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HENRY W. COOK
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This instrument prepared by
and after recording returned to:
Burgess N. Trank, Jr.
Centex Homes
151 Southhall Lane, Suite 230
Maitland, Florida 32751-7190

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
REGENCY CREEK
DUVAL COUNTY, FLORIDA

THIS DECLARATION is made on the date hereinafter set forth by Centex Homes, a Nevada general partnership, hereinafter referred to as the "Declarant".

WITNESSETH

WHEREAS, Declarant is the owner of certain real property in Duval County, Florida, described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Declarant desires to create an exclusive planned residential community known as Regency Creek on the land described on Exhibit "A" and such other land as may be added thereto pursuant to the terms and provisions of this Declaration; and

WHEREAS, Declarant desires to establish a not-for-profit corporation to be known as the Regency Creek Owners Association, Inc., to own, operate and maintain the Common Areas herein described for the use and benefit of the Owners of Lots within the Property as herein described;

NOW THEREFORE, Declarant declares that the real property described on attached Exhibit "A" shall be held, sold and conveyed subject to the restrictions, covenants and conditions declared below, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Property in order to maintain within the Property a planned community of high standards.

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Such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1

DEFINITIONS

Section 1.1. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation for Regency Creek Owners Association, Inc., a Florida not-for-profit corporation in the form attached hereto as Exhibit "B" and incorporated herein by reference.

Section 1.2. "Association" shall mean and refer to Regency Creek Owners Association, Inc., a Florida not-for-profit corporation established for the purposes set forth herein.

Section 1.3. "Builder" shall mean and refer to Centex Homes, a Nevada general partnership and any other residential building company acquiring Lots from the Declarant for the purpose of construction and sale of homes.

Section 1.4. "Bylaws" shall mean and refer to the Bylaws of the Regency Creek Owners Association, Inc. in the form attached hereto as Exhibit "C" and incorporated herein by reference.

Section 1.5. "Common Areas" or "Common Property" shall mean and refer to that portion of the Property, if any, conveyed to the Association for the use and benefit of the Owners, as shown on the recorded Plat.

Section 1.6. "Common Maintenance Areas" shall mean and refer to the Common Areas, if any, and drainage facilities and detention ponds and any areas within public rights-of-way or easements that the Board of Directors of the Association deems it necessary or appropriate to maintain for the common benefit of the members.

Section 1.7. "Declarant" shall mean and refer to Centex Homes, a Nevada general partnership, its successors and assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Section 1.8. "**Declaration**" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Regency Creek Owners Association, Inc., and any amendments, annexations and supplements thereto made in accordance with its terms.

Section 1.9. "**Lot**" shall mean and refer to any of the plots of land indicated upon the recorded subdivision map of the Property or any part thereof creating single-family homesites, with the exception of the Common Area and areas deeded to a governmental authority or utility, together with all improvements thereon.

Section 1.10. "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 1.11. "**Plat**" shall mean and refer to the recorded map or plat of the Lots identified as the Plat of Regency Creek recorded in the Official Records of Duval County, Florida .

Section 1.12. "**Property**" shall mean and refer to the real property described on the attached Exhibit "A", and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section 1.13. "**Supplemental Declaration**" shall mean any supplement, amendment or modification of this Declaration.

Section 1.14. "**Surface Water and Storm Water Management System**" shall mean and refer to a system of swales, inlets, culverts, retention ponds, detention ponds, lakes, outfalls, storm drains and the like, and all connecting pipes and easements, which is designed and 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, overdrainage, environmental degradation, and water pollution or otherwise affect a quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, Florida Administrative Code.

Section 1.15. "**Unit**" shall mean a portion of the Property, whether developed or undeveloped, intended for development, use and occupancy as a detached residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration but not limitation) single-family detached houses on separately platted Lots,

as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or part of the Property. The term shall include all portions of the Lot owned including any structure thereon. In the case of a parcel of vacant land or land in which improvements are under construction, the parcels shall be deemed to contain the numbers of Units designated for such parcel on the site plan approved by Declarant,, until such time as a certificate of occupancy is issued on all or a portion thereof by a local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above, and the number of Units in the remaining land, if any, shall continue to be determined in accordance with this paragraph.

ARTICLE 2

PROPERTY SUBJECT TO DECLARATION

Section 2.1. Property Subject to this Declaration. From and after the time that this Declaration is recorded in the Public Records of Duval County, Florida, the Property shall be subject to the terms and conditions of this Declaration. The Property shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions contained in this Declaration, which shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors or assigns and shall inure to the benefit of each owner thereof.

Section 2.2. Annexation.

2.2.1. Within the period beginning with the date this Declaration is recorded in the Public Records of Duval County, Florida and ending either (a) seven (7) years thereafter, or (b) five (5) years from the date of recording of the last recorded Supplemental Declaration annexing additional land to this Declaration, whichever event, (a) or (b), occurs later, the Declarant may, without the consent or joinder of the Owners or any other person or entity, annex additional real property (including Common Property) adjacent to the boundaries of the Property. Annexations under this Subsection 2.2.1 shall be accomplished by filing a Supplemental Declaration describing the real property to be annexed (or withdrawn pursuant to Section 2.3 of this Article 2, as the case may be), and shall become effective when such Supplemental Declaration is filed among the Public Records of Duval County, Florida, unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other person or entity the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such

transferee or assignee shall be the developer of at least a portion of the Property and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

2.2.2. Subject to the consent of the owner thereof, the Association may annex real property, to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of two-thirds (2/3) of the votes of each class of Members of the Association. The annexation of land under this Subsection 2.2.2 shall be accomplished by the recordation in the Public Records of Duval County, Florida, of a Supplemental Declaration describing the property being annexed and signed by the President and Secretary of the Association and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

2.2.3. No provision of this Declaration shall be construed to require Declarant or any other person or entity to annex any real property to this Declaration.

2.2.4. Covenants and restrictions applicable to annexations to the Property shall be compatible with, but need not be identical to, the covenants and restrictions set forth in this Declaration.

2.2.5. In the event that either the Federal Housing Administration (the "FHA") or the Department of Veterans Affairs (the "VA") insures or guarantees any mortgage encumbering a Lot, and the regulations or procedures of such agency require under such circumstances approval of annexations by such agency or determination by such agency that such annexation is consistent with the general plan of development for Regency Creek, then such approval or determination as described in Article 16, Subsection 16.2.5 shall be a prerequisite to such annexation.

Section 2.3. Withdrawal. Within the period beginning with the date this Declaration is recorded in the Public Records of Duval County, Florida and ending either (a) seven (7) years thereafter, or (b) five (5) years from the date of recording of the last recorded Supplemental Declaration annexing additional land to this Declaration, whichever event (a) or (b) occurs later, the Declarant may, without the consent or joinder of the Owners or any other person or entity, when necessary or desirable to accommodate changes in the plan of development of Regency Creek, withdraw from the provisions of this Declaration any of the Property that continues to be owned by the Declarant, and its successors or assigns, and which has not been dedicated or designated as Common Property. Withdrawals under this Section 2.3 shall be accomplished by filing a

Supplemental Declaration describing the real property to be withdrawn and shall become effective when such Supplemental Declaration has been recorded in the Public Records of Duval County, Florida, unless otherwise provided therein.

Section 2.4. Conveyance of Common Areas to the Association. When Declarant conveys title to the first Unit to be conveyed to a Class "A" Member, the Declarant shall be obligated to convey title to all of the Common Areas to the Association which shall be obligated to accept such conveyance pursuant to Article 7.

ARTICLE 3

CREATION OF ASSOCIATION; MEMBERSHIP; VOTING RIGHTS

Section 3.1. Creation of Association. Upon execution of this Declaration, Declarant shall cause the Association to be created by recording the Articles of Incorporation and Bylaws thereof with the Secretary of State of Florida in the forms attached hereto as **Exhibits "B" and "C"**, respectively, and incorporated herein by reference.

Section 3.2. Membership. Every Owner of a Unit or Lot, and every Builder owning any Unit or Lot, by virtue of the ownership of such Unit or Lot, and the Declarant and its successors and assigns, shall be Members of the Association, and by acceptance of a deed or other instrument evidencing an ownership interest, each Owner, Builder and Declarant accepts membership in the Association, acknowledges the authority of the Association as herein stated, and agrees to abide by and be bound by the provisions of this Declaration, the Articles of Incorporation, the Bylaws and other rules and regulations of the Association. The term "**Member**" shall include each person or entity owning any right, title or interest in any Unit or Lot, except persons or entities holding mortgages or other security or trust interests unless such persons or entities also have the right of possession. Tenants or others occupying any Unit who do not have an ownership interest therein shall not be Members for the purposes of this Declaration. Membership in the Association is appurtenant to, and may not be severed from, the Unit or Lot. The rights and obligations of a Member may not be assigned or delegated except as provided in this Declaration, the Articles of Incorporation or Bylaws of the Association, and shall automatically pass to the successor-in-interest of any Owner upon conveyance of such Owner's interest in the Lot or Unit. Members shall be responsible for compliance with the terms and conditions of this Declaration, the Articles of Incorporation and Bylaws, and rules and regulations of the Association by all occupants, tenants, guests, invitees and family members while residing in or visiting any Unit, Common Area or other portion of the Property.

Section 3.3. Voting Rights. Members of the Association shall be allocated votes as follows:

3.3.1. Classes.

Class A. Class A Members shall be all Owners with the exception of the Declarant and any Builders. Each Class "A" Member shall be entitled to one vote for each Lot or Unit owned.

Class B. The Class B Member shall be the Declarant, or its specifically designated (in writing) successor. The Class B Member shall be allocated three (3) votes for each Lot or Unit owned by it within the Property which is subject to assessment by this Association; provided, that the Class B membership shall cease and become converted to Class A membership as set forth in Section 3.5 of this Article 3. Upon conversion to Class A membership, the Declarant shall have one vote for each Unit or Lot owned by it within the Property so long as said Unit or Lot is subject to assessment by this Association.

Class C. All Builders, as defined herein, except the Declarant, shall be Class C Members. Class C Members shall have one (1) vote for each Lot or Unit they own in the Property.

3.3.2. Joint Ownership. When any Unit or Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs, and a copy thereof is filed with the secretary of the Association, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote allocated to any Unit or Lot (including Units or Lots owned by the Declarant or a Builder) may not be divided or cast in any fraction, and the vote of each official representative shall be considered to represent the will of all the Owners of that Lot or Unit. If the Owners fail to designate their official representative, then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owner(s). Upon such notification no affected Owner may vote until the Owner(s) appoint their official representative pursuant to this paragraph.

Section 3.4. Change of Membership.

3.4.1. Ownership. Change of membership in the Association shall be established by recording in the Public Records of Duval County, Florida, a deed or other instrument conveying record fee title to any Lot or Unit, and by the delivery to the Association, of a copy of such recorded instrument. The Owner designated by such instrument shall, by acceptance of such instrument, become a Member of the Association, and the membership of the prior Owner shall be terminated. In the event that a copy of said instrument is not delivered to the Association, said Owner shall become a Member, but shall not be entitled to voting privileges until delivery of a copy of the conveyance instrument to the Association. The foregoing shall not, however, limit the Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Lot or Unit acquired. Notwithstanding the foregoing, the Declarant, or any Builder, shall have the right to notify the Association in writing of conveyance of a Unit to an Owner without the requirement of providing a copy of the deed, and the Association shall recognize the Owner identified in such written notice as a Member of the Association and Owner of the Unit.

3.4.2. Interest in Association. The interest, if any, of a Member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's real property. Membership in the Association by all Owners shall be compulsory and shall continue, as to each Owner, until such time as such Owner of record transfers or conveys his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

Section 3.5. Class B Membership Status.

3.5.1. Duration. The Declarant's Class B membership status shall continue, and shall be in effect, during the period from the inception of this Declaration until either (1) seven (7) years from the date this Declaration is recorded; or (2) five (5) years after the date of recording of the last Supplemental Declaration annexing additional property into this Association, whichever event, (1) or (2) occurs later; or (3) upon recording of a voluntary written notice executed by the Declarant or its duly authorized successor or assignee electing to convert its Class B status to Class A; or (4) in any event, one hundred twenty (120) days after the conveyance of the Unit to a Class A Member that causes the

total number of votes held by all Class A Members of this Association to equal the number of votes held by the Class B Member, whichever event, (1), (2), (3) or (4), occurs first; provided however, that if Class B status is converted to Class A pursuant to clause (4) and, subsequent to such event, the Declarant annexes additional property adjacent to the boundaries of the Property to the Association or annexes additional Lots developed adjacent to the boundaries of the Property to the Association, and such annexation causes the number of Lots or Units owned by the Declarant within the Property, as increased by the annexation, to exceed twenty-five percent (25%) of the total number of Lots and Units within the Property, Declarant's Class B status shall be restored as to all Lots and Units then owned by Declarant, and shall continue until the next occurrence of an event of conversion described above.

3.5.2. Assignment. The Declarant shall have the right to partially assign its status as Declarant and Class B Member, by recorded instrument executed by the original Declarant and acknowledged and accepted by the assignee Declarant, to any person or entity acquiring any portion of the Property for the purpose of development of a residential subdivision, and any such assignee shall thereafter be deemed to be the Declarant as to the Lots or Units owned by such person or entity, and shall have the right to exercise all of the rights and powers of the Declarant as to such Lots and Units, while, at the same time, the original Declarant shall continue to exercise the rights and powers of the Declarant as to all Lots and Units owned by such original Declarant. If any action of the Association requires the approval, consent or vote of the Declarant, and the original Declarant has partially assigned its rights as Declarant to others pursuant to this paragraph, the consent or vote of all such Declarants shall be required to satisfy the requirement of consent by the Declarant.

ARTICLE 4

FUNCTIONS OF ASSOCIATION

Section 4.1. Common Maintenance Areas. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Maintenance Areas and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep the Common Maintenance Areas in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and any agreement with another association or governmental agency.

Section 4.2. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant.

Section 4.3. Services. The Association shall have the following powers:

4.3.1. Maintenance of Common Maintenance Areas, Surface Water and Storm Water Management Systems, recreation parcels, and all city, county, district or municipal property and rights-of-way (to the extent permitted by any governmental authority) which are located within or in a reasonable proximity to the Property where deterioration of any of the described items would adversely affect the appearance of the Property or the operation of systems appurtenant to Regency Creek.

4.3.2. Maintenance of any real property located within Regency Creek upon which the Association has accepted an easement for said maintenance.

4.3.3. Maintenance of beaches, lakes and canals owned by or dedicated for the use of the Association within the Property, as well as maintenance of bodies of water if and to the extent permitted or required by any contract or by any governmental authority having jurisdiction thereof.

4.3.4. Insect, pest and aquatic control where necessary or desirable in the judgment of the Board to supplement the service provided by the state and local governments. The provisions of this paragraph shall not be construed as an obligation on the part of Association to provide such services.

4.3.5. Taking any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Property or in the Articles or Bylaws.

4.3.6. Conducting business of the Association, including but not limited to administrative services such as legal, accounting and financial, and communication services informing Members of activities, Notice of Meetings, and other important events. The Association shall have the right to enter into management

agreements with companies affiliated with the Declarant in order to provide its services, and perform its functions.

4.3.7. Establishing and operating the Architectural Control Committee, pursuant to Article 8.

4.3.8. Adopting, publishing and enforcing such Rules and Regulations as the Board deems necessary.

4.3.9. Lighting of roads, sidewalks, walking and bike paths throughout the Property as deemed necessary by the Board. The provisions of this paragraph shall not be construed as an obligation on the part of Association to provide such services.

4.3.10. At the sole option and discretion of the Board, conducting recreation, sport, craft, and cultural programs of interest to Members, their families, tenants and guests and charging admission fees for the operation thereof.

4.3.11. Constructing improvements on Common Property and easements as may be required to provide the services as authorized in this Article.

4.3.12. Employment of guards, maintenance of control centers for the protection of persons and property within the Property, installation, operation and maintenance of communication systems by the Association or a contractual designee of the Association, and assistance in the apprehension and prosecution of persons who violate the laws of Duval County or the State of Florida within the Property. However, neither the Association, nor the Declarant shall be obligated to provide any security measures to the Property nor shall they be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners, tenants, guests, and invitees of any Owner, as applicable, acknowledge that the Association and the Declarant are not insurers and that each Owner, tenant, guest, and invitee assumes all risk of loss or damage to persons, to Units and to the contents of Units and further acknowledge that Declarant has made no representations or warranties, nor has any Owner, tenant, guest, or invitee relied upon any representations or warranties, express or implied, including any warranty of merchantability or fitness for any particular purpose relative to any security measures recommended or undertaken.

