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DECLARATION OF COVENANTS,

CONDITIONS AND RESTRICTIONS

FOR

TIMMERMAN'S WALK

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DECLARATION OF COVENANTS, CONDITIONS

AND RESTRICTIONS FOR TIMMERMAN'S WALK

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JOINDER AND CONSENT BY MORTGAGEE

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TIMMERMAN'S WALK

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this ____ day of March, 2007 for TIMMERMAN'S WALK by TIMMERMAN'S WALK HOMEOWNER'S ASSOCIATION, INC. a Florida not-for-profit corporation (the "Association"), and TIMMERMAN'S WALK, LLC, a Florida limited liability company (the "Declarant"), whose address is 9309-1A Old Kings Road, Jacksonville, Florida 32257.

RECITALS:

A. Declarant owns the real property described in the plat for Timmerman's Walk, as recorded in Plat Book 63, Page 32, 33 and 34, of the Public Records of Duval County, Florida and which is also more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

B. The Property is a residential community known as "TIMMERMAN'S WALK."

C. Declarant desires to preserve and enhance the values and quality of life in the Property and the health, safety and welfare of the residents thereof, and to provide for the maintenance of certain areas and improvements for the benefit of the Property.

D. Declarant has incorporated a non-profit corporation to which will be conveyed title to certain property, and to which will be delegated the powers of and responsibility for maintaining and administering certain property and improvements, administering and enforcing this Declaration, and collecting and disbursing the monies derived from the assessments hereafter levied.

DECLARATIONS:

NOW, THEREFORE, Declarant declares that the Property is and shall be owned, improved, transferred and occupied subject to this Declaration.

ARTICLE I

DEFINITIONS

Section 1. Definitions. When used in this Declaration, the following words shall have the following meanings:

(a) "Additional Property" shall mean and refer to those lands, together with any improvements thereon, which are made subject to this Declaration by annexation pursuant to Article II.

(b) "Architectural Review Board" or ARB shall refer to any body/board established pursuant to the provisions of, and for the purposes set forth in, Article VII of this Declaration.

(c) "Area(s)" of Common Responsibility" shall mean and refer to any land or improvement located in or near the Property which is not intended to be owned by the Association but which is intended to be improved, maintained or operated by the Association in the manner and to the extent determined from time to time by the Board. Areas of Common Responsibility may be

designated by this Declaration, any Supplemental Declaration, a contract entered into by the Association, or by a decision of the Board. The following are hereby designated as Areas of Common Responsibility:

(i) Rights of Way and Entrance Area. Subject to limitations imposed by governmental authority, the Association shall maintain, repair and replace to the extent determined by the Board the signs, lighting fixtures, electrical equipment, drainage improvements (in accordance with the Surface Water Management System permit issued by the District), irrigation lines and equipment, landscape materials and features, and other improvements from time to time located within the unpaved rights-of-way adjacent to the Property and within any entry area;

(ii) Street Lighting. The Association may arrange for and assess the Owners for the fixture rental, electrical usage and other costs of street lighting for the Property and any Area of Common Responsibility;

(iii) Drainage Improvements within Easements. The Association shall maintain, repair and replace all drainage improvements within the Property, including without limitation within all platted drainage easements, all in accordance with the Surface Water Management System permit issued by the District;

(iv) Easements. The Association shall maintain, repair and replace any walls, signs, lighting fixtures, electrical equipment, drainage improvements (in accordance with the Surface Water Management System permit issued by the District), irrigation lines and equipment, landscape materials and features, and other improvements from time to time located within all wall and landscape easements created in favor of the Association on any plat of the Property. The preceding sentence is subject to the limitations that the Owner of each Lot encumbered by a wall easement shall maintain all landscaping lying between the wall and that Owner's Dwelling, and said Owner shall maintain the paint or other surface finish, if any, on the vertical surface of the wall which faces his or her Dwelling.

(d) "Articles" shall mean and refer to the Articles of Incorporation of the Association. A copy of the initial Articles are attached as Exhibit "B" to this Declaration. The Articles may be amended as provided therein and it shall not be necessary to amend this Declaration in order to amend the Articles.

(e) "Association" shall mean and refer to the Timmerman's Walk Homeowners Association, Inc., a Florida not for profit corporation, and its successors and assigns.

(f) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

(g) "Builder" shall mean Watson Custom Home Builders, Inc., a Florida corporation, its successors and assigns, who is or will be constructing the Initial Improvements.

(h) "Building" shall mean and refer to a building in Timmerman's Walk containing two or more attached Dwelling Units sharing party walls and a common roof.

(i) "Bylaws" shall mean and refer to the Bylaws of the Association. A copy of the initial Bylaws are attached as Exhibit "C" to this Declaration. The Bylaws may be amended as provided therein and it shall not be necessary to amend this Declaration in order to amend the Bylaws.

