fill a vacancy shall hold office only until the next election of directors by the shareholders.

Section 5. REMOVAL OF DIRECTORS. At any meeting of members called expressly for the purpose of removing one or more directors, any director or the entire

Board of Directors may be removed, with or without cause, by a vote of a majority of the members then entitled to vote in an election of directors.

Section 6. ANNUAL MEETING. An annual meeting of the Board of Directors shall be held at the principal office of the corporation, or at any other convenient location, on any business day of the month of . No notice, except notice of the place of the meeting given as specified in Section 7 of this Article III, shall be required with respect to such annual meeting.

Section 7. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the chairman of the board, the president of the corporation, or by any one (1) director and shall be held at the principal office of the corporation, subject to Section 8 of this Article II. Written notice of the time of any special meetings shall be given to each director at least five (5) days prior to the meeting.

Section 8. WAIVER OF NOTICE. Notice of any special meeting or the place of any annual meeting of the Board of Directors shall be deemed to have been validly given to any director who signs a waiver of notice of such special or annual meeting, whether such waiver of notice be signed either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time or the meeting, or the manner in which the meeting has been called or convened, except when a director states, at the beginning of the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 9. QUORUM AND VOTING. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business unless a greater number is required by the Articles of Incorporation. The act of a majority of the Directors present at a meeting at which a quorum is established at the outset shall be the act of the Board of Directors.

Section 10. ACTION WITHOUT A MEETING. Any action required to be taken or which may be taken at any meeting of the Board of Directors of the corporation may be taken without a meeting if a consent in writing, setting forth the action so to be taken, signed by all Directors is filed in the minutes of the proceedings of the Board of Directors. Such consent shall have the same effect as a unanimous vote if filed in the minute book of the corporation, and shall be effective the date specified in the written consent.

Section 11. MEETINGS BY TELEPHONE. Members of the Board of Directors, or any committee appointed by the board, shall be deemed present at any meeting of such board or committee if a conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other intelligibly, is used.

Section 12. COMMITTEES. The Board of Directors, by resolution adopted by the majority of the full Board of Directors, may appoint from among its members an executive committee, which shall have and may exercise all of the authority of the Board of Directors to the full extent allowed by law, except as limited by the resolution appointing the committee. The Board of Directors also may so appoint such other committees, including, without limitation, an audit committee as it shall consider necessary and appropriate and with such duties and powers as the Board of Directors shall from time to time designate or authorize.

#### ARTICLE IV OFFICERS

Section 1. GENERAL. The officers of the corporation shall consist of a president, a vice-president, a secretary, and a treasurer, and may consist of a one or more assistants, each of whom shall be elected by the Board of Directors at its organizational meeting and at each annual meeting of the Board of Directors thereafter. Any two or more offices may be held by the same individual, except that no one individual shall hold simultaneously the offices of president and secretary or assistant secretary, or president and any vice-presidency, or any two vice presidencies. Such elected officers shall serve until their successors are elected and qualified. Such other officers and assistant officers and agents as may be deemed necessary for the conduct of the business of the corporation may be elected or appointed by the Board of Directors from time to time. Should the Board of Directors at any time fail to elect a president, one or more vice-presidents, a secretary or a treasurer, such failure shall not affect the existence of this corporation.

Section 2. PRESIDENT. The president of the corporation shall be the chief executive officer of the corporation, and shall have general and active management of the business and affairs of the corporation subject to the directions of the Board of Directors, have general supervision and direction over all other officers of the corporation and of the agents and employees of the corporation to see that their respective duties are properly performed, operate and conduct the business and affairs of the corporation according to the orders and resolutions of the Board of Directors and according to his own discretion whenever and wherever it is not expressly limited by such orders and resolutions, submit a report of the operations of the corporation to the Board of Directors at each regular meeting, from time to time report to the Board of Directors on matters within his knowledge that should be brought to their attention, and perform such other duties and have such other powers and authority as may be set forth elsewhere in these Bylaws or as may be prescribed by the Board of Directors from time to time. The President shall chair all meetings of the Board of Directors, and all membership meetings.

Section 3. VICE-PRESIDENT. The vice-president of the corporation shall assist the president of the corporation in the performance of his official duties and shall have such other powers and perform such other duties as may be prescribed, from time to time, by the Board of Directors or by the bylaws. The vice-president shall also perform the functions

and duties of the president at any time the president is unable to perform his functions and duties. The Vice-President shall serve as the membership coordinator.