4.3.13. The Association may also provide exterior maintenance upon any Unit or upon any structure containing Units which, in the reasonable opinion of the Board of Directors of the Association, requires such maintenance because said Unit or structure is being maintained in a manner inconsistent with the overall appearance and standards prevailing within the Association. The Association shall notify the Owner of said Unit or structure in writing, specifying the nature of the condition to be corrected, and if the Owner has not corrected the condition within thirty (30) days after date of said notice, the Association (after approval of a majority of the Board) may correct such condition. Said maintenance shall include but not be limited to painting, repairs, replacement and maintenance of roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. For the purpose of performing the exterior maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Unit or exterior of any Unit or other structures or improvements located in the Regency Creek at reasonable hours on any day, except Saturday and Sunday; provided, however, the Association shall have the right of entry without notice if necessary to correct an emergency situation. The cost of such maintenance shall be assessed against the Unit upon which such maintenance is performed as a Special Assessment as provided in Article 6, Section 6.7. ?
DRAINAGE
LOT GRADE

4.3.14. Establish use fees and promulgate rules and regulations respecting the use of Common Property and Association facilities by Members and persons other than Members.

4.3.15. Engage in any activities reasonably necessary and legally required to remove from the Common Maintenance Areas, Common Property, Surface Water and Storm Water Management System and other open space any pollutants, hazardous waste or toxic materials, and by Special Assessment, recover costs incurred from the Owner(s) causing such condition or upon whose property such materials were located or generated.

4.3.16. Accept conveyance of all Common Areas from the Declarant, including all improvements, structures, equipment, apparatus or personal property thereon, and cooperate with and assist Declarant, its agents, employees and contractors in periodic inspection and maintenance thereof pursuant to Article 7.

The functions and services allowed in this Section to be carried out or offered by the Association at any particular time shall be determined by the Board taking into

consideration proceeds of assessments and the needs of the Members of the Association. The functions and services which the Association is authorized to carry out or to provide, may be added to or reduced at any time upon the affirmative vote of a majority of the Board; provided, however, the Board may not vote to reduce or abrogate the Association's responsibility to maintain Common Maintenance Areas. The Association may provide the permitted services by contract with third parties, including agreements with applicable governmental agencies.

Section 4.4. Conveyance to Association. The Association shall be obligated to accept any and all conveyances to it by Declarant of fee simple title, easements or leases to open space, parks, lakes, recreation parcels, Surface Water and Storm Water Management Systems or Common Property as set forth in Article 7.

Section 4.5. Conveyance by Association. The Association may convey or dedicate lands or easements that are part of the Common Property owned by the Association to Duval County, the State of Florida, or other governmental authority or agency. The Association may also convey lands or easements that are part of the Common Property owned by the Association to the Declarant in connection with any replatting of any portion of the Property.

Section 4.6. Contracts with Other Associations. The Association is authorized to enter into any contracts or easement arrangements with other associations that may subsequently be formed for portions of the Regency Creek property that are not annexed hereto and made subject to this Declaration provided that such contracts or easements are necessary or beneficial for the operation of the Association or the maintenance of the Property; provided that the costs or expenses of operating, performing, or maintaining such contracts or easements shall be allocated between this Association and such other associations in accordance with the cost incurred or benefit received by each association. Any such contracts or easements shall be approved by the vote or written consent of a majority of the Board of the Association.

ARTICLE 5

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

Section 5.1. Purpose of Maintenance Fund. The Board, for the benefit of the Owners, shall provide and shall pay for out of the maintenance fund provided for in Article 6 above the following:

- a. Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any.
- b. Care and preservation of the Common Maintenance Area, including without limitation, the drainage facilities.
- c. The services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board, (provided that any contract for management of the Association shall be terminable by the Association, with no penalty upon no more than ninety (90) days prior written notice to the managing party) and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.
- d. Legal and accounting services.
- e. A policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors, including a policy or policies of insurance as provided herein in Article 15.
- f. Workers compensation insurance to the extent necessary to comply with any applicable laws.
- g. Such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.
- h. Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required

to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the enforcement of this Declaration.

Section 5.2. Powers and Duties of Board. The Board, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the Bylaws of the Association:

- a. To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.
- b. To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board sees fit.
- c. To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.
- d. To protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.
- e. To make reasonable rules and regulations for the operation of the Common Maintenance Areas and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Owners, or with respect to a rule applicable to less than all of the Common Areas, by the Owners in the portions affected.
- f. To make available for inspection by Owners after the end of each fiscal year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.
- g. To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.
- h. To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

i. To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

Section 5.3. Board Powers Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the maintenance fund and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

Section 5.4. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

ARTICLE 6

ASSESSMENTS

Section 6.1. Creation of the Lien and Personal Obligations of Assessments. Declarant covenants, and each Owner of any Lot or Unit shall by acceptance of a deed therefor, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association: (1) Annual Assessments and (2) Special Assessments, all fixed, established and collected from time to time as hereinafter provided. The Annual Assessments and Special Assessments, together with such interest thereon and costs of collection provided herein shall be a charge and continuing lien as provided herein on the real property and improvements of the Owner against whom each such assessment is made. Each such assessment, together with such interest thereon and cost of collection, shall also be the personal obligation of the person who is the Owner of such real property at the time when the assessment first becomes due and payable. In the case of co-ownership of a Unit or Lot, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Property or by the abandonment of the property against which the assessment was made. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take

some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 6.2. Purpose of Annual Assessments. The Annual Assessments levied by the Association may be used for the improvement, maintenance, enhancement and operation of the Common Maintenance Area, Surface Water and Storm Water Management Systems, Common Property and public areas located in, on or about the Property to the extent that deterioration of the public areas would adversely affect the appearance of the Property or the operation of systems appurtenant to the Property, and further to provide services which the Association is authorized or required to provide by contract or otherwise, including, but not limited to, the payment of taxes and insurance thereon, construction, repair or replacement of improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized functions, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required functions.

Section 6.3. Duty of the Board. It shall be the duty of the Board, at least thirty (30) days in advance of each fiscal year of the Association, to establish the annual budget and to fix the amount of the Annual Assessment against each Lot or Unit for the coming fiscal year, and to prepare a roster of the Lots and Units and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by the Owner. Failure to fix the amount of the Annual Assessment within the time period set forth above will not preclude the Board from fixing the Annual Assessment at a later date. In the event the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year, and the Annual Assessment for the immediately preceding year shall continue for the current year. Written notice of the Annual Assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement thereof.

Section 6.4. Rate of Assessment. Annual Assessments shall be established by dividing the total expenses of the Association by the total number of Lots or Units subject to assessment to derive a uniform base assessment amount applicable to all Lots. Special

Assessments for capital improvements or expenses applicable to all Lots within the Property shall be established in the same manner; however, Special Assessments applicable to a particular Lot for expenses attributable exclusively to such Lot shall be determined by dividing the applicable expense by the number of Lots to which it applies. After such amounts have been determined, the amounts due from the Class "B" and Class "C" Members shall be adjusted according to the following provisions. Declarant will have the following option for each assessment year:

6.4.1. During the period in which Declarant has the status of the Class B Member, all Lots and Units owned by Declarant, unless otherwise elected in writing by Declarant, shall be assessed at twenty-five percent (25%) of the rate of assessment applicable to units owned by Class A Members, provided however, that in the event that the actual operating expenses of the Association during the year for which the Declarant's assessment is 25% of the Class A Membership assessment exceed the actual income of the Association derived from all assessments imposed on all Members, Declarant shall reimburse the Association the difference between its actual operating expenses and its actual assessment income for such year, save and except any portion of such deficit attributable to delinquent assessments owed by Class A Members. Payment of such reimbursement shall be made by Declarant within 30 days after receipt of the Association's annual statement of accounts. Notwithstanding the foregoing, the Declarant shall have the right, but not the obligation, to reimburse the Association for deficits attributable to delinquent assessments owed by Class A Members, and, in that event, the Association shall promptly institute collection proceedings, including legal action if necessary, to recover such unpaid amount(s) from such Owner(s), and, upon receipt of such recovery, the Association shall reimburse Declarant the amount(s) so recovered up to the amount of any operating deficit funded by Declarant which arose from such non-payment.

6.4.2. In the alternative, Declarant may elect by written notice to the Board to pay the full Class A rate of assessment for each Unit owned by Declarant within the Association and subject to assessment for any assessment year without thereby waiving its Class B status or its right to elect to pay assessments pursuant to Subsection 6.4.1 for any ensuing assessment years, and, in such event, shall not be liable for the operating deficit of the Association as provided in Subsection 6.4.1.

6.4.3. At such time as Class B status shall cease, all Lots and Units owned by Declarant shall be assessed at the full Class A rate and Declarant shall have no obligation to fund any operating deficit of the Association thereafter.

Section 6.5. Builder Assessments. Lots or Units owned by Class C Members shall be assessed at twenty-five percent (25%) of the Annual Assessment rate fixed for Class A Units during the period of Class B membership. Upon conversion of Class B membership to Class A, Class C shall also be converted to Class A, and full assessments shall apply.

Section 6.6. Initial Maximum Annual Assessment; Increases in Maximum Assessment; and Annual Assessment Rates.

6.6.1. Initial Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Unit by the Declarant or a Builder to a Class A Member, the Maximum Annual Assessment per Unit shall be \$155.00.

6.6.2. Increases in Maximum Annual Assessment - Without Consent of the Members. From and after such date, the Maximum Annual Assessment shall be increased each year by the Board without a vote of the Membership of the Association by an amount not more than either (a) ten percent (10%) above the sum of (1) the Maximum Annual Assessment for the previous year, plus (2) increases mandated by governmental agencies and/or increased fixed costs incurred for insurance, taxes, recycling, waste disposal, or to obtain services from utility companies, or (b) the percentage increase, if any, in the current U.S. Government's Consumer Price Index (Urban Price Index - All Urban Consumers), herein referred to as the "CPI", over the CPI published for the preceding period, or other statistical index providing similar information if the CPI ceases to be published, whichever amount, (a) or (b), is greater.

6.6.3. Increases in Maximum Annual Assessment - Requiring Consent of the Members. The Maximum Annual Assessment may not be increased above the amount described in Subsection 6.6.2 above without the approval of a simple majority of each class of Members who are either voting in person or by proxy, at a meeting of the Association duly called for this purpose, or whose approval is evidenced by the written consent of the majority of such Members.

6.6.4. Establishing the Annual Assessment. The Board of Directors of the Association shall set the Annual Assessment for each fiscal year at an amount not in excess of the Maximum Annual Assessment then in effect as established pursuant to Subsections 6.6.1, 6.6.2 or 6.6.3 above. If the Board sets the Annual Assessment at an amount which is less than the allowable Maximum Annual Assessment, the Board shall have the right to increase the Annual Assessment to any amount not greater than the allowable Maximum Annual Assessment then in effect without the consent of the Members upon thirty (30)

days written notice. The election of the Board to set the Annual Assessment at an amount less than the Maximum Annual Assessment shall not affect the calculation of the Maximum Annual Assessment for ensuing years pursuant to this Section 6.6.

Section 6.7. Special Assessments. In addition to the Annual Assessments authorized herein, the Association may levy in any fiscal year a Special Assessment applicable to that fiscal year only 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, such assessment shall have the affirmative vote or written consent, or combination thereof, at least a simple majority of the votes of each class of Members. The obligation to pay Special Assessments shall be computed on the same basis as for Annual Assessments. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

The Association (by simple majority vote of the Board) may also levy a Special Assessment against any Member to reimburse the Association for costs incurred pursuant to Article 4, Section 4.3.13 and 4.3.15, in bringing a Member and his Unit or Lot into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the Bylaws, and the Association rules and regulations, or for the recovery of expenses incurred pursuant to Section 6.13 of this Article 6, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

Section 6.8. Notice and Quorum Requirements. Written notice of any proposed action to be taken pursuant to Subsection 6.6.3 or Section 6.7 shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such matter is to be discussed or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a written description of the of the proposed assessment. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed

elsewhere in this Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

Section 6.9. Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to each Lot or Unit on the first day of the month next following the month in which the Lot or Unit is subjected to the terms and conditions of this Declaration by recordation of this Declaration or any Supplemental Declaration annexing Lots or Units into the Association, or on the date the Association Articles of Incorporation are filed with the Secretary of State of Florida, whichever occurs later. The dates when such Annual Assessments shall become due shall be established by duly adopted resolution of the Board. The Annual Assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit. The Association may delegate to a mortgage company, financial institution or management company responsibility for collection of assessments with the express written consent and agreement of such financial institution or management company. The Annual Assessments shall be payable in advance in monthly installments, or in annual, semi-annual or quarter-annual installments if so determined by the Board of Directors of the Association (absent which determination they shall be payable monthly).

Section 6.10. Records of Payment. The Board shall prepare a roster of Owners and Annual Assessments and Special Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner at reasonable times with reasonable notice. Any Owner shall have the right to request the Association to issue a written statement signed by an officer of the Association, setting forth whether all Annual Assessments and/or Special Assessments owed by such Owner have been paid. The Association shall have the right to impose a fee for the issuance of such statements not to exceed \$50.00 per statement. Requests for such statements shall be in writing addressed to the address to which Annual Assessment payments are made. Each request shall contain the street address and legal description (by platted lot and block) of the property and the full name of the Owner. The Association shall issue the requested statement within 30 days after receipt of the written request, subject to the payment of any fee for such service imposed by the Association. Such written statement issued by the Association shall be *prima facie* evidence of payment of any assessment therein stated to have been paid.

Section 6.11. Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; The Lien; Remedies of Association.

6.11.1. If any assessment (e.g. any Annual Assessment or Special Assessment) is not paid on the date due, then such assessment shall become delinquent and the entire assessment shall, together with interest thereon and cost of collection thereof as hereinafter provided, become due and payable and be a continuing lien on the property which shall bind such property in the hands of the then Owner, the Owner's heirs, devisees, personal representatives and assigns. The obligation of the Owner to pay such assessment is a personal obligation and any assessments that are due but remain unpaid at the time the Owner disposes of his or her ownership interest shall be enforceable by the Association against such person or against such person's successor in interest to the property subject to the assessment unless such successor in interest is a *bona fide* purchaser for value without notice of the assessment, or acquires title to the property by foreclosure of a lien securing a purchase money mortgage or home equity mortgage, or by deed or conveyance in lieu of foreclosure of such lien.

6.11.2. The Association may record a notice of lien for delinquent assessments in the public records and foreclose the lien in the same manner as a mortgage. The lien shall not be valid against subsequent *bona fide* purchasers or mortgagees for value unless so recorded. Upon recording, the lien shall secure the amount of delinquency stated therein and all unpaid assessments due thereafter until satisfied of record, together with interest thereon, as provided herein, and the reasonable cost of (a) notices of delinquency, (b) demands for payment, (c) notices of liens, (d) assignment of liens, (e) releases of liens, (f) recording costs, (g) attorney's fees, and (h) management company fees.

6.11.3. If the assessment is not paid within thirty (30) days after the due date it shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same for collection of the amounts due, or an action to foreclose the lien against the property. Suit to recover a money judgment for delinquent amounts owed to the Association and attorney's fees and costs shall be maintainable without foreclosing or waiving the lien securing the same. In the event that the Association turns the account over to an attorney for collection, there shall be added to the amount due the reasonable fees and charges of such attorney, including, but not limited to, charges for issuing notice of legal action or demands for payment, negotiation and preparation of settlement agreements and/or releases, costs of preparation of legal action, court costs, filing fees and all other expenses incurred by the Association for enforcement of its lien and/or collection of amounts owed.

6.11.4. In the event that the Association elects to foreclose its lien against any Unit, the Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure.

Section 6.12. Subordination of the Lien to Mortgages: Mortgagees' Rights. The lien of the assessments provided for herein is subordinate to the lien of any purchase money or home equity Mortgage given to an Institutional Lender now or hereafter placed upon a Unit or Lot recorded prior to the recording of a notice of lien pursuant to Section 6.12 of this Article 6; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Each Owner hereby authorizes and instructs the Association that an Institutional Lender holding a secured mortgage lien on a Unit, upon delivery of written request from the Institutional Lender to the Association, shall be entitled to written notification from the Association of any default of an Owner of any obligation hereunder which is not cured within sixty (60) days. The Association may provide such notice without receiving a request from the Institutional Lender without further notice to the Unit Owner. An Institutional Lender holding a mortgage on a Unit may pay any past due assessment or other obligation of the Unit Owner to the Association on behalf of such Owner, and, upon request from the Institutional Lender, the Association shall assign its lien rights herein established to such Institutional Lender.