(j) "Common Expense" shall mean and refer to the actual and estimated expense of operating the Association and meeting the costs to be incurred by the Association in performing its duties and in exercising its prerogatives, including without limitation costs incurred for operation, maintenance, insurance and improvement of the Common Property and Areas of Common Responsibility, and for any reserves from time to time established by the Board.

(k) "Common Property" means all of the Property excluding the Lots, whether improved or unimproved, together with any Improvements thereon and all personal property, intended for the common use and enjoyment of the Owners and any areas within the Property serving the Property as a whole, which the Association is obligated to maintain, notwithstanding that it may not own the underlying fee simple title to such areas (including, without limitation, the water within stormwater retention and lake areas, all drainage easements reserved in these Declarations and in the Plat and all portions of the Stormwater Management System); provided however that the Common Property shall not include any portion of the Lots, except those portions of the Lots included within the retention and lake areas and the Stormwater Management System or any landscape easements reserved herein. The Common Property to be maintained by the Association may include, but is not limited to, Tract "A", Tract "B", Tract "C", Tract "D" and Tract "E", as depicted on the plat, green space, open space, buffer and landscape areas, conservation, preservation and wetland areas, walking paths, entranceways and entrance features/walls, signage, limited vehicular access gate, mail kiosks, dumpsters, lakes, fountains in the lakes, recreational facilities, including the clubhouse, swimming pool, any community monitoring system, any electronic entry system, clubhouse restrooms and other similar improvements, provided that the foregoing shall not be deemed a representation that any of the foregoing will be provided. The Declarant will endeavor to specifically identify (by recorded legal description, signage, physical boundaries, site plans or other means) the Common Property, but such identification shall not be required in order for a portion of the Property to be deemed Common Property hereunder.

(l) "Common Structural Elements" those certain elements, features or parts of each Building that are structural elements of the Building or of more than one Dwelling Unit, as more particularly defined herein.

(m) "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Property. Such standard may be more specifically determined by the Board and/or the ARB.

(n) "Conservation Easement Area(s)" shall mean and refer to all of such areas so designated upon any recorded subdivision plat or plats of the Property.

(o) "Declarant" shall mean and refer to Timmerman's Walk, LLC, its successors and assigns. No successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in the instrument of succession or assignment, or unless such rights pass by operation of law.

(p) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Timmerman's Walk as amended or supplemented.

(q) "District" shall mean and refer to the applicable St. Johns River Water Management District, an agency created pursuant to Chapter 373, Florida Statutes or any successor governmental agency.

(r) "Dwelling Unit" shall mean and refer to a residential townhouse unit located in Timmerman's Walk to be used as a residence for one family.

(s) "Improvements" means a Dwelling Unit and any and all horizontal or vertical alterations or improvements installed or constructed on a Lot, including without limitation approved landscaping.

(t) "Initial Improvement" means the initial, original construction of Dwelling Units and related Improvements and the initial landscaping upon the Lots constructed or installed by the Declarant or Builder.

(u) "Local Government" shall mean and refer to Jacksonville, Duval County, Florida.

(v) "Lot" shall mean and refer to any numbered lot shown upon any recorded plat of the Property, intended for the construction of a Dwelling Unit and located within the Property, including any improvements from time to time constructed, erected, placed, installed or located thereon.

(w) "Member" shall mean and refer to each Member of the Association as provided in Article III, Section 2.

(x) "Owner" shall mean and refer to the record holder, whether one or more persons or entities, of fee simple title to each Lot in the Property, but, notwithstanding any applicable theory of the law of mortgages, Owner shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title to a Lot pursuant to foreclosure proceeding or a conveyance in lieu of foreclosure. All owners of a single Lot shall be treated for all purposes as a single Owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety.

(y) "Party Wall" shall mean and refer to the entire wall, from front to rear, all or a portion of which is used for support of each adjoining structure, situate or intended to be situate on the boundary line between adjoining Lots.

(z) "Permit" shall mean **ERP No. 42-031-99301-1** issued by the District.

(aa) "Property" shall mean and refer to the real property described in the plat for Timmerman's Walk as recorded in the Public Records of Duval County, which is also more particularly described on Exhibit "A" to this Declaration, together with any Additional Property hereafter annexed to this Declaration pursuant to Article II.

(bb) "Supplemental Declaration" shall mean and refer to any instrument which extends the effect of this Declaration to Additional Property pursuant to Article II.

(cc) "Surface Water Management System" means the overall system designed, constructed and implemented upon the Property to control discharges caused by rainfall events, which system is intended to collect, convey, store, absorb, inhibit, treat, use or reuse surface water in order to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution, and to control the quality and quantity of discharges from the system, all as permitted by the District pursuant to Chapter 40C-4, 40C-40, 40C-42, Florida Administrative Code.