Section 4. SECRETARY. The secretary shall have custody of, and shall maintain, all corporate records except the financial records. The secretary shall record the minutes of all meetings of the Board of Directors and shall send all notices of such meetings to the parties entitled thereto pursuant to the requirements of these Bylaws and those established by law, unless such responsibility for the sending of such notices is specifically assumed by the president of the corporation or otherwise specifically delegated by the Board of Directors. The Secretary shall serve as public relations coordinator.

Section 5. TREASURER. The treasurer shall have custody of all corporate funds and financial records of the corporation and shall keep full and accurate accounts of receipts and disbursements. Not later than ninety (90) days after the close of each fiscal year of the corporation, the treasurer shall prepare (a) a balance sheet showing in reasonable detail the financial condition of the corporation as of the close of the immediately preceding fiscal year, and (b) a profit-and-loss statement showing the results of the operations of the corporation during said fiscal year. The treasurer shall place such balance sheet and profit-and-loss statement in the registered office of the corporation in the State of Florida.

Section 6. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by said board whenever in its judgment the best interest of the corporation will be served thereby. Removal of any officer shall be without prejudice to the contract rights, if any, of the person so removed, but the election or appointment of an officer or agent shall not of itself be deemed to create contract rights.

Section 7. VACANCIES. Any vacancy, however occurring, in any office of the corporation may be filled by action of the Board of Directors.

ARTICLE V  
EXECUTIVE COMMITTEE

The corporation may have an Executive Committee which shall consist of the officers of this corporation. The Executive Committee shall have the day-to-day management responsibility of the business of the corporation. Those duties specifically include the approval of the expenditures of funds.

ARTICLE VI  
VOTING OF STOCK IN OTHER CORPORATIONS

Any stock in other corporations, which may, from time to time, be held by this corporation, may be represented and voted at any meeting of shareholders of such other corporations by the president of this corporation or by proxy executed by the president or a vice-president in the name of the corporation with the corporate seal affixed and attested

by the secretary or an assistant secretary of the corporation. The Board of Directors of the corporation shall determine the manner in which such stock in other corporations shall be voted; provided, however, that the investment advisor of the corporation may instruct voting of such stock in other corporations as provided in any management contract authorized by this corporation's Articles of Incorporation.

## ARTICLE VII INDEMNIFICATION

Section 1. LIMITATION ON INDEMNIFICATION. Notwithstanding any provision or statement in these Bylaws to the contrary, no indemnification shall be made by the corporation to any person where the actions for which indemnification is sought were unlawful (and the person seeking indemnification had no reasonable cause to believe they were lawful), or which constitute willful misfeasance or bad faith in the performance of such person's duties, or from which the person derived an improper personal benefit.

Section 2. INDEMNIFICATION GENERALLY. Subject to the limitation contained in Section 1 to this Article VII, the corporation shall indemnify any person who was or is a party to any proceeding (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interests of the corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that its conduct was unlawful.

Section 3. INDEMNIFICATION IN ACTION BY OR ON BEHALF OF THE CORPORATION. Subject to the limitations contained in Section 1 of this Article VII, the corporation shall indemnify any person who was or is a party to any proceeding by or in the right of the corporation to procure a judgment in its favor, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification is authorized if such person acted in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best

interests of the corporation; provided, however, that the corporation shall make no indemnification for any claim, issue or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in review of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that such court shall deem proper.

Section 4. INDEMNIFICATION FOR SUCCESSFUL DEFENDANT. The corporation shall reimburse for his actual and reasonable expense any person referred to in Sections 2 and 3 of this Article VII who has been successful, on the merits or otherwise, in defense of any proceeding of the character described in such Sections or in defense of any claim, issue or matter therein.

Section 5. DETERMINATION OF INDEMNIFICATION. Any indemnification under Sections 2 and 3 of this Article VII, unless pursuant to a determination by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in such Section 2 and 3. Such determination shall be made either (1) by the Board of Directors of the corporation by a majority vote of a quorum consisting of Directors who are not parties to such proceeding, or by majority vote of a committee duly designated by the entire Board of Directors (in which Directors who are parties may participate) consisting solely of two or more Directors not at the time parties to the proceeding; or (2) by independent legal counsel selected by the Board of Directors of the corporation as prescribed in subsection (1) of this section 5 or the committee provided in subsection (1) of this section 5 or, if and only if such prescribed method cannot be the case, by a majority vote of the entire Board of Directors (in which Directors who are parties may participate).

Section 6. EVALUATION OF EXPENSES. Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination that indemnification is permissible is made by independent legal counsel, the independent legal counsel shall also evaluate the reasonableness of expenses and may authorize indemnification.

Section 7. PREPAYMENT OF EXPENSES. Expenses incurred by an officer, director, employee or agent in defending a civil or criminal proceeding may be paid by the corporation in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if such person is ultimately found not to be entitled to indemnification by the corporation pursuant to this Article VII following one of the procedures set forth in Section 5 of this Article VII.