An Institutional Lender may pay taxes or other charges which are in default and which may or have become a charge against any Common Property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Property and Institutional Lenders making such payments shall be owed immediate reimbursement therefor from the Association.

Section 6.13. Damage to Common Property by Owners. Any maintenance, repairs or replacements within the Common Property arising out of or caused by the willful or

negligent act of the Owner, his family, guests or invitees shall be done at said Owner's expense or a Special Assessment therefore shall be made against his Lot or Unit.

Section 6.14. Exempt Property. The following property subject to this Declaration shall be exempted from all assessments, charges and liens created herein: (a) all easements, rights-of-way or other interest dedicated and accepted by the local public authority and devoted to public use; and (b) all Common Property.

ARTICLE 7

TITLE TO COMMON AREAS: ACCEPTANCE AND MAINTENANCE OF COMMON Property

Section 7.1. Construction and Ownership of Common Property Improvements. It is anticipated that Declarant will designate certain portions of the Property to be Common Property or Common Area (collectively referred to in this Article 7 as the "Common Property") that will be improved or developed in phases in association with the development and annexation of the additional property. Declarant may elect to construct or install certain improvements or facilities upon portions of the Common Property, but is not obligated to do so. Declarant shall have the absolute right and power to determine what improvements or facilities, if any, it will install or construct on the Common Property at all times prior to conveying such Common Property to the Association, and within two (2) years thereafter. All lands designated by the Declarant as Common Property shall be conveyed to, and title shall be held by, the Association, together with all improvements or facilities constructed or installed thereon.

Section 7.2. Acceptance of Common Property. Within thirty (30) days after receipt of written notice from the Declarant informing the Association that Declarant has completed construction or installation of improvements upon any portion of Common Property, the President of the Association, or in the absence of the President, any Vice President of the Association, together with a duly authorized representative of the Declarant, shall conduct a thorough inspection of the improvements or facilities, and shall report in writing any incomplete or defective conditions. The Association shall have the right to engage the service of a professional engineer, or other qualified inspector, to assist with the inspection and preparation of the written report. Upon completion or correction of any incomplete or defective conditions by Declarant, and re-inspection and approval by the President (or Vice President, as the case may be), or, in the event that the Declarant and

the representative of the Association disagree about the completion or correction of allegedly incomplete or defective conditions, upon written certification of completion by a licensed engineer or architect engaged by the Declarant, Declarant shall convey all of its right, title and interest in and to the Common Property in question, including the improvements or facilities, to the Association free and clear of all liens, claims or expenses arising from the construction or installation of improvements on the Common Property by Declarant, and the Association shall accept and acknowledge the deed of conveyance, and/or the certificate of completion, and shall thereafter own all right, title and interest in the Common Property and improvements or facilities then conveyed.

Section 7.3. Maintenance of the Common Property. The Association shall own, operate and maintain all Common Property and the improvements or facilities constructed or installed thereon in first class condition, subject to normal wear and tear, depreciation, and the elements. Maintenance of the Common Property shall include periodic inspection and preventive maintenance for the improvements and facilities thereon.

Section 7.4. Inspections of the Common Property by Declarant. Declarant hereby reserves the right, at all times after conveyance of the Common Property to the Association, to enter the Common Property, without prior notice, and to inspect the condition of the improvements and facilities thereon. If Declarant determines, in its sole judgement, that the improvements or facilities are in need of repair or maintenance, it may so notify the Association in writing, and it shall be the sole obligation of the Association owning such Common Property to promptly complete such repairs or maintenance. Failure of the Association to properly maintain and repair the Common Property shall relieve the Declarant of any liability to the Association or to any Member for any condition of the Common Property. Declarant shall have the right to make a record of its inspections by photographing and/or videotaping the Common Property, and shall have the right to perform tests or examinations to determine the condition of the Common Property, provided that Declarant shall indemnify the Association from any claims for personal injury, death, property damage or non-payment asserted by persons claiming by, through or under the Declarant for injury, death or damage occurring as a result of such examinations or tests. Notwithstanding the foregoing, Declarant shall have no obligation to perform inspections of the Common Property owned by the Association. The deeds conveying the Common Property to the Association may contain a recitation of this reservation, however failure to recite such reservation in such deeds shall not affect the rights of Declarant herein reserved.

Section 7.5. Maintenance and Repair Records. The Association shall keep records of maintenance and repairs performed on the Common Property, and such records shall be made available to the Declarant and to any Member upon written request. Failure of the Association to maintain appropriate records of maintenance and repairs shall be conclusive evidence that such maintenance and repairs were not performed.

Section 7.6. Operation, Maintenance and Monitoring of Drainage Facilities. The Association shall maintain, as part of the common elements, drainage structures for the property and comply with conditions of the permits from the St. Johns River Water Management District ("SJRWMD") for the drainage system. The Association, shall, when requested by Declarant, accept transfer of the SJRWMD permit identified as **Number 4-031-0594-ERP** for the Regency Creek property and shall be designated as the "permittee" thereof. The conditions of the permits include monitoring and record keeping schedules, and maintenance. The drainage facilities and improvements, including without limitation, the retention/detention ponds, underground pipes, inlets and outfall structures, if any, shall be collectively referred to herein as the "**Surface Water and Storm Water Management System**". The following additional conditions shall apply:

- a. The Association shall hold and save the SJRWMD harmless from any and all damages, claims, or liabilities which may arise by reason of the operation, maintenance or use of any facility authorized by the permit.
- b. The Association shall at all times properly operate and maintain the systems of treatment and control (and related appurtenances) that are installed or used to achieve compliance with conditions of the permit, as required by the SJRWMD. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by SJRWMD rules.
- c. The Association, specifically agrees to allow authorized SJRWMD personnel, upon presentation of credentials or other documents as may be required by law, access to the Common Maintenance Area premises, at all reasonable times, where the permitted activity is located or conducted; for the purposes of inspection and testing to determine compliance with the permit and SJRWMD regulations, such as:
 1. Having access to and copying any records that must be kept under the conditions of the permit; and

2. Inspecting the facility, equipment, practices, or operations regulated or required under the permit; and
3. Sampling or monitoring any substances or parameters at any location reasonably necessary to assure compliance with the permit or SJRWMD rules; and
4. Gathering of data and information.

Reasonable time may depend on the nature of the concern being investigated.

d. Establishment and survival of littoral areas provided for storm water quality treatment in wet detention systems shall be assured by proper and continuing maintenance procedures designed to promote viable wetlands plant growth of natural diversity and character. Following as-built approval, perpetual maintenance shall be provided for the permitted system.

e. The Association shall submit inspection reports in the form required by SJRWMD, in accordance with the following schedule unless specified otherwise here or in permit application:

1. For systems utilizing effluent filtration or exfiltration, the inspection shall be performed eighteen (18) months after operation is authorized and every eighteen (18) months thereafter.
2. For systems utilizing retention and wet detention, the inspections shall be performed two (2) years after operation is authorized and every two (2) years thereafter.

f. It shall be the responsibility of each Lot Owner within the subdivision at the time of construction of a building, residence, or structure, to comply with the construction plans for the surface water management system pursuant to Chapter 40D-4, F.A.C., approved and on file with the SJRWMD.

g. It is the Lot Owner's responsibility not to remove native vegetation (including cattails) that become established within the wet detention ponds abutting their property. Removal includes dredging, the application of herbicide, and cutting. Lot Owners should address any question regarding authorized

activities within any wet detention pond to SJRWMD, Surface Water Permitting Department.

h. No Owner of a Lot within the subdivision may construct or maintain any building, residence, or structure, or undertake or perform any activity in the wetlands, buffer areas, and upland conservation areas described in the approved permit and recorded Plat of the subdivision, unless prior approval is received from the SJRWMD pursuant to Chapter 40D-4, F.A.C.

Section 7.7. Effect of Dissolution. In the event of the termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water and Storm Water Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, Florida Administrative Code, and be approved by the SJRWMD prior to such termination, dissolution or liquidation.

Section 7.8. Special Amendments Relating to Surface Water and Storm Water Management System. Any amendment to this Declaration which alters the Surface Water and Storm Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Property, must have the prior written approval of the SJRWMD. This section may not be amended without the consent of such District.

Section 7.9. Shared Facilities. It is expected that certain portions of the Surface Water and Storm Water Management System will serve the drainage needs of adjacent lands not owned by Declarant and not within the Property subject to this Declaration. Declarant reserves the right to grant such drainage and/or use easements and rights as Declarant may deem necessary or appropriate for accomplishing the drainage needs of the Property and/or lands owned by others provided that such agreements shall not unreasonably interfere with the use of the system by the Owners or unreasonably increase the cost of maintenance of the system by the Association.

Section 7.10. Water Levels in Retention Ponds; Flooding. The Surface Water and Storm Water Management System is designed to provide drainage for the Property. Neither the Association nor the Declarant shall have any liability whatsoever to any Owner for claims or damages alleged by an Owner due to water levels in the lakes and/or retention ponds, if any, being below normal or otherwise unacceptable to the Owner. Recreational use and aesthetic appearance of the retention ponds is secondary to their

intended drainage function, and during periods of prolonged drought or other unusual weather events water levels in the retention ponds may recede, and neither the Association nor the Declarant shall have any liability for such conditions. Provided that the Surface Water and Storm Water Management System is constructed in substantial compliance with the plans and specifications therefor approved by the appropriate governmental authorities, neither the Declarant, nor the Association nor any governmental authority shall be liable to the Association or any Owner for damage caused by flooding, and each Owner acknowledges and agrees that as long as the Declarant and the Association have acted in good faith in reliance on reasonable engineering criteria approved by the governmental authorities in the design and construction of the Surface Water and Storm Water Management System, they shall not be liable for damages sustained by any Owner caused by weather events not taken into consideration in the design or construction of such system and facilities.

Section 7.11. Condemnation. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas to replace that which has been condemned or to take whatever steps it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. In the event that the Board of Directors of the Association determines that the funds cannot be used in such a manner due to the lack of available land for additional Common Areas or for whatever reason, any remaining funds may be distributed to the Owners on a pro rata basis.

ARTICLE 8

ARCHITECTURAL REVIEW

Section 8.1. Architectural Control Committee. A committee to be known as the Architectural Control Committee (the "ACC") shall be established consisting of three (3) persons who need not be members of the Association.

a. The committee members of the ACC shall be appointed, terminated and/or replaced by the Declarant so long as there is Class B membership. Thereafter the committee members of the ACC shall be appointed, terminated and/or replaced by the Board of Directors. The persons appointed to the ACC are

Art Lancaster
Jeff Mitchem
Paul Axtell

b. The purpose of the ACC is to enforce the architectural standards of the community and to approve or disapprove plans for improvements proposed for the Lots.

c. The ACC shall act by simple majority vote, and shall have the authority to delegate its duties or to retain the services of a professional engineer, architect, designer, inspector or other person to assist in the performance of its duties.

Section 8.2. Scope of Review. No building, fence, wall, outbuilding, landscaping, pool, athletic facility or other structure or improvement shall be erected, altered, added onto or repaired upon any portion of the Property without the prior written consent of the ACC, provided however, that improvements erected, altered, added onto or repaired by Declarant shall be exempt from the provisions of this Article 8.

Section 8.3. Submission of Plans. Prior to the initiation of construction upon any Lot, the Owner thereof shall first submit to the ACC a complete set of plans and specifications for the proposed improvements, including site plans, grading plans, landscape plans, floor plans depicting room sizes and layouts, exterior elevations, specifications of materials and exterior colors, and any other information deemed necessary by the ACC for the performance of its function. In addition, the Owner shall submit the identity of the individual or company intended to perform the work and projected commencement and completion dates.

Section 8.4. Plan Review. Upon receipt by the ACC of all of the information required by this Article 8, it shall have twenty-one (21) days in which to review said plans. The proposed improvements will be approved if, in the sole opinion of the ACC: (1) the improvements will be of an architectural style and material that are compatible with the other structures in the Property; (2) the improvements will not violate any restrictive covenant or encroach upon any easement or cross platted building set back lines; (3) the improvements will not result in the reduction in property value, use or enjoyment of any of the Property; (4) the individual or company intended to perform the work is acceptable to the ACC in the exercise of its reasonable discretion, provided however, that the right of the ACC to consent to the individual or company selected to perform the work shall not be used to require any Owner to retain the Declarant or its employees, agents, contractors or affiliated companies or any Builder, nor shall such consent be deemed approval or

indorsement of the quality of work or performance of the company or individual performing such work; and (5) the improvements will be substantially completed, including all cleanup, within three (3) months of the date of commencement [6 months for the construction of a complete house]. In the event that the ACC fails to issue its written approval within twenty-one (21) days of its receipt of the last of the materials or documents required to complete the Owner's submission, the ACC's approval shall be deemed to have been granted without further action.

Section 8.5. Non-conforming Structures. If there shall be a material deviation from the approved plans in the completed improvements, such improvements shall be in violation of this Article 8 to the same extent as if erected without prior approval of the ACC. The ACC, the Association or any Owner may maintain an action at law or in equity for the removal or correction of the non-conforming structure and, if successful, shall recover from the Owner in violation all costs, expenses and fees incurred in the prosecution thereof.

Section 8.6. Immunity of ACC Members. No individual committee member of the ACC shall have any personal liability to any Owner or any other person for the acts or omissions of the ACC if such acts or omissions were committed in good faith and without malice. The Association shall defend any action brought against the ACC or any committee member thereof arising from acts or omissions of the ACC committed in good faith and without malice.

Section 8.7. Address for Notice. Requests for ACC approval or correspondence with the ACC shall be addressed to the Regency Creek Architectural Control Committee and mailed or delivered to the principal office of Centex Homes at 6620 Southpoint Drive, South 400, Jacksonville, Florida 32216, or such other address as may be designated from time to time by the ACC. No correspondence or request for approval shall be deemed to have been received until actually received by the ACC in form satisfactory to the ACC.

ARTICLE 9

EASEMENTS

Section 9.1. Utility Easements. As long as Class B membership shall be in effect, the Declarant hereby reserves the right to grant perpetual, nonexclusive easements for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Common Area for ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, cable television. Declarant, for itself and its designees,

reserves the right to retain title to any and all pipes, lines, cables or other improvements installed on or in such easements. Upon cessation of Class B membership, the Association shall have the right to grant the easements described herein.

Section 9.2. Declarant's Easement to Correct Drainage. Declarant hereby reserves for the benefit of Declarant and any Builder a blanket easement on, over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance and shall be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage for any Lot. Notwithstanding the foregoing, nothing herein shall be interpreted to impose any duty upon Declarant or any Builder to correct or maintain any drainage improvements within the Property.

Section 9.3. Easement for Unintentional Encroachment. The Declarant hereby reserves an exclusive easement for the unintentional encroachment by any structure upon the Common Area caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment as an easement appurtenant to the encroaching Property to the extent of such encroachment.

Section 9.4. Entry Easement. In the event that the Owner fails to maintain the Lot as required herein, or in the event of emergency, the Association shall have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein shall not be deemed a trespass, and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

Section 9.5. Drainage Easements. Easements for installation and maintenance of utilities, storm water retention/detention ponds, and/or conservation areas are reserved as may be shown on any recorded Plat. Within these easement areas, no structure, landscaping or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may hinder or change the direction of flow of drainage channels or slopes in the easements. The easement area of each Lot and all improvements contained therein shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, utility company or the Association is responsible.

Section 9.6. Temporary Completion Easement. All Lots shall be subject to an easement of ingress and egress for the benefit of the Declarant, its employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Lots as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon adjacent Lots, provided that such easement shall terminate 24 months after the date such Lot is conveyed to the Owner by the Declarant.

Section 9.7. Community Wall, Fence, Signage and Landscape Easement. An easement is hereby created for the use and benefit of the Association and the Declarant for the erection and maintenance of a wall or fence, and the installation of landscaping and the erection of signs over, across and upon an area five (5) feet wide adjacent to the South property line boundaries of Lots 1, 36, 37, 38, 47, 48, 49, 50 and 69 as depicted on the recorded subdivision Plat. The Declarant and/or the Association shall have the right to install, erect, construct, operate and maintain within such easement, a fence or wall, sidewalks, paths, landscaping, irrigation systems, signs, lighting and other improvements, subject to the requirements and limitations of ordinances or regulations of the governmental authorities. All improvements permanently installed in such easement by Declarant or the Association shall be and remain the property of the Association. The Association shall maintain the portion of the fence adjacent to Regency Square Boulevard, and the Owners of Lots 1, 36, 37, 38, 47, 48, 49, 50 and 69, respectively, shall maintain the portion of the fence located on their Lots facing their properties. In other words, the Association shall repair or replace damaged fence pickets accessible from the Regency Square Boulevard right-of-way, and the Owners shall repair or replace damaged fence pickets accessible from their Lots. No Owner shall unreasonably inhibit access by the Association or the Declarant for inspection or maintenance of the wall, fence or other improvements in the easement, and no Owner shall erect or install any permanent improvement within the easement area without the prior written consent of the Declarant as long as the Declarant retains Class "B" membership status, or by the Association thereafter, and such approval shall not be unreasonably withheld provided that the proposed improvements are approved by the Architectural Control Committee, and do not materially affect the use of the easement by the Association or Declarant. In those areas where the easement described herein affects easements for utilities or drainage, this easement, and the rights of the Declarant, Association and Owners, as herein described, shall be subordinate to the easements for utilities or drainage, and nothing set forth in this Section 9.7 shall limit or affect the rights of the beneficiaries of easements for utilities or drainage, nor shall the Association, the Declarant or any Owner, by virtue of this Section, have any right to erect any improvement, temporary or permanent, within the easement in violation of the rights of the beneficiaries of utility or drainage easements. All

improvements installed in the easement that are designed, constructed and intended to remain indefinitely are deemed to be permanent improvements for the purposes of this easement. Declarant's marketing signs and paraphernalia intended to remain only as long as Declarant continues to market new homes in the Property, are not deemed to be permanent improvements, and shall be erected, maintained and removed by Declarant at its sole expense, and shall not be or become the property of the Association.

Section 9.8. Retaining Wall and Drainage Easement. Notice is hereby given that a Private Maintenance and Drainage Easement has been established over portions of Lots 50 through 69, both inclusive, as depicted on the recorded Plat. Such Private Maintenance and Drainage Easement shall be for the use and benefit of the Declarant, the Association and all Owners, and shall be subject to all other provisions in this Declaration governing drainage easements, including, but not limited to, Section 9.5. In addition, the Declarant shall have the right to install within the Private Maintenance and Drainage Easement, a retaining wall, or retaining walls, or similar structures to establish the grading and drainage patterns of Regency Creek, and storm water intake and/or discharge pipes and structures according to the plans for development approved by the Governmental Authorities. No Owner shall remove, modify or otherwise disturb any retaining wall, storm water intake or discharge pipes or other structures installed in the Private Maintenance and Drainage Easement, and no Owner shall interfere with or otherwise impede storm water or surface water drainage within the Private Maintenance and Drainage Easement. Each Owner of an affected Lot shall be responsible for the maintenance of the portion of any retaining wall located upon such Lot, and shall promptly repair any damage or deterioration of such retaining wall to prevent its failure. If any Owner shall fail or refuse to maintain a retaining wall located on such Owner's Lot, the Association shall have the right to enter such Lot and perform such maintenance and repairs, and the expense of such work shall be charged against the Owner of the Lot as a Special Assessment. The Association shall be exclusively responsible for the maintenance and repair of the storm water intake and/or discharge pipes and other drainage control structures located within the Private Maintenance and Drainage Easement, and the expense of any repairs to such pipes and/or structures shall be a common expense of the Association.

Section 9.9. Entry Sign Easements. There is hereby reserved for the benefit of the Declarant, the Association and all Owners, easements for the erection, operation and maintenance of signs, monuments, landscaping, lights, irrigation systems and other appurtenant improvements necessary or desirable, in the sole opinion of the Declarant until Class B Membership status expires, and in the opinion of the Board of Directors of the

Association thereafter, for promotion of sales and identification of the community as Regency Creek, on, over and across the following described areas, to-wit:

Sign Easement No. 1. Commencing at the Southwest corner of Lot 1, of Regency Creek, as shown on the recorded Plat, run North 89 degrees, 43 minutes, 41 seconds East along the South boundary of said Lot 1 a distance of 84.86 feet to the Point of Beginning. Thence run North 00 degrees, 35 minutes, 36 seconds West a distance of 25 feet to a point in the interior of Lot 1. Thence run North 89 degrees, 43 minutes, 41 seconds East a distance of 25 feet to a point in the East boundary of the said Lot 1. Thence South and West following the curvature of the boundary of the said Lot 1, a distance of 39.41 feet to the Point of Beginning.

Sign Easement No. 2. Commencing at the Southeast corner of Lot 69, of Regency Creek, as shown on the recorded Plat, run South 89 degrees, 43 minutes, 41 seconds West along the South boundary of said Lot 69 a distance of 85.14 feet to the Point of Beginning. Thence run North 00 degrees, 35 minutes, 36 seconds West a distance of 25 feet to a point in the interior of Lot 1. Thence run South 89 degrees, 43 minutes, 41 seconds West a distance of 25 feet to a point in the West boundary of the said Lot 69. Thence South and East following the curvature of the boundary of the said Lot 69, a distance of 39.13 feet to the Point of Beginning.

ARTICLE 10

USE AND OCCUPANCY

All Lots and dwellings shall be used and occupied for single family residence purposes only. No Lot or dwelling may be used for commercial, institutional or other non-residential purpose if such use involves the attendance or entry of non-residents upon the Lot or otherwise diminishes the residential character of the Lot or neighborhood. This prohibition shall not apply to (1) "garage sales" conducted with the prior written consent of the Association provided that no Owner shall conduct more than one (1) garage sale of no more than two (2) days duration during any six (6) month period or, (2) the use of any Unit by Declarant or any Builder as a model home or sales office, or the use of any Lot as a site for a construction office trailer or sales office trailer by Declarant or any Builder. The living area of each Unit, exclusive of garages, porches, patios and other areas not designed for human habitation, shall be 1,629 square feet or larger measured to the outside of the exterior walls.

ARTICLE 11

PROPERTY RIGHTS

Section 11.1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

a. The right of the Association to establish and publish rules and regulations governing the use of the Common Areas affecting the welfare of Association members.

b. The right of the Association to suspend the right of use of the Common Areas of an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

c. The right of the Association, subject to the provisions hereof, to dedicate or transfer all or any part of the Common Areas, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded agreeing to such dedication or transfer.

d. All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of and be binding upon the undersigned, all of their grantees, and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

Section 11.2. Effect of Declaration. Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 11.3. Rezoning Prohibited. No Lot shall be rezoned to any classification allowing commercial, institutional or other non-residential use without the express consent of the Association and Declarant, which may be withheld in Declarant's sole discretion. Declarant or the Association may enforce this covenant by obtaining an injunction against any unapproved rezoning at the expense of the enjoined party.

ARTICLE 12

USE RESTRICTIONS

Section 12.1. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 12.2. Development Activity. Notwithstanding any other provision herein, Declarant and its successors and assigns, including Builders, shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property and the construction and sale of dwelling units on the Property.

Section 12.3. Temporary Structures. No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or mobile home or other outbuilding, and no prefabricated or relocated structure shall be used on any Lot at any time as a residence, either temporarily or permanently. This restriction shall not be interpreted to limit the right of Declarant or any Builder to use trailers or outbuildings as sales offices, construction offices or material storage facilities.

Section 12.4. Signs. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the Property or carried by any person or by any other means displayed within the Property except the following:

- a. **Address Signs.** An Owner may display an address sign or marker in the form and style first installed by the Declarant or Builder of the Unit, or in such other form or style approved by the ACC pursuant to Article 8.

- b. **For Sale Signs.** An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of the ground advertising the property for sale.
- c. **Declarant's Signs.** Signs or billboards may be erected by the Declarant or any Builder.
- d. **Political Signs.** Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within fifteen (15) days after the election.

Section 12.5. Campers, Boats and Recreational Vehicles. No campers, boats, boat trailers, recreational vehicles and other types of non-passenger vehicles, equipment, implements or accessories may be kept on any Lot unless the same are fully enclosed within the garage located on such Lot and/or said vehicles and accessories are screened from view by a screening structure or fencing approved by the ACC, and said vehicles and accessories are in an operable condition. The ACC, as designated in this Declaration, shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and adequately screened from public view. Upon an adverse determination by said ACC, the vehicle and/or accessory shall be removed and/or otherwise brought into compliance with this paragraph. No dismantling or assembling of motor vehicles, boats, trailers, recreational vehicles, or other machinery or equipment shall be permitted in any driveway or yard adjacent to a street. No commercial vehicle bearing commercial insignia or names shall be parked on any Lot except within an enclosed structure or a screened area which prevents such view thereof from adjacent lots and streets, unless such vehicle is temporarily parked for the purpose of serving such Lot.

Section 12.6. Pets, Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except for cats, dogs or other generally recognized household pets of a reasonable number, provided that they are not kept, bred, or maintained for any commercial purpose; and provided further, than no more than four (4) adult animals may be kept on a single Lot. All such animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Regency Creek Owners Association.

Section 12.7. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment and containers for the storage or disposal of such material shall be kept in a clean and sanitary condition. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble, or debris shall be stored, kept, placed or maintained on any Lot where visible from any street except solely on a day designated for removal of garbage and rubbish and on which days only, such cans, bags, containers, and receptacles may be placed in front of a residence and beside a street for removal but shall be removed from view before the following day.

Section 12.8. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three (3) and ten (10) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and in a line connecting them at points thirty-five (35) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 12.9. Parking. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Maintenance Areas or on any easement (except areas intended for vehicular access) unless in use for maintaining such Common Maintenance Areas.

Section 12.10. Commercial or Institutional Use. No Lot, and no building erected or maintained on any Lot shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes, except for construction offices, model homes and sales offices as set forth in this Declaration or in the Articles of Incorporation or Bylaws of the Association.

Section 12.11. Detached Buildings. No detached accessory buildings, including, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without the prior consent of the ACC. Every outbuilding, inclusive of such structures as a storage building, greenhouse or children's playhouse shall be compatible with the dwelling to which it is appurtenant in terms of its design and

material composition. In no instance shall an outbuilding exceed one (1) story in height or have total floor area in excess of ten percent (10%) of the floor area of the main dwelling.

Section 12.12. Fences. No fence, wall or hedge shall be erected or maintained on any Lot nearer to the street than the building setback lines for the front yard, except for fences erected in conjunction with model homes or sales offices. Except as may be necessary to maintain the sight distances required by Section 12.8, side yard fences on corner Lots must be erected inside the side street setback line of the Lot. All fences shall be constructed of wood or masonry except for retaining walls installed by Declarant or retaining walls or decorative walls approved by the ACC. All fences shall be of uniform height except sales office or model home fences. No chain-link, metal cloth or agricultural fences may be built or maintained on any Lot. Unless otherwise agreed between Owners, side and rear yard fences that separate adjacent lots shall be owned and maintained by the Owner on whose Lot the fence exists, or if the location is indefinite, such fence will be maintained by the Owners whose Lots are involved jointly with expenses being shared equally.

Section 12.13. Landscaping. Decorative ground cover rock in the front and side yard may not exceed ten (10) percent of the total area of the front and side yard. Lawns must be properly maintained (not to exceed six (6) inches in height).

Section 12.14. Television and Radio Receiving Devices. No exterior radio or television antenna, satellite dish, microwave antenna or other antenna or device for sending or receiving television or radio signals may be erected or maintained on the exterior of any Unit in the Property in such a manner as to be visible to an observer from the street in front of the Unit. Television and/or radio receiving devices may be erected on the exterior of a Unit in a location that does not allow them to be visible to an observer from the street in front of the Unit if such devices are approved for installation by the ACC, provided however, that satellite receiving dishes in excess of 39 inches in diameter shall be prohibited on all Lots. Notwithstanding the foregoing, the Board of Directors of the Association shall have the authority to establish size limitations for television and radio receiving devices that do not have a material effect upon the appearance of the Unit which devices may be approved for use in areas that are visible to an observer from the street if advances in technology create devices that are unobtrusive and do not materially affect the appearance of the Unit. By acceptance of a deed to a Unit within the Property, each Owner agrees that this restrictive covenant is a reasonable limitation on the Owners' ability to receive television and/or radio transmissions, and (1) does not unreasonably delay or prevent installation, maintenance or use of television or radio receiving devices, (2) does

not unreasonably increase the cost of installation, maintenance or use of television or radio receiving devices, (3) does not preclude reception of an acceptable quality television or radio signal, and (4) does not impose an unnecessary burden, expense or delay on any Owner. Each Owner covenants with Declarant and every other Owner that the rights of the Association and all other Owners of Units in the Property in the protection of property values and the architectural character and aesthetics of the Property supersedes and takes precedence over the interests of each individual Owner in the placement of television and radio receiving devices, and that the limitations established in this Declaration provide each Owner reasonable alternatives for receiving quality television and radio signals without the necessity of erecting receiving devices in locations that are visible to observers from the street in front of the Unit or otherwise materially affect the appearance of the Unit. Therefore, each Owner agrees to be bound by this limitation and waives the benefits of any contrary rule or regulation promulgated by the Federal Communications Commission or other governmental body or agency.

Section 12.15. Exterior Finish. All exterior walls of all dwellings, garages and approved accessory buildings shall be completely finished with wood, stucco, brick, stone, paneling or other material acceptable to the ACC. No unpainted concrete block surfaces shall be visible on any exterior wall. The first floor exterior walls of the main residence building constructed on any Lot shall be composed of at least 100% masonry or masonry veneer (including stucco), said percentage to apply to the aggregate area of all first floor exterior walls, excluding windows, doors or other openings and gable ends. The minimum masonry requirement specified shall apply to the lower floor only for a two-story dwelling. Masonry or masonry veneer includes stucco, ceramic tile, clay, brick, rock and all other materials commonly referred to in the Duval County, Florida area as masonry. Notwithstanding the foregoing, the ACC is empowered to waive this restriction if, in its sole discretion, such waiver is advisable in order to accommodate a unique or advanced building concept, design, or material, and the resulting structure will not detract from the general appearance of the neighborhood.

Section 12.16. Chimneys. All fireplace flues shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the principal finish material of the exterior walls of the dwelling or otherwise approved by the ACC.

Section 12.17. Clothes Hanging Devices. Clothes hanging devices exterior to a dwelling shall not exceed six (6) feet in height and shall not be placed nearer to any street abutting the Lot than the side yard setback line or the back of the Unit constructed on the

Lot. Clothes hanging devices shall be screened from public view by a fence approved by the ACC. Such fence shall be erected by the Owner before any clothes hanging device is erected.

Section 12.18. Window Treatment. No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors.

Section 12.19. Oil and Mining Operations; Hazardous Materials. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon 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. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground. No hazardous, flammable or explosive materials shall be kept, stored or disposed of on any Lot except household chemicals, cleansers, lubricants and the like, which may be kept and used in conventional domestic applications and amounts in accordance with applicable environmental laws and regulations.

Section 12.20. Mail Boxes. Mail boxes shall be erected and maintained upon areas determined by the U.S. Postal Service in accordance with the current postal authority standards and the approval of the ACC.

Section 12.21. Garages. An enclosed garage able to accommodate at least two (2) automobiles must be constructed and maintained for each residence. The openings of such garages must be situated within the setback lines set out herein. If the garage is detached from the house, it shall be located entirely in the rear yard area and not less than five (5) feet from any side or rear Lot line and in the case of corner Lots, not less than the distance required for dwellings from side streets. Garages may be used as the Declarant's or Builder's sales offices prior to permanent occupancy of the main structure, however, sales offices must be converted to garages prior to permanent occupancy. Detached garages may not exceed a height of eighteen feet (18') at the highest ridge point of the roof measured from the existing ground unless prior written approval is obtained from the Architectural Control Committee. With the exception of periods when garages are used by the Builder as sales offices, all garages shall be maintained for the storage of automobiles, and no garage may be enclosed or otherwise used for habitation.

Section 12.22. Roof. No exposed roof surfaces on any principal and/or secondary structures shall be of wood shingles or wood shakes unless rated by the State Insurance

Board as meeting fire retardant standards. The Architectural Control Committee shall have the authority to approve roof treatments and materials when in its determination such treatments and materials, in the form utilized will not be a detriment to the quality of the neighborhood.

Section 12.23. Setback Lines. All buildings or other structures (except fences), permanent or temporary, habitable or uninhabitable, must be constructed, placed and maintained in conformity with setback lines imposed herein. In no event shall any such building or other structure be constructed, placed or maintained within 5 feet of the side boundary of a Lot (except for Lots bordering a side street, in which case the side street setback line shall be 15 feet) or within 10 feet of the rear boundary of a Lot. Front setback lines for one story homes are hereby established at 20 feet, and for two story homes at 20 feet. Detached garages and temporary structures shall be located entirely in the rear yard area and not less than 5 feet from any side or rear Lot line and in the case of corner Lots, not less than the distance required for dwellings from side streets. The eaves, steps and porches of buildings shall not be deemed to be a part of a building or structure for the purpose of this covenant. Notwithstanding the foregoing, the ACC shall have the right and authority to approve variances from the setback requirements for reasonable cause or to alleviate a hardship.