Section 8. INDEMNIFICATION INSURANCE. Upon approval of the Board of Directors, the corporation may purchase and maintain insurance on behalf of any person

who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity or arising out of his status in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article VII.

Section 9. CERTAIN DEFINITIONS. As used in this Article VII, the word "expense" or "expenses" shall include without limitation counsel fees (including those for appeal) and disbursements and all other expenses (except any liability) relating to any claim, action, suit or proceeding. The word "liability" includes obligations to pay a judgment, settlement penalty, fine and any expenses actually and reasonably incurred with respect to a proceeding. The word "proceeding" includes any threatened, pending or completed action, suit, or other type of proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

Section 10. CONTINUING OBLIGATION FOR INDEMNIFICATION, Indemnification as provided in this Article VII shall continue as to any person who has ceased to be a director, officer, employee or agent of the corporation and shall inure to the benefit of the heirs, executors personal representatives and administrators of such person or such person's estate.

Section 11. ADDITIONAL RIGHTS. The rights of indemnification provided in this Article VII shall be in addition to any rights to which any such director, officer, employee or agent may otherwise be entitled by contract or as a matter of law.

ARTICLE VIII  
SEAL

FORM AND USE. The corporate seal of the corporation shall bear the words and figures: "GATELEY RIDGE HOMEOWNERS ASSOCIATION, INC. Florida – 2005." The corporate seal shall be used under the direction of the Board of Directors.

ARTICLE IX  
BANK ACCOUNTS AND CONTRACTS

Section 1. DEPOSITORIES. The money and funds of the corporation not otherwise invested by the Board of Directors shall be deposited by the treasurer in the name and to the credit of the corporation in such bank or banks as the Board of Directors shall select. All checks, drafts, notes and acceptances shall be signed by such officer or officers, agent or agents of the corporation and in such manner as the Board of Directors shall determine.

Section 2. CONTRACTS. Except as otherwise provided by the Board of Directors, contracts may be executed on behalf of the corporation by the president, and may be

attested and the corporate seal affixed by the secretary. The Board of Directors may authorize the execution of contracts by such other officers, agents and employees as may be designated by them.

Section 3. DEPOSIT OF SECURITIES FOR SAFEKEEPING. To the extent permitted by law, the Board of Directors may from time to time deposit for safekeeping with one or more banks, trust companies or other financial institutions in the United States or elsewhere selected by the Board of Directors, any securities owned by the corporation and not otherwise deposited or pledged as security. Securities so deposited may be withdrawn from time to time only by such officer of the corporation, together with such additional officers and responsible employees, as the Board of Directors may designate by resolution for that purpose.

ARTICLE X  
BOOKS AND RECORDS

Section 1. MAINTENANCE AND LOCATION. The corporation shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Board of Directors and committees of Directors. Any books, records and minutes may be in written form or any other form capable of being converted into written form within a reasonable time.

Section 2. FINANCIAL INFORMATION. The corporation shall maintain in its registered office in the State of Florida for at least five (5) years following the fiscal years for which they were prepared, the balance sheets and profit-and-loss statements required to be prepared by the treasurer of the corporation pursuant to the provisions of Article IV, Section 6, of these Bylaws.

ARTICLE XI  
FISCAL YEAR

The fiscal year of the corporation shall begin on the first day in January of each calendar year and end on the last day of each December following.

ARTICLE XII  
DUES

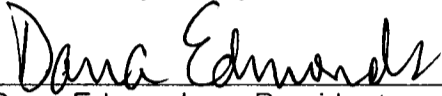
Section 1. ANNUAL DUES. The Board of Directors may determine from time to time the amount of initiation fee, if any, and annual dues payable to the corporation by members of each class.

Section 2. PAYMENT OF DUES. Dues shall be payable in advance on the first day of in each fiscal year. Dues of a new member shall be prorated from the first day of the month in which such new member is elected to membership, for the remainder of the fiscal year of the corporation.

Section 3. DEFAULT AND TERMINATION OF MEMBERSHIP. When any member of any class shall be in default in the payment of dues for a period of months from the beginning of the fiscal year or period for which such dues became payable, his membership may thereupon be terminated by the Board of Directors in the manner provided in Article II of these bylaws.

ARTICLE XIII  
AMENDMENT

These Bylaws may be repealed or amended, and new Bylaws be adopted, by the Board of Directors. The foregoing bylaws were adopted by the Board of Directors of Gately Ridge Homeowners Association, Inc, on the 31st day of July, 2005.

  
\_\_\_\_\_  
Dana Edmonds as President