Section 12.24. Athletic and Recreational Facilities. Outdoor athletic and recreational facilities such as basketball goals, swing sets and sport courts of either a permanent or temporary nature shall not be placed on any Lot between the street right-of-way and the front of a Unit and must be approved by the Architectural Control Committee pursuant to Article 8. Tennis court lighting and fencing shall be allowed only with the approval of the ACC.

Section 12.25. Security. Neighborhood security patrols may be provided by independent contractors through the Association, from time to time; however the Association is not responsible for security of the neighborhood or any Unit and the Owners are exclusively responsible for security for their homes and property.

Section 12.26. Water and Sewage Systems. No individual water supply system or sewage disposal system shall be permitted on any Lot, including but not limited to water wells, cesspools or septic tanks.

Section 12.27. Exterior Holiday Decorations. Lights or decorations may be erected on the exterior of Units in commemoration or celebration of publicly observed holidays

provided that such lights or decorations do not unreasonably disturb the peaceful enjoyment of adjacent Owners by illuminating bedrooms, creating noise or attracting sight-seers. All lights and decorations that are not permanent fixtures of the Unit which are part of the original construction or have been properly approved as permanent improvements by the ACC shall be removed within thirty (30) days after the holiday has ended. Christmas decorations or lights may not be displayed prior to November 15th of any year. For other holidays, decorations or lights may not be displayed more than two (2) weeks in advance of the holiday. The Association shall have the right, upon thirty (30) days prior written notice to enter upon any Lot and summarily remove exterior lights or decorations displayed in violation of this provision. The Association, and the individuals removing the lights and decorations, shall not be liable to the Owner for trespass, conversion or damages of any kind except intentional misdeeds and gross negligence.

Section 12.28. Solar Energy Devices. No Owner may erect or maintain solar collector panels or other solar energy devices or equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view at a point in the center of the public street right-of-way directly in front of the house erected on such Lot; and no such apparatus shall be erected without the prior written consent of the ACC.

ARTICLE 13

PICKETING AND DEMONSTRATIONS

By acceptance of the deed to any Lot covered by this Declaration, the Owner covenants and agrees with the Owners of all other Lots within the subdivision, that no Owner or resident of any Lot shall engage in picketing, protest marches, sit-in demonstrations, protest speeches or other forms of public protest, including without limitation, displaying signs or placards within public view, upon any Lot or within any Common Area, easement or street adjacent to any Lot, or affixed to any vehicle or apparatus upon or adjacent to any Lot, street, easement or Common Area. This prohibition shall not affect the right of any person to participate in any other form of public protest conducted outside the area depicted on any recorded subdivision Plat. No Owner or resident of any Lot shall engage in conduct that tends to vilify, ridicule, denigrate, or impugn the character of any other Owner or resident if such conduct occurs on any Lot, Common Area, easement or street depicted on the subdivision Plat. Each Owner, by acceptance of the deed to any Lot, shall be deemed to have accepted the foregoing prohibitions as reasonable limitations on his or her constitutional right of free speech and

to recognize and agree that all Owners have the right to the peaceful enjoyment of their property; the right of privacy; the right to practice their own religion; the freedom of association; the right to engage in a profession, business or life-style of their own choosing provided that the conduct of such profession, business or life-style is not illegal and does not otherwise violate any provision of this Declaration.

ARTICLE 14

MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Units in the Property. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 14.1. Rights of Eligible Holders. An institutional holder, insurer, or guarantor of a first Mortgage (herein referred to as an "Institutional Lender") that provides a written request to the Association (such request to state (1) the name and address of such holder, insurer, or guarantor; (2) the name of the Owner; (3) the address of the Unit; and (4) the Lot and Block numbers and identification of the Unit, thereby becoming an "Eligible Holder"), will be entitled to:

- a. the right to inspect Association documents and records on the same terms as Members;
- b. copies of all written notices to the Unit Owner of material amendments to the Declaration, Articles of Incorporation or Bylaws of the Association when such notices are required to be given to Owners pursuant to such documents;
- c. copies of written notices to the Unit Owner of extraordinary actions to be taken by the Association when such notices are required to be given to Owners pursuant to this Declaration or the Bylaws;
- d. copies of written notices to the Unit Owner of (i) any property loss, condemnation or eminent domain proceeding affecting the Common Property resulting in losses greater than ten percent (10%) of the current annual budget, or (ii) any Unit insured by the Association in which the Eligible Holder has an interest;

e. copies of written notices to the Unit Owner of any termination, lapse or material modification of an insurance policy held by the Association;

f. written notice of any default by an Owner of a Unit subject to a mortgage held by the Eligible Holder in paying assessments or charges to the Association which remains uncured for sixty (60) consecutive days;

g. written notice of any proposal to terminate the Declaration or dissolve the Association at least thirty (30) days before such action is taken;

h. the right of a majority of Eligible Holders (determined on the basis of one vote for each Unit standing as security for a mortgage held by the Eligible Holder) to demand that the Association retain a professional management company; and

i. the right of a majority of Eligible Holders (determined on the basis of one vote for each Unit standing as security for a mortgage held by the Eligible Holder) to demand an audit of the Association's financial records.

Section 14.2. Voting Rights of Eligible Holders. For purposes of this Section, an Eligible Holder of a Mortgage shall be entitled to one (1) vote for each first Mortgage owned.

14.2.1. Unless at least two-thirds (2/3) of the Eligible Holders consent, the Association shall not:

a. by act or omission abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Property which the Association owns, directly or indirectly (The granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Property shall not be deemed a transfer within the meaning of this subsection.);

b. change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner (A decision, including contracts, by the Board or provisions of any supplemental declaration subsequently recorded on any portion of the Property regarding assessments for Lots to be annexed or other similar areas shall not be subject to this provision where such decision or subsequent supplemental declaration is otherwise authorized by this Declaration.);

c. by act or omission change, waive, or abandon any material aspect of the scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Property (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment withing the meaning of this provision.);

d. fail to maintain insurance, as required by this Declaration; or

e. use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

14.2.2. Any election to terminate the legal status of the Association shall require:

a. the approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the legal status is the result of substantial destruction or a substantial taking in condemnation of the Common Property; or

b. the approval of at least sixty-seven percent (67%) of the Eligible Holders if the termination is sought for any other reason.

14.2.3. In the event a portion of the Common Property is either condemned or destroyed or damaged by a hazard that is insured against, restoration or repair shall be performed substantially in accordance with the provisions of the Declaration and the original plans and specifications for the project unless fifty-one (51%) of the Eligible Holders approve the taking of other action by the Association.

14.2.4. The affirmative vote fifty-one percent (51%) of the Eligible Holders shall be sufficient to require the Association to engage a professional management company.

14.2.5. The affirmative vote fifty-one percent (51%) of the Eligible Holders shall be sufficient to require the Association to conduct an audit of its financial records.

Section 14.3. Voluntary Payments by Eligible Holders. Eligible Holders may, jointly or singly, pay taxes or other charges which are in default and which may or have

become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of a Association policy, and Eligible Holders making such payments shall be entitled to immediate reimbursement from the Association.

Section 14.4. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the Eligible Holder of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

Section 14.5. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the Eligible Holder of any Mortgage encumbering such Owner's Unit.

Section 14.6. Amendment by Board. Should the Federal Housing Administration, Department of Veterans Affairs, Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently modify any of their respective requirements which necessitate the provisions of this Article, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 14.7. Applicability of this Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, the Bylaws, or Florida corporate law for any of the acts set out in this Article.

Section 14.8. Failure of Eligible Holder to Respond. Any Eligible Holder who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Eligible Holder within thirty (30) days of the date of the Association's request.

ARTICLE 15

INSURANCE AND CASUALTY LOSSES

Section 15.1. Common Areas. The Association shall keep all improvements, facilities and fixtures located within the Common Areas insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable

deductibles and normal exclusions for land, foundations, excavation costs and similar matters, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses and shall be included in the Association's annual budget and collected as part of the Annual Assessment.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Association shall contain provisions, or be accompanied by endorsements, for: agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

All insurance policies shall contain standard mortgagee clauses, if applicable.

The Association shall also maintain, to the extent any insurable improvements to Common Areas are within an "A" flood zone, flood insurance in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Common Areas or the maximum amount of coverage available under the National Flood Insurance Program, whichever is less.

Section 15.2. Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 15.3. Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least \$1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or

with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Association and *vice versa*. The Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Association and its Board of Directors and officers, from liability in connection with the Common Areas, the premiums for which shall be Common Expenses and included in the assessments made against the Members. The Association may also obtain such other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion.

The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any management company engaged by the Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Association, with the Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Association or management company during the time the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' of regular assessments, plus all reserve funds.

Section 15.4. Damage and Destruction.

15.4.1. Immediately after damage or destruction by fire or other casualty to all or any part of the Common Property covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Property to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

15.4.2. In the event of damage or casualty loss to the improvements, if any, erected on the Common Property, which in the opinion of the Board of Directors, should not be repaired or reconstructed, the Board shall deliver written notice thereof to

each Member stating (1) the amount of the insurance proceeds to be paid to the Association by the insurer as a result of the loss; (2) the estimated cost of repair or reconstruction; and (3) a request that each Member deliver a written response voting for or against repair or reconstruction within 30 days after receiving the Board's notice. Such notice shall be sent to each Member within 60 days after the Board has received the settlement offer of the insurer and the estimated cost of repair or reconstruction from a qualified contractor. The Association shall make the repairs or reconstruct the improvements unless at least 75% of the Members of each class of membership vote not to do so. No Eligible Holder shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed; provided, however, this provision shall not apply to construction Mortgagees, if any, providing construction financing for such damaged Common Property.

15.4.3. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized by the Members, then and in that event the affected portion of the Common Property shall be restored to its natural state and maintained by the Association in a neat and attractive condition.

Section 15.5. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Property shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Eligible Holders as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Eligible Holder of a Unit and may be enforced by such Mortgagee.

Section 15.6. Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for Annual Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE 16

GENERAL PROVISIONS

Section 16.1. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, Voting Members representing three-fourths (3/4) of the votes of the Association vote in favor of terminating this Declaration at the end of its then current term. Termination of this Declaration is deemed to be an "Extraordinary Action" subject to the provisions of Section 16.2.

Written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least sixty (60) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution.

Said certificate shall be recorded in the Public Records of Duval County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. Termination of the Association shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract were meant to survive termination.

Section 16.2. Material Amendments and Extraordinary Actions. The Association may amend this Declaration in regard to the matters identified herein as "**Material Amendments**", or may undertake the actions herein listed as "**Extraordinary Actions**" only in the following manner.

16.2.1. Material Amendments. The matters listed below are deemed to be material to this Declaration, and any proposed amendment concerning such matters shall be deemed to be a "Material Amendment":

- a. the manner of determining the basis for assessments or the administration of assessment liens;
- b. any method of imposing or determining any charges to be levied against individual Unit Owners;
- c. reserves for maintenance, repair or replacement of Common Area improvements;
- d. maintenance obligations;
- e. allocation of rights to use Common Areas;
- f. any scheme of regulation or enforcement of standards for maintenance, architectural design or appearance of improvements on Units;
- g. reduction of insurance requirements;
- h. restoration or repair of Common Area improvements;
- i. the addition, annexation or withdrawal of land to or from the project;
- j. voting rights;
- k. restrictions affecting leasing or sale of a Unit; or
- l. any provision which is for the express benefit of Mortgagees, or Eligible Holders.

16.2.2. Extraordinary Actions. The matters listed below are deemed to be extraordinary under this Declaration, and any proposed action concerning such matters shall be deemed to be an "Extraordinary Action":

- a. merging or consolidating the Association (other than with another non-profit entity formed for purposes similar to the Association);
- b. determining not to require professional management, if that management has been required by the Association documents, a majority of Eligible Holders or a majority vote of the Members;
- c. expanding the Association to include land not previously described as land adjacent to the boundaries of the Property which increases the overall land area of the project or number of Units by more than 10%;
- d. abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of the Common Areas (except for (1) granting easements which are not inconsistent with, or which do not interfere with the intended Common Area use; (2) dedicating Common Area as required by a public authority; (3) limited boundary line adjustments made in accordance with the provisions of this Declaration; or (4) transferring Common Area pursuant to a merger with a non-profit entity formed for purposes similar to the Association);
- e. using insurance proceeds for purposes other than reconstruction or repair of insured improvements;
- f. making capital expenditures (other than for repair or replacement of existing improvements) during any period of 12 consecutive months costing more than 20% of the annual operating budget for that period;
- g. termination of the Declaration or other termination of the planned unit development; or
- h. dissolution of the Association.

16.2.3. Notice Required for Material Amendment or Extraordinary Action.

Written notice of any proposed Material Amendment or Extraordinary Action shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such

matter is to be discussed or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a summary of any Material Amendment or Extraordinary Action to be considered. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in this Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

16.2.4. Approval Required for Material Amendment or Extraordinary Action. Material Amendments and Extraordinary Actions may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 67% of the Class A Members (i.e. all Members except the Declarant and any Builder who retain Class B or Class C status) who are present, in person or by proxy, and voting at the meeting called as described in the notice at which a quorum is present, and the vote of the Declarant, or (2) by the written consent of at least 67% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting.

16.2.5. Additional Approval Requirements. In addition to the approval of the Members and the Declarant set forth above, the following conditions shall apply:

a. Any Material Amendment or Extraordinary Action that changes the rights of any specific class of Members (i.e. Class A; Class B; or Class C) must also be approved either (1) by the affirmative vote of at least 51% of the Members of such Class who are present, in person or by proxy, and voting at a meeting called as described in the required notice at which a quorum of such Class of Members is present, or (2) by the written consent of at least 51% of all Members of such Class to any action taken in lieu of a meeting.

b. Any Material Amendment or Extraordinary Action proposed during the period in which the Declarant retains its Class B status must also be approved by the Federal Housing Administration ("FHA"), and the Department of Veterans Affairs ("VA") if any Unit within the Property has been financed by a mortgage insured by FHA or guaranteed by VA. The Association shall deliver written notice of the proposed Material Amendment or Extraordinary Action to the FHA and VA simultaneously with its notice to the Members. If the FHA or VA fails to deliver written notice to the Association of its objection to the proposed Material Amendment or Extraordinary Action within 30 days after receipt of the notice, FHA and VA will be deemed to have approved the matters contained in the notice, and the Association shall be entitled to record an affidavit signed by an authorized officer averring that written notice was delivered to the FHA and VA and no objection was timely received from such agencies.

16.2.6. Notice of Material Amendment or Extraordinary Action. Upon approval of a Material Amendment or Extraordinary Action, the Association shall record appropriate written notice thereof in the Public Records of Duval County, Florida, and take all such further action as may be prudent or necessary to implement and carry out the Material Amendment or Extraordinary Action.

Section 16.3. Non-Material Amendments. The Association may amend this Declaration in regard to all matters, except those identified in Section 16.2 as "Material Amendments", in the following manner.

16.3.1. Amendments by Members - Notice Required for Non-Material Amendment. Written notice of any Non-Material Amendment proposed by the Board of Directors of the Association shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such matter is to be discussed or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a summary of any Non-Material Amendment to be considered. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Neighborhood Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in this

Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

16.3.2. Approval Required for Non-Material Amendment by Members.

Non-Material Amendments proposed by the Board of Directors pursuant to Subsection 16.3.1 may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 51% of the Class A Members (i.e. all Members except the Declarant and any Builder who retain Class B or Class C status) who are present, in person or by proxy, and voting at the meeting called as described in the notice at which a quorum is present, and the vote of the Declarant, or (2) by the written consent of at least 51% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting.

16.3.3. Amendments by Declarant Without Consent by Members.

During the period in which the Declarant retains the status of the Class "B" Member, Declarant shall have the right to amend this Declaration, without the necessity of consent or joinder by Owners or any other persons or entities, to make nonsubstantial changes that do not materially or adversely affect the interests of other Owners or other affected parties, and to clarify any ambiguities or conflicts, or correct any scrivener's errors in this Declaration. No approval by the Association or by any Member shall be required for Declarant to amend this Declaration pursuant to this Subsection 16.3.3.

16.3.4. Notice of Non-Material Amendment.

Upon approval of a Non-Material Amendment by the Members pursuant to Subsection 16.3.2, or delivery of notice of amendment by Declarant pursuant to Subsection 16.3.3, the Association shall record appropriate written notice thereof in the Public Records of Duval County, Florida, and take all such further action as may be prudent or necessary to implement and carry out the Non-Material Amendment.

Section 16.4. Assignment of Rights and Duties.

Any and all of the rights, powers and reservations of the Association and Declarant may be assigned to any person, corporation or association which will assume the duties of the Association or Declarant pertaining to the particular rights, powers and reservations assigned. Upon such assignee evidencing its consent in writing to accept such assignment and assume such duties, he or it shall to the extent of such assignment have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Association or Declarant. Further, the Association or Declarant may from time to time delegate any

and all of its rights, powers, discretion and duties hereunder to such agent or agents as it may nominate.

Section 16.5. Municipal Service Taxing Units. In order to perform the services contemplated by this Declaration, the Association or Declarant, in conjunction with Duval County, Florida, may seek the formation of special purpose municipal service taxing units ("MSTUs"). The MSTUs will have responsibilities defined in their enabling resolutions which may include, but are not limited to, maintaining roadway informational signs, traffic control signs, benches, trash receptacles and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage canals, ponds and structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefitting the Property. In the event such MSTUs are formed, the Property will be subject to assessment for the cost of services performed within the MSTU and personnel working for or under contract with Duval County shall have the right to enter upon lands within the Property to affect the services contemplated. Each Owner by acquiring lands within the Property agrees to pay each and every MSTU assessment imposed upon the Owner's land in a timely manner, failing which such assessments and special charges shall be a lien upon those lands. The Association retains the right to contract with Duval County to provide the services funded by the MSTUs. Services performed by an MSTU that would otherwise be performed by the Association and for which the MSTU imposes assessments on the Owners shall be removed from the Association's budget and the Board shall reduce the Annual Maintenance Assessment accordingly.

Section 16.6. Enforcement. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted by Declarant, its successors or assigns, the Association, its successors or assigns, or any Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and to enforce any lien created by these covenants; and failure by the Association or any Owner or Declarant to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. Further, the Association shall have the right of self help to cure any violations that remain uncured after any required notice is given. If the Association elects to commence enforcement proceedings after delivery of notice thereof to any Owner in violation hereof, and incurs any expenses in the commencement of such proceedings, the Association shall prosecute such enforcement proceedings to conclusion notwithstanding

subsequent voluntary compliance by the Owner until the Association shall have recovered its expenses from such Owner.

Section 16.7. Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 16.8. Interpretation. The Board shall have the right except as limited by any other provisions of this Declaration or the Bylaws to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and its good faith, determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the maintenance of Common Areas and the facilities located thereon.

Section 16.9. Disposition of Common Property on Termination of Declaration. Should the Members of the Association vote not to renew and extend this Declaration as provided for herein, all Common Property owned by the Association at such time shall be transferred to another association or appropriate public agency having similar purposes. If no other association or agency will accept such property then it will be conveyed to a Trustee appointed by the Circuit Court of Duval County, Florida, which Trustee shall sell the Common Property free and clear of the limitations imposed hereby upon terms established by the Circuit Court of Duval County, Florida. That portion of the Open Space or Common Property consisting of the Surface Water and Storm Water Management System cannot be altered, changed or sold separate from the lands it serves except that Declarant shall be obligated to and shall convey that portion of the Open Space consisting of the Surface Water and Storm Water Management System to the Association upon completion and approval of such system by all applicable governmental authorities. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Property, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of the Common Property. The excess of proceeds, if any, from Common Property shall be distributed among Owners in a proportion which is equal to the proportionate share of such Owners in Common Expenses.

Section 16.10. Execution of Documents. The approved plan for the development of the Property may require from time to time the execution of certain documents required by governmental authorities. To the extent that said documents require the joinder of Owners, Declarant by its duly authorized officers may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Declarant, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section shall recite that it is made pursuant to this Section.

Section 16.11. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 16.12. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will perform no act nor undertake any activity which will violate its non-profit status under applicable state or federal law.

Section 16.13. Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 16.14. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Property.


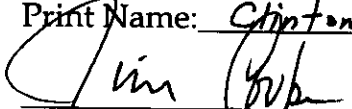
Section 16.15. Conflicts. In the event of conflict between the terms of this Declaration and any Bylaws, rules, regulations or Articles of Incorporation of the Association, this Declaration shall control.

Section 16.16. Partial Invalidity. The invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on its behalf as of this 24th day of August, 1998.

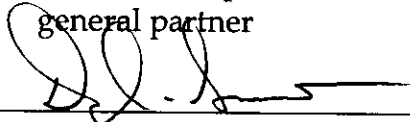
WITNESS

DECLARANT


Print Name: Clinton F. Smith

Print name: JIM COOPER

CENTEX HOMES, a Nevada general partnership

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


By: Douglas W. Smith, Division President

STATE OF FLORIDA §
 §
COUNTY OF DUVAL §

The foregoing instrument was acknowledged before me this 24th day of August, 1998, by Douglas W. Smith, Division President of Centex Real Estate Corporation, a Nevada corporation, managing general partner of Centex Homes, a Nevada general partnership, who is personally known to me or who produced a valid Florida driver's license as identification, and did not take an oath.



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

Sharon D. Gibson

Notary Public, State of Florida

Notary's Name Printed:

SHARON D GIBSON

My Commission Expires: 2/3/02

EXHIBIT "A"

part of Section 18, Township 2 South, Range 28 East, Duval County, Florida, more particularly described as follows: For a point of reference, commence at the Northwest corner of said Section 18, said point also being the centerline of Lone Star Road (an 80 foot right-of-way by county right-of-way map); thence South $00^{\circ} 35' 36''$ East along the West line of said Section 18, a distance of 40.00 feet to a point on the Southerly right-of-way line of said Lone Star Road; thence departing said West line, South $89^{\circ} 49' 41''$ East along the Southerly right-of-way line of Lone Star Road, a distance of 516.20 feet to the Point of Beginning; hence continue South $89^{\circ} 49' 41''$ East along said Southerly right-of-way line, a distance of 817.90 feet to a point on the Westerly right-of-way line of Tresca Road (a 50 foot right-of-way as now established); thence South $00^{\circ} 35' 39''$ East along said Westerly right-of-way line, a distance of 2389.13 feet to a point on the Northerly right-of-way line of Regency Square Boulevard North (a 100 foot right-of-way by Official Records Volume 6437, page 1168); thence South $89^{\circ} 43' 11''$ West along said Northerly right-of-way line, a distance of 234.40 feet; hence departing said Northerly right-of-way line, North $05^{\circ} 23' 27''$ East, a distance of 107.44 feet; thence North $19^{\circ} 19' 43''$ West, a distance of 265.00 feet; thence North $36^{\circ} 16' 31''$ West, a distance of 395.45 feet; thence North $46^{\circ} 6' 56''$ West, a distance of 284.89 feet; thence South $86^{\circ} 45' 07''$ West, a distance of 239.02 feet; thence North $00^{\circ} 35' 36''$ West, a distance of 640.96 feet; thence North $79^{\circ} 40' 16''$ West, a distance of 40.54 feet; thence North $89^{\circ} 5' 24''$ East, a distance of 650.00 feet to a point of intersection with the approximate centerline of Jones Creek; thence Northerly along said approximate centerline of Jones Creek run the following 3 courses: Course No. 1) North $00^{\circ} 3' 09''$ West, a distance of 199.58 feet; Course No. 2) North $46^{\circ} 28' 10''$ West, a distance of 132.81 feet; Course No. 3) North $00^{\circ} 52' 55''$ East, a distance of 104.60 feet; thence departing said approximate centerline, South $89^{\circ} 35' 24''$ East, a distance of 393.51 feet to a point on an approximate wetland line; thence Northerly along said approximate wetland line run the following 7 courses; Course No. 1) North $01^{\circ} 20' 22''$ West, a distance of 81.50 feet; Course No. 2) North $38^{\circ} 3' 33''$ East, a distance of 49.62 feet; Course No. 3) North $21^{\circ} 56' 54''$ West, a distance of 89.44 feet; Course No. 4) North $11^{\circ} 39' 08''$ East, a distance of 67.82 feet; Course No. 5) North $59^{\circ} 31' 20''$ West, a distance of 48.55 feet; Course No. 6) North $06^{\circ} 16' 21''$ East, a distance of 80.29 feet; Course No. 7) North $74^{\circ} 55' 8''$ East, a distance of 62.20 feet to the Point of Beginning.

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION

OF

REGENCY CREEK OWNERS ASSOCIATION, INC.,
a Florida corporation, Not-for-Profit

Book 9049 Pg 991

In compliance with the requirements of Chapter 617, Florida Statutes, the undersigned persons do hereby make, subscribe and acknowledge that they have voluntarily associated themselves together for the purpose of forming a corporation not-for-profit, the articles of incorporation of which read as follows. All capitalized words or phrases used herein shall have the meanings herein ascribed, and if not defined in this instrument, such capitalized words or phrases shall have the meanings given in the Declaration of Covenants, Conditions and Restrictions for Regency Creek and Regency Creek Owners Association, Inc., hereinafter identified.

ARTICLE I

NAME

The name of the corporation is Regency Creek Owners Association, Inc., hereinafter referred to as the "Association" or the "Homeowners Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 6620 Southpoint Drive, South, Suite 400, Jacksonville, Florida 32216.

ARTICLE III

REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office of the Association shall be at 6620 Southpoint Drive, South, Suite 400, Jacksonville, Florida 32216, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered

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agent at that address shall be CENTEX REAL ESTATE CORPORATION (herein referred to as "Centex").

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

1. This Association does not contemplate pecuniary gain or profit to the members thereof, will make no distribution of income to its members, directors or officers and the specific purposes for which it is formed are to provide for the ownership, operation, maintenance and preservation of the Common Area, Area of Common Responsibility, and for the maintenance and improvement of any easements granted to the Association within the lands identified as Regency Creek (the "Association Properties") pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Regency Creek and the Regency Creek Owners Association, Inc., recorded in the Public Records of Duval County, Florida, (hereinafter called the "Declaration"), and such additional properties as may be added thereto from time to time by annexation or otherwise as provided in the Declaration and in these Articles. The Association is formed to promote the health, safety and welfare of its members and the residents within the Association Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration which is hereby incorporated into this instrument as is fully reproduced herein;

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

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, and with the assent of two-thirds (2/3) of the votes of each class of Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the Common Area to any Public Agency or authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. Such dedication or transfer shall only be effective with the assent of two-thirds (2/3) of the votes of each class of Members, agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other not-for-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the votes of each class of Members; and

(g) Purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of interests in, real or personal property, except to the extent restricted hereby; to contract for the management and maintenance of the Common Area and Area of Common Responsibility and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and Homeowners, repair and replacement of the Common Area and Area of Common Responsibility with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association;

(h) Have and to exercise any and all powers, rights and privileges which a corporation organized under the corporation not for profit law of the State of Florida, by law may now or hereafter have to exercise.

ARTICLE V

MEMBERSHIP

Section 5.1 Every Owner of a Lot or Unit within the lands subjected to the Declaration (as defined in the Declaration), including Declarant and any Builders, shall be

a Member of the Association. Memberships in the Association shall be appurtenant to and may not be separated from ownership of any Lot or Unit.

Section 5.2 There shall be three (3) classes of Members as follows:

- (a) *Class A Members.* Class A Members shall be all Owners with the exception of Declarant and any Builders.
- (b) *Class B Members.* The Class B Member shall be Declarant or its specifically designated (in writing) successor who shall remain a member so long as it owns a Lot or Unit subject to the Declaration; provided that the Class B membership shall cease and be converted to Class A membership as set forth in Section 6.3 hereof.
- (c) *Class C Members.* The Class C Members shall be all Builders, except the Declarant, owning Units or Lots subject to the Declaration; provided that the Class C membership shall cease and be converted to Class A membership as set forth in Section 6.3 hereof.

ARTICLE VI

VOTING RIGHTS

Section 6.1. Members of the Association shall be allocated votes as follows:

Class A. Each Class A Member shall be entitled to one vote for each Lot or Unit owned. For the purposes of determining voting rights, each Lot or Unit owned by a Class A Member shall be deemed entitled to one (1) vote regardless of the number of persons sharing common ownership interests.

Class B. The Class B Member shall be allocated three (3) votes for each Lot or Unit owned by it within the Association Property; provided, that at such time as the Class B membership shall cease and become converted to Class A membership as set forth in Section 6.3, the Declarant shall have one vote for each Unit or Lot owned by it within the Association Property.

Class C. Class C Members shall have one (1) vote for each Lot or Unit they own in the Association Property; provided, that at such time as the Class C membership

shall cease and become converted to Class A membership as set forth in Section 6.3, the Builders shall have one vote for each Unit or Lot owned by it within the Association Property.

Section 6.2. When any Unit or Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it, or a copy thereof, is filed with the secretary of the Association, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote allocated to any Unit or Lot (including Units or Lots owned by the Declarant or a Builder) may not be divided or cast in any fraction, and the vote of each official representative shall be considered to represent the will of all the Owners of that Lot or Unit. If the Owners fail to designate their official representative, then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owner(s). Upon such notification no affected Owner may vote until the Owner(s) appoint their official representative pursuant to this paragraph.

Section 6.3. The Declarant's Class B membership status shall continue, and shall be in effect, during the period from the inception of the Declaration until either (1) seven (7) years from the date the Declaration is recorded; or (2) five (5) years after the date of recording of the last Supplemental Declaration annexing additional property into this Association, whichever event, (1) or (2) occurs later; or (3) upon recording of a voluntary written notice executed by the Declarant or its duly authorized successor or assignee electing to convert its Class B status to Class A; or (4) if the Declarant's Class B membership status in the Association as described in the Declaration has been converted to Class A, then, one hundred twenty (120) days after the conveyance of the Unit within this Association to a Class A Member that causes the total number of votes held by all Class A Members of this Association to equal the number of votes in this Association held by the Class B Member, whichever event, (1), (2), (3) or (4), occurs first; provided however, that if Class B status is converted to Class A pursuant to clause (4) and, subsequent to such event, the Declarant annexes additional Lots to this Homeowners Association which annexation causes the number of Lots or Units owned by the Declarant to exceed twenty-five percent (25%) of the total number of Lots and Units within all Association Property, Declarant's Class B status shall be restored as to all Lots and Units then owned by

Declarant, and shall continue until the next occurrence of an event of conversion described above.

Section 6.4. The Declarant shall have the right to partially assign its status as Declarant and Class B Member by recorded instrument executed by the original Declarant and acknowledged and accepted by the assignee Declarant to any person or entity acquiring any portion of the Property, or adjacent lands eligible for annexation into the Property, for the purpose of development of a residential subdivision consistent with the Master Plan, and any such assignee shall thereafter be deemed to be the Declarant as to the Lots or Units owned by such person or entity, and shall have the right to exercise all of the rights and powers of the Declarant as to such Lots and Units, while, at the same time, the original Declarant shall continue to exercise the rights and powers of the Declarant as to all Lots and Units owned by such original Declarant. If any action of the Association, requires the approval, consent or vote of the Declarant, and the original Declarant has partially assigned its rights as Declarant to others pursuant to this paragraph, the consent or vote of all such Declarants shall be required to satisfy the requirement of consent by the Declarant.

ARTICLE VII

BOARD OF DIRECTORS

Section 7.1 The names and addresses of the members of the first Board of Directors who shall hold office until the annual meeting of the members and until their successors are elected or appointed and have qualified, are as follows:

NAME	ADDRESS
Art Lancaster	6620 Southpoint Drive, South, Suite 400 Jacksonville, Florida 32216
Jeff Mitchem	6620 Southpoint Drive, South, Suite 400 Jacksonville, Florida 32216
Paul Axtell	6620 Southpoint Drive, South, Suite 400 Jacksonville, Florida 32216

Section 7.2 The affairs of the Association shall be managed by a Board of Directors as provided in and subject to the requirements of Article IV the Bylaws. Such Board of Directors shall consist of an odd number of directors with a minimum of at least three (3) directors and a maximum of no more than seven (7) directors. Directors need not be Members of the Association and need not be residents of the Association Property. Each Director shall serve for a term from the date of the meeting at which he is elected until the next annual meeting subject to the provisions governing resignation, death, disability, removal and replacement set forth in the Declaration, Bylaws and this instrument.

ARTICLE VIII

AMENDMENTS

Section 8.1 Proposal. An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by a majority of the Members of the Association, whether meeting as Members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in his absence, and a Meeting of the Members of the Association shall be called not later than sixty (60) days from the receipt by him of the proposed amendment or amendments.

Section 8.2 Notice. It shall be the duty of the Secretary to give each Member written notice of such meeting, stating the proposed amendment or amendments in reasonably detailed form, which notice shall be prepared by and at the expense of the Homeowners Association and mailed by the Homeowners Association or presented personally to each Member not less than thirty (30) days nor more than sixty (60) days before the date set for the meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the Member at his post office address as it appears on the records of the Association, with postage thereupon prepaid. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver when filed in the records of the Homeowners Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Homeowners Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Homeowners Association has, or is planned to have, more than

250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Homeowners Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in these Articles of Incorporation or in the Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

Section 8.3 Resolution. At the meeting at which the amendment is to be proposed and considered, a resolution for the adoption of the proposed amendment may be made by any member of the Board of Directors of the Association, or by any Member of the Association, present in person or by proxy. The approval of a resolution for the adoption of a proposed amendment to these Articles of Incorporation shall require the affirmative vote of a majority of the members of the Board of Directors of the Association.

Section 8.4 Approval. Amendments may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 67% of the Class A Members (i.e. all Members except the Declarant and any Builder who retain Class B or Class C status) who are present, in person or by proxy, and voting at a meeting called as described in the notice and conducted by the Homeowners Association at which a quorum is present, and the vote of the Declarant, or (2) by the written consent of at least 67% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting. In addition to the approval of the Members and the Declarant set forth above, the following conditions shall apply:

a. Any Material Amendment or Extraordinary Action (as defined in the Declaration) that changes the rights of any specific class of Members (i.e. Class A; Class B; or Class C) must also be approved either (1) by the affirmative vote of at least 51% of the Members of such Class who are present, in person or by proxy, and voting at meetings called as described in the required notice at which a quorum of such Class of Members is present, or (2) by the written consent of at least 51% of all Members of such Class to any action taken in lieu of a meeting.

b. Any Material Amendment or Extraordinary Action proposed during the period in which the Declarant retains its Class B status must also be approved by the Federal Housing Administration ("FHA"), and the Department of Veterans Affairs ("VA") if any Unit within the Property has been financed by a mortgage

insured by FHA or guaranteed by VA. The Association shall deliver written notice of the proposed Material Amendment or Extraordinary Action to the FHA and VA simultaneously with its notice to the Members. If the FHA or VA fails to deliver written notice to the Association of its objection to the proposed Material Amendment or Extraordinary Action within 30 days after receipt of the notice, FHA and VA will be deemed to have approved the matters contained in the notice, and the Association shall be entitled to record an affidavit signed by an authorized officer averring that written notice was delivered to the FHA and VA and no objection was timely received from such agencies.

Notwithstanding the foregoing, during the period in which the Declarant retains the status of the Class "B" Member, the Declarant shall have the right to amend these Articles of Incorporation, without the necessity of joinder by the Members or any other persons or entities, to make nonsubstantial changes that do not materially or adversely affect the interests of other Members or other affected parties, and to clarify any ambiguities or conflicts, or correct any scrivener's errors in these Articles of Incorporation.

Section 8.5 Limitation. No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of Members, nor any changes in the provisions of Article IV hereof, without approval of sixty-seven percent (67%) of the votes of each class of Members and the joinder of all Eligible Holders (as defined in the Declaration) of mortgages upon Units. No amendment shall be made that is in conflict with the Declaration, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or the designated successor of the Declarant, unless the Declarant or such successor shall join in the execution of the amendment.

Section 8.6 Recording. Any amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each amendment of these Articles of Incorporation shall be recorded in the Public Records of Duval County, Florida, within thirty (30) days from the date on which the same is filed and returned from the office of the Secretary of State.

ARTICLE IX

OFFICERS

The affairs of the Association will be administered by the officers designated in the Bylaws of the Association. Said officers will be elected by the Board of Directors at its first meeting following the annual meeting of Members of the Association and will serve at the pleasure of the Board of Directors. The names and addresses of the Officers who are to manage the affairs of the Association until the annual meeting of the Board of Directors and until their successors are duly elected and qualified are:

PRESIDENT - Art Lancaster
VICE PRESIDENT - Jeff Mitchem
SECRETARY/TREASURER - Candice Paulsen

ARTICLE X INDEMNIFICATION

Section 10.1 Indemnity. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a Director, employee, officer or agent of the Association, against expenses (including attorneys fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceedings, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceedings, has no reasonable cause to believe his conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his duty to the Association, unless and only to the extent that the Court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, 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 which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 10.2 Expenses. To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or

proceeding referred to in Section 10.1 above, or in defense of any action, suit or proceeding referred to in Section 10.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 10.3 Approval. Any indemnification under Section 10.1 above (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Directors, officers, employees or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Section 10.1 above. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or by a majority of the Members.

Section 10.4 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in any specific case upon receipt of an undertaking by or on behalf of the affected Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article X.

Section 10.5 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of Members or otherwise, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

Section 10.6 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XI

BYLAWS

The first Bylaws of the Association will be adopted by the Directors named herein, and may be altered, amended, or rescinded in the manner provided by said Bylaws. Any Bylaws adopted by the Board of Directors shall be consistent with these Articles.

ARTICLE XII

TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS
ARE INTERESTED

Section 12.1 No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, or Association, or other organization in which one or more of its Directors or officers are Directors or officers have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

Section 12.2 Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE XIII

SUBSCRIBER

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

Centex Homes
6620 Southpoint Drive, South, Suite 400
Jacksonville, Florida 32216

ARTICLE XIV

DISSOLUTION

The Association may be dissolved with the assent given by not less than two-thirds (2/3) of the votes of each Class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be disposed of or transferred to another association or appropriate public agency having similar purposes. Dissolution of the Association shall be deemed an Extraordinary Action and shall be subject to the provisions of these Articles of Incorporation and the Declaration governing Extraordinary Actions.

IN WITNESS WHEREOF, the undersigned subscriber has executed these Articles of Incorporation this 8th day of July, 1998.

CENTEX HOMES, a Nevada general partnership

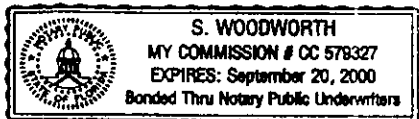
By: CENTEX REAL ESTATE CORPORATION, a Nevada corporation, managing general partner

By: Burgess N. Trank, Jr.
Burgess N. Trank, Jr.
Vice President and Counsel

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 8th day of July, 1998, by Burgess N. Trank, Jr., Vice President and Counsel of Centex Real Estate Corporation, a Nevada corporation, managing general partner of Centex Homes, a Nevada general partnership, on behalf of the corporation. Said person did not take an oath and is personally known to me.



S. Woodworth
Print Name: S. Woodworth
Notary Public, State of Florida
Commission No.: _____
My Commission Expires: _____

FILED
98 JUL -9 AM 9:09
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Book 9049 Pg 1004

**CERTIFICATE DESIGNATING PLACE OF BUSINESS
FOR SERVICE OF PROCESS WITHIN THIS STATE,
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

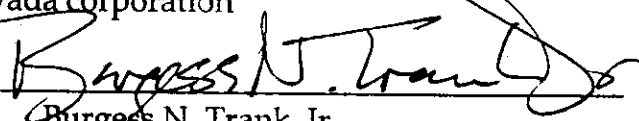
Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

That, **Regency Creek Owners Association, Inc.**, desiring to organize under the laws of the State of Florida, with its principal offices at 6620 Southpoint Drive, South, Suite 400, Jacksonville, Florida 32216, has named Centex Real Estate Corporation, whose office is located at 6620 Southpoint Drive, South, Suite 400, Jacksonville, Florida 32216, as its agent to accept service of process within the State.

ACKNOWLEDGMENT

Having been named to accept service of process for the above stated corporation, at the place designated in this Certificate, Centex Real Estate Corporation hereby accepts to act in this capacity, and agrees to comply with the provisions of said Act relative to keeping open said office.

CENTEX REAL ESTATE CORPORATION, a
Nevada corporation

By: 
Burgess N. Trank, Jr.
Vice President and Counsel

BYLAWS OF
REGENCY CREEK OWNERS ASSOCIATION, INC.,
a Florida corporation, Not-for-Profit

ARTICLE I

GENERAL PLAN OF OWNERSHIP

Section 1. Name. The name of the corporation is **REGENCY CREEK OWNERS ASSOCIATION, INC.**, a Florida corporation, and is hereafter referred to as the "Association" or "Homeowners Association". The principal office of the corporation shall be located in the State of Florida.

Section 2. Bylaws Applicability. The provisions of these Bylaws are applicable to the Association created pursuant to the Declaration of Covenants, Conditions and Restrictions for Regency Creek and the Regency Creek Owners Association, Inc. recorded in the Public Records of Duval County, Florida (herein referred to as the "Declaration"). All capitalized words or phrases used herein shall have the meanings herein ascribed, and if not defined in this instrument, such capitalized words or phrases shall have the meanings given in the Declaration or Articles of Incorporation of the Association.

Section 3. Personal Application. All present and future Owners of Lots or Units within the Association Property (as defined in the Articles of Incorporation and Declaration of the Association) and their tenants, guests and invitees are subject to the regulations set forth in these Bylaws.

The recording of a declaration authorizing the creation of a homeowners association and the mere acquisition of a Lot or acquisition or rental of any Unit or the mere act of occupancy of any Unit signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE II

MEMBERSHIP, VOTING RIGHTS, MAJORITY

OF QUORUM, QUORUM, PROXIES

Section 1. Membership. Every Owner of a Unit or Lot, and every Builder owning any Unit or Lot, by virtue of the ownership of such Unit or Lot, and the Declarant and its successors and assigns, shall be Members of the Association, and by acceptance of a deed or other instrument evidencing an ownership interest, each Owner, Builder and Declarant accepts membership in the Association, acknowledges the authority of the Association as herein stated, and agrees to abide by and be bound by the provisions of the Declaration, the Articles of Incorporation, these Bylaws and other rules and regulations of the Association. The term "Member" shall include each person or entity owning any right, title or interest in any Unit or Lot, except persons or entities holding mortgages or other security or trust interests unless such persons or entities also have the right of possession. Tenants or others occupying any Unit who do not have an ownership interest therein shall not be Members for the purposes of these Bylaws. Membership in the Association is appurtenant to, and may not be severed from, the Unit or Lot. The rights and obligations of a Member may not be assigned or delegated except as provided in the Declaration, the Articles of Incorporation or these Bylaws of the Association, and shall automatically pass to the successor-in-interest of any Owner upon conveyance of such Owner's interest in the Lot or Unit. Members shall be responsible for compliance with the terms and conditions of the Declaration, the Articles of Incorporation and these Bylaws, and rules and regulations of the Association by all occupants, tenants, guests, invitees and family members while residing in or visiting any Unit, Common Area or other portion of the Property.

Section 2. Neighborhoods; Homeowners Associations; and Voting Rights.

2.1. The Property described in the Declaration of Covenants, Conditions and Restrictions for Regency Creek and the Regency Creek Owners Association, Inc. (herein referred to as the "Declaration"). Each Lot or Unit subject to the Declaration will contain Lots or Units sharing common facilities and having similar interests. The Owner of each Lot or Unit will be a member of the Homeowners Association. The Homeowners Association is responsible for performing the services and obligations imposed on it by the Association pursuant to the governing documents.

2.2. The Homeowners Association shall exercise the voting rights herein established on behalf of all Members whose Units or Lots are within the jurisdiction of such Homeowners Association. On all matters requiring the votes of Members as may

be described in the Declaration, or in the Articles of Incorporation or Bylaws, such votes shall be conducted by the Homeowners Association.

2.3. Members of the Association shall be allocated votes as follows:

Class A. Class A Members shall be all Owners with the exception of the Declarant and any Builders. Each Class "A" Member shall be entitled to one vote for each Lot or Unit owned.

Class B. The Class B Member shall be the Declarant, or its specifically designated (in writing) successor. The Class B Member shall be allocated three (3) votes for each Lot or Unit owned by it within the Property which is subject to assessment by this Association; provided, that the Class B membership shall cease and become converted to Class A membership as set forth in Section 4. Upon conversion to Class A membership, the Declarant shall have one vote for each Unit or Lot owned by it within the Property so long as said Unit or Lot is subject to assessment by the Association.

Class C. All Builders, as defined herein, shall be Class C Members. Class C Members shall have one (1) vote for each Lot or Unit they own in the Property.

2.4. When any Unit or Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Homeowners Association, such Owner shall select one official representative to qualify for voting in the Homeowners Association and shall notify in writing the Secretary of the Homeowners Association of the name of such individual. The vote allocated to any Unit or Lot (including Units or Lots owned by the Declarant or a Builder) may not be divided or cast in any fraction, and the vote of each official representative shall be considered to represent the will of all the Owners of that Lot or Unit. If the Owners fail to designate their official representative, then the Homeowners Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owner(s). Upon such notification no affected Owner may vote until the Owner(s) appoint their official representative pursuant to this paragraph.

Section 3. Change of Membership.

3.1. Change of membership in the Association shall be established by recording in the Public Records of Duval County, Florida, a deed or other instrument conveying record fee title to any Lot or Unit, and by the delivery to the Homeowners Association, of a copy of such recorded instrument. The Owner designated by such instrument shall, by acceptance of such instrument, become a Member of the Homeowners Association, and the membership of the prior Owner shall be terminated. In the event that a copy of said instrument is not delivered to the Homeowners Association, said Owner shall become a Member but shall not be entitled to voting privileges until delivery of a copy of the conveyance instrument to the Homeowners Association. The foregoing shall not, however, limit the Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Lot or Unit acquired.

3.2. The interest, if any, of a Member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's real property. Membership in the Association by all Owners shall be compulsory and shall continue, as to each Owner, until such time as such Owner of record transfers or conveys his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

Section 4. Class B Membership Status.

4.1. The Declarant's Class B membership status shall continue, and shall be in effect, during the period from the inception of the Declaration until either (1) seven (7) years from the date the Declaration is recorded; or (2) five (5) years after the date of recording of the last Supplemental Declaration annexing additional property into the Homeowners Association, whichever event, (1) or (2) occurs later; or (3) upon recording of a voluntary written notice executed by the Declarant or its duly authorized successor or assignee electing to convert its Class B status to Class A; or (4) in any event, one hundred twenty (120) days after the conveyance of the Unit to a Class A Member that causes the total number of votes held by all Class A Members of this Homeowners Association to equal the number of votes in the Homeowners Association held by the Class B Member, whichever event, (1), (2), (3) or (4), occurs first; provided however, that if Class B status is converted to Class A pursuant to clause (4) and, subsequent to such event, the Declarant annexes additional Lots to the Property which annexation causes the number of Lots or

Units owned by the Declarant in the Property to exceed twenty-five percent (25%) of the total number of Lots and Units within the Property, Declarant's Class B status shall be restored as to all Lots and Units within the Property then owned by Declarant, and shall continue until the next occurrence of an event of conversion described above.

4.2. The Declarant shall have the right to partially assign its status as Declarant and Class B Member by recorded instrument executed by the original Declarant and acknowledged and accepted by the assignee Declarant to any person or entity acquiring any portion of the Property, or the adjacent land eligible for annexation into the Property, for the purpose of development of a residential subdivision consistent with the Master Plan, and any such assignee shall thereafter be deemed to be the Declarant as to the Lots or Units owned by such person or entity, and shall have the right to exercise all of the rights and powers of the Declarant as to such Lots and Units, while, at the same time, the original Declarant shall continue to exercise the rights and powers of the Declarant as to all Lots and Units owned by such original Declarant. If any action of the Homeowners Association requires the approval, consent or vote of the Declarant, and the original Declarant has partially assigned its rights as Declarant to others pursuant to this paragraph, the consent or vote of all such Declarants shall be required to satisfy the requirement of consent by the Declarant.

Section 5. Majority of Quorum. Unless otherwise expressly provided in these Bylaws or the Declaration any action which may be taken by the Association may be taken by a majority of a quorum of the Members of the Association.

Section 6. Quorum. Each Homeowners Association meeting required by the Association pursuant to the Declaration shall require the presence, either in person or by proxy, of a quorum of the members of the Homeowners Association. If the Homeowners Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Homeowners Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Homeowners Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in these Bylaws or in the Articles of Incorporation or in the Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section, and the Association shall be bound by such more restrictive requirements as if fully reproduced herein."

Section 7. Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease after completion of the meeting for which the proxy was filed, and upon conveyance by the Member of his Unit.

ARTICLE III

ADMINISTRATION

Section 1. Place of Meetings of Members. Meetings of the Members shall be held within the Association Property or such other suitable place as close thereto as practicable in Duval County, convenient to the Owners as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the Members shall be held on the date at the place and at that the time, as determined by the Board of Directors, provided, however, that said meeting shall be held, to the extent possible, within one (1) year from the date of incorporation of the Association. Thereafter, the annual meeting of the Association shall be held on the anniversary date of the first annual meeting; provided, however, that should the anniversary date fall on a legal holiday, then such annual meeting of the Members shall be held on the next day thereafter which is not a legal holiday. Subject to the provisions of Article IV, Section 1 herein, at each annual meeting there shall be elected by ballot of the Members a Board of Directors, in accordance with the requirements of Section 5 of Article IV of these Bylaws. At the first annual meeting, the Directors shall be elected to serve until the second annual meeting, and at the second annual meeting, Directors shall be elected for a term of one (1) year beginning with the second annual meeting. Unless a Director resigns before the expiration of his term of office, each Director shall hold his office until his successor has been elected and the first meeting involving such successor is held. The term of office of any Director elected to fill a vacancy created by the resignation of his predecessor shall be the balance of the unserved term of his predecessor. The Members may also transact such other business of the Association as may properly come before them. Each First Mortgagee of a Unit may designate a representative to attend all annual meetings of the Members.

Section 3. Special Meetings of Members. Special meetings of the Members may be called at any time by the President or by a majority of a quorum of the Board of Directors,

or upon a petition signed by Class A Members holding at least ten percent (10%) of the voting power of the Class A Members having been presented to the Secretary. Notice of any special meeting shall state the time and place of such meeting and the purpose thereof.

No business shall be transacted at a special meeting except as stated in the notice, unless by consent of those Members holding at least four-fifths (4/5) of the voting power of the Association, either in person or by proxy. Each First Mortgagee of a Unit may designate a representative to attend all special meetings of the Members.

Section 4. Notice of Meetings of Members. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of Members stating the purpose thereof as well as the day, hour, and place where it is to be held, to each Member of record and to each First Mortgagee of a Unit which has filed a written request for notice with the Secretary, at least fourteen (14) but not more than sixty (60) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served, after said notice has been deposited in a regular depository of the United States mail. If no address has been furnished to the Secretary, notice shall be deemed to have been given to a Member if posted in a conspicuous place on the Common Property.

Section 5. Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

Section 6. Order of Business. The order of business at all meetings of the Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspector of election; (g) election of Directors; (h) unfinished business; and (i) new business. Meetings of Members shall be conducted by the officers of the Association in order of their priority.

Section 7. Action Without Meeting. Any action, which under the provisions of Florida law may be taken at a meeting of the Members, may be taken without a meeting if

authorized by a writing signed by the required number of Members who would be entitled to vote at a meeting for such purpose, and such writing is filed with the Secretary.

Section 8. Consent of Absentees. The transaction of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Minutes, Presumption of Notice. Minutes or similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number, Term and Qualifications. The affairs of this Association shall be governed by a Board of Directors composed of no fewer than three (3) nor more than seven (7) persons as is determined from time to time by the Members. The term of each Director's service shall extend until the next annual meeting of the Members, and thereafter until his successor is duly elected and qualified, or until he is removed in the manner provided in Section 3 below.

Section 2. Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Members.

Section 3. Special Powers and Duties. Without prejudice to such foregoing general powers and duties and such powers and duties as are set forth in the Declaration and Articles of Incorporation, the Board of Directors is vested with, and responsible for, the following powers and duties:

- (a) To select, appoint, and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration and these Bylaws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Board.
- (b) To conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations therefor consistent with law, with the Articles of Incorporation, the Declaration, and these Bylaws, as the Board may deem necessary or advisable.
- (c) To change the principal office for the transaction of the business of the Association from one location to another with the State of Florida as provided in Article I hereof; to designate any place within said State for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Article III, Section 2 hereof; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment may deem best, provided that such seal shall at all times comply with the provisions of law.
- (d) To borrow money and to incur indebtedness for the purposes set forth in the Declaration, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges hypothecations or other evidences of debt and securities therefor.
- (e) To fix and levy from time to time, Assessments upon the Owners, as provided in the Declaration; to determine and fix the due date for the payment of such Assessments, and the date upon which the same shall become delinquent; provided, however, that such Assessments shall be fixed and levied only to provide for the general benefit and welfare of the Association and its Members in accordance with the provisions of the Declaration. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the Association or welfare of its Members. Disbursements from such trust reserve fund shall be made only in accordance with the provisions of the Declaration. Should any Owner fail

to pay such Assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent assessments as provided in the Declaration

- (f) To enforce the provisions of the Declaration covering the Common Area, and areas on which the Association has an easement (the "Easement Areas"), these Bylaws or other agreements of the Association.
- (g) To contract for and pay fire, casualty, errors and omissions, blanket liability, malicious mischief, vandalism, and other insurance, insuring the Members, the Owners, the Association, the Declarant, the Board of Directors and other interested parties, in accordance with the provisions of the Declaration, covering and protecting against such damages or injuries as the Board deems advisable, which may include without limitation, medical expenses of persons injured on the Common Area and Easement Areas, and to bond the agents and employees of any management body, if deemed advisable by the Board. The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Association.
- (h) To contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the Common Area, public areas, and Easement Areas and to employ personnel necessary for the operation of the Common Area, public areas and Easement Areas, including legal and accounting services, and to contract for and pay for improvements to the Common Area, public areas and Easement Areas.
- (i) To delegate its powers according to law, and subject to the approval of the Members, to adopt these Bylaws.
- (j) To grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Association.
- (k) To fix, determine and name from time to time, if necessary or advisable, the public agency, fund, foundation or corporation which is then or there organized or operated for charitable purposes, to which the assets of this Association shall be distributed upon liquidation or dissolution, according to the Articles of Incorporation of the Association. The assets so distributed

shall be those remaining after satisfaction of all just debts and obligations of the Association, and after distribution of all property held or acquired by the Association under the terms of a specific trust or trusts.

- (1) To adopt such uniform and reasonable rules and regulations as the Board may deem necessary for the management of the Common Area and Easement Areas which rules and regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a meeting called for that purpose, or by the written consent of such number of Directors attached to a copy of the rules and regulations of the Association, and (2) they are posted in a conspicuous place in or near the Common Area. For so long as the Declarant enjoys Class B Membership status, such rules and regulations shall not materially adversely affect the rights, privileges or preferences of any Member or owner as established by the Association, the Articles of Incorporation of the Association and these Bylaws and such rules and regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles of Incorporation and these Bylaws.

Section 4. Management Agent. The Board shall have the option to employ a managing agent to manage the Common Area and Easement Areas and the affairs of the Association. The managing agent shall perform such duties and services as the Board shall authorize.

Section 5. Election and Term of Office. Subject to the provisions of Article IV, Section 1 herein, at the first annual meeting of the Association, and thereafter at each annual meeting of the Members, Directors shall be elected by secret written ballot by a plurality of Members as provided in these Bylaws, each Member voting being entitled to cast its votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. In the event that an annual meeting is not held, or the Board is not elected thereat, the Board may be elected at a special meeting of the Members held for that purpose. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a Director may be reelected, and there shall be no limitation on the number of terms during which he may serve.

Section 6. Books, Audit. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in

manner consistent with generally accepted accounting principles, and at no greater than annual intervals shall obtain an independent audit of such books and records. A copy of each such audit shall be delivered to a Member within sixty (60) days after the completion of such audit upon written request from a Member.

Section 7. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and such person so elected shall be a Director until a successor is elected at the next annual meeting of the Members of the Association, or a special meeting of the Members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in case the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place.

Section 8. Removal of Directors. At any regular or special meeting of the Members duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the Members of the Association, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. If any or all of the Directors are so removed, new Directors may be elected at the same meetings.

Section 9. Organization Meeting. The first regular ("organization") meeting of a newly elected Board of Directors shall be held within ten (10) days of election of the Board, at such place as shall be fixed and announced by the Directors at the meeting at which such Directors were elected, for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 10. Other Regular Meeting. Other regular meetings of the Board of Directors may be held at such time and place in or near the Association Property as shall be determined, from time to time by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meeting shall be held no less frequently than annually. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least seventy-two (72) hours prior to the date named for such meeting, and shall be posted at a prominent place or places within the Common Area.

Section 11. Special Meeting. Special meetings of the Board of Directors may be called by the President (or, if he is absent or refused to act, by the Vice President) or by any two (2) Directors. At least seventy-two (72) hours notice shall be given to each Director personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and the purpose of the meeting, and shall be posted at a prominent place or places in or near the Association Property. If served by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5:00 P.M. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director, as required by law and as provided herein.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however, called and notice or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 13. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote

or written consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 15. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 16. Committees. The Board of Directors by resolution may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its Members, as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary. Officers other than the President and Vice President need not be Directors. The office of Secretary and Treasurer may be held by the same person, but the office of President and Secretary may not be held by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the Organization Meeting of each new Board of Directors, and each officer shall hold his office until he shall resign or be removed or otherwise disqualified to serve, or his successor shall be elected and qualified to serve.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time

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specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 4. Compensation. Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, or employee, provided that no officer, employee or Director of Declarant or any affiliate of Declarant may receive any compensation.

Section 5. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including but not limited to the power, subject to the provisions of Article IV, Section 16, to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Association. The President shall be ex-officio a member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws of the Association.

Section 6. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent, disabled, refuses or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these Bylaws of the Association.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association at the principal office of the Association or at such other places as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notice of meetings of the Members of the Association and of the Board of Directors required by these Bylaws or by law to be given. The Secretary shall maintain a book of record Owners, listing the names and addresses of the Owners as

furnished by the Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a Unit is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors.

Section 8. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall co-sign all checks and promissory notes on behalf of the Association. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, in accordance with the Declaration, shall render to the President and Directors, upon request, an account of all of his transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE VI

OBLIGATIONS OF OWNERS FOR ASSESSMENTS

Section 1. Payment. The Association shall obtain funds with which to operate by assessment of the members of each Member in accordance with the provisions of the Declaration as supplemented by the provisions of the Articles of the Association relating thereto. Said assessments shall be payable monthly, in advance, without notice, and shall be due on the first day of each month. Unless otherwise required by the Board, assessments may not be made payable less frequently than monthly.

Section 2. Special Assessments. Special Assessments for charges by the Association against Members for other than Common Expenses or for Common Expenses for emergencies that cannot be paid from the annual Assessments for Common Expenses shall be levied in the same manner as herein provided for regular Assessments, except that notice thereof shall be given and they shall be payable in the manner determined by the Board.

Section 3. Past Due Assessments. Assessments and installments thereon not paid when due shall bear interest from the date when due until paid at the rate set forth in the Declaration and shall result in the filing of a claim of lien as set forth in the Declaration.

Section 4. Default. As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment, if not paid within thirty (30) days after the due date, shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Unit.

ARTICLE VII

AMENDMENTS TO BYLAWS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors (the "Board") of the Association by resolutions adopted by a majority vote of the Directors present at any regular or special meeting of the Board at which a quorum is present or, in the alternative, by a written instrument signed by a majority of the Board, or by the vote of a majority of a quorum of Members present in person or by proxy at a special or regular meeting of the Members or by written instrument signed by them. Such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in the absence of the President, who shall thereupon call a Special Meeting of the Members of the Association not later than sixty (60) days from the receipt by him of the proposed amendment or amendments.

Section 2. Notice. It shall be the duty of the Secretary to give each Member written notice of such meeting, stating the proposed amendment or amendments in reasonably detailed form, which notice shall be prepared by and at the expense of the Homeowners Association and mailed by the Homeowners Association or presented personally to each Member not less than thirty (30) days nor more than sixty (60) days before the date set for the meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the Member at his post office address as it appears on the records of the Association, with postage thereupon prepaid. Any Member may, by

written waiver of notice signed by such Member, waive such notice, and such waiver when filed in the records of the Homeowners Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting.

Section 3. Resolution. At the meeting at which the amendment is to be proposed and considered, a resolution for the adoption of the proposed amendment may be made by any member of the Board of Directors of the Association, or by any Member of the Association, present in person or by proxy. The approval of a resolution for the adoption of a proposed amendment to these Bylaws shall require the affirmative vote of a majority of the members of the Board of Directors of the Association.

Section 4. Approval. Amendments may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 67% of the Class A Members (i.e. all Members except the Declarant and any Builder who retain Class B or Class C status) who are present, in person or by proxy, and voting at a meeting called as described in the notice and conducted by the Homeowners Associations at which a quorum is present, and the vote of the Declarant, or (2) by the written consent of at least 67% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting. In addition to the approval of the Members and the Declarant set forth above, the following conditions shall apply:

a. Any Material Amendment or Extraordinary Action (as defined in the Declaration) that changes the rights of any specific class of Members (i.e. Class A; Class B; or Class C) must also be approved either (1) by the affirmative vote of at least 51% of the Members of such Class who are present, in person or by proxy, and voting at meetings called as described in the required notice at which a quorum of such Class of Members is present, or (2) by the written consent of at least 51% of all Members of such Class to any action taken in lieu of a meeting.

b. Any Material Amendment or Extraordinary Action proposed during the period in which the Declarant retains its Class B status must also be approved by the Federal Housing Administration ("FHA"), and the Department of Veterans Affairs ("VA") if any Unit within the Property has been financed by a mortgage insured by FHA or guaranteed by VA. The Association shall deliver written notice of the proposed Material Amendment or Extraordinary Action to the FHA and VA simultaneously with its notice to the Members. If the FHA or VA fails to deliver written

notice to the Association of its objection to the proposed Material Amendment or Extraordinary Action within 30 days after receipt of the notice, FHA and VA will be deemed to have approved the matters contained in the notice, and the Association shall be entitled to record an affidavit signed by an authorized officer averring that written notice was delivered to the FHA and VA and no objection was timely received from such agencies.

Notwithstanding the foregoing, during the period in which the Declarant retains the status of the Class "B" Member, the Declarant shall have the right to amend these Bylaws, without the necessity of joinder by the Members or any other persons or entities, to make nonsubstantial changes that do not materially or adversely affect the interests of other Members or other affected parties, and to clarify any ambiguities or conflicts, or correct any scrivener's errors in these Articles of Incorporation.

Section 5. Limitation. No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of Members without approval of sixty-seven percent (67%) of the votes of each class of Members and the joinder of all Eligible Holders (as defined in the Declaration) of mortgages upon Units. No amendment shall be made that is in conflict with the Declaration, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or the designated successor of the Declarant, unless the Declarant or such successor shall join in the execution of the amendment.

Section 6. Recording. Such amendment or amendments of these Bylaws shall be transcribed and certified in such form as may be necessary to file the same in the office of the Association and shall be recorded in the Public Records of Duval County, Florida within thirty (30) days from the date on which the same is approved.

ARTICLE VIII

MORTGAGES

Section 1. Notice to Association. An Owner who mortgages his Unit shall notify the Association through the managing agent or the Secretary of the Board of Directors in the event there is no managing agent, of the name and address of his Mortgagee and the Association shall maintain such information in a book entitled "Mortgagees of Units". Any

such Owner shall likewise notify the Association as to the release or discharge of any such mortgage.

Section 2. Notice of Unpaid Assessments. The Board of Directors of the Association shall at the request of a Mortgagee of a Unit report any unpaid assessments due from the Owner of such Unit, in accordance with the provisions of the Declaration.

ARTICLE IX

MEANING OF TERMS

All terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration, which terms include without limitation: "Owner", "Board", "Unit", "Articles", "Member", "Mortgage", "Mortgagee", and "Common Assessments".

ARTICLE X

CONFLICTING PROVISIONS

In case any of these Bylaws conflict with any provisions of the laws of the State of Florida, such conflicting Bylaws shall be null and void upon final Court determination to such effect, but all other Bylaws shall remain in full force and effect. In a case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XI

MISCELLANEOUS

Section 1. Execution of Documents. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, committee member, or employee shall have any power or authority to bind the Association by any contract or engagement or to bind the

EXHIBIT " C "-CONTINUED

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Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 2. Inspection of Bylaws. The Association shall keep in its office for the transaction of business the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members and all First Mortgagees at all reasonable times during office hours.

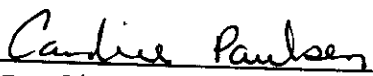
Section 3. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors and having been so determined is subject to change from time to time as the Board of Directors shall determine.

Section 4. Membership Book. The Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Member. Termination or transfer of ownership of any Unit by an Owner shall be recorded in the book together with the date on which such ownership was transferred, in accordance with the provisions of the Declaration.

WE HEREBY CERTIFY that the foregoing Bylaws of the Association were duly adopted by the Board of Directors of the Association in a meeting held for such purpose on the 24th day of August, 1998.



Jeff Mitchem - Vice President



Candice Paulsen - Secretary