Section 2. Interpretation. The provisions of this Declaration and the Articles, Bylaws and any rules and regulations of the Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and the Property, the preservation of the value of the Lots and the protection of Declarant's rights, benefits and privileges herein contemplated. Notwithstanding that this Declaration was prepared, initially, at the direction of the Declarant, and notwithstanding any rule of construction to the contrary, this Declaration

shall not be more strictly construed against the Declarant and/or any of its affiliates than against any other person or entity.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Property. The Property is and shall be improved, held, transferred and occupied subject to this Declaration.

Section 2. Additional Property. Declarant shall have the right but not the obligation to bring within the scope of this Declaration, as Additional Property, additional lands lying in the vicinity of the Property, at any time and from time to time within twenty (20) years from the date on which this Declaration is recorded. Except as provided in Article XIII, annexation may be accomplished by Declarant without the consent of the Association, the Owners, any mortgagee or other lien holder, or anyone else.

Section 3. Method of Annexation. Additions authorized under Article II shall be made, if at all, by recording a Supplemental Declaration extending this Declaration to Additional Property. The Supplemental Declaration shall describe the real property to be annexed and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing property to this Declaration and extending the jurisdiction of the Association to the Additional Property. The Supplemental Declaration may contain additional terms not inconsistent with this Declaration to reflect the different character, if any, of the real property being annexed or of the housing or development approaches being implemented. Upon the recordation of any Supplemental Declaration, the Owners shall also have a right and non-exclusive easement of use and enjoyment in and to the Common Property, if any, within the Additional Property and an obligation to contribute to the cost of operating, maintaining and insuring the additional Common Property and any additional Areas of Common Responsibility. Any Supplemental Declaration recorded in accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after recordation of any Supplemental Declaration, the Additional Property described therein shall be subject to the provisions of this Declaration and to the jurisdiction of the Association.

Section 4. Withdrawal. Declarant reserves the right to amend this Declaration unilaterally at any time for the purpose of removing any portion of the Property (including, without limitation Lots and Common Property) without notice and without the consent of any person or entity other than the owner of the portion of the Property to be withdrawn or the District; provided, however, no such withdrawal may impair access to any Lot.

ARTICLE III

THE ASSOCIATION

Section 1. The Association. The Association is a nonprofit corporation. The Association shall have the power to do all lawful things which may be authorized, assigned, required or permitted to be done by this Declaration, the Articles, or the Bylaws, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association for the benefit of the Owners and for the maintenance, administration and improvement of the Property and Areas of Common Responsibility. Neither the Articles nor the Bylaws shall be amended or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The officers and directors of the Association shall be required to be either (1) a Member of the Association, or (2) an agent of Declarant. The Board, and such officers as the Board may appoint, shall conduct the affairs of the Association.

Section 2. Membership. Each Owner (including Declarant) shall be a Member of the Association. The Association membership of each Owner shall be appurtenant to and inseparable from the Lot giving rise to such membership, and any transfer of title to a Lot shall operate automatically to transfer to the new Owner the membership in the Association appurtenant to that Lot.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership:

(a) Class "A". Class "A" Members shall be all Owners, with the exception of Declarant for so long as Declarant retains Class "B" voting rights. Each Class "A" Member shall have one (1) vote for each Lot owned by that Member.

(b) Class "B". The sole Class "B" Member shall be Declarant. Declarant shall be entitled to three (3) votes for each Lot in the Property owned by Declarant, plus three (3) votes for each potential subdivision lot that has not yet been annexed but which could be developed upon the lands eligible for annexation to the Property under the terms of the Declaration. Upon the execution of this Declaration, Declarant shall have One Hundred Thirty Eight (138) Class "B" votes representing three (3) votes for each of the Forty-Six (46) Lots in the Property. The Class "B" Member shall be entitled to cast all of its votes in any vote or election held by the Association. Declarant reserves the right to transfer and assign its Class "B" vote(s) to the Builder as Lot(s) are sold.

(c) Termination of Class "B" Membership. As each Lot in the Property is conveyed by Declarant to a Class "A" Member, Declarant's votes for that Lot shall lapse. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of the following:

(i) When the total outstanding Class "A" votes in the Association equals or exceeds the total outstanding Class "B" votes; or

(ii) Ten (10) years from the date of recording this Declaration; or

(iii) At such earlier time as Declarant, in its sole discretion, may so elect.

Upon the happening of any one of these events, Declarant shall call a special meeting of the Members to advise of the termination of Class "B" membership.

(d) Transition of Control. Any other provision of this Article III to the contrary notwithstanding, Owners other than Declarant shall be entitled to elect at least a majority of the members of the Board of Directors not later than three (3) months after ninety percent (90%) of the Lots that will or may ultimately be operated by the Association have been conveyed to Owners. Declarant shall be entitled to elect at least one member of the Board of Directors as long as Declarant holds for sale in the ordinary course of business at least five percent (5%) of the Lots. After Declarant relinquishes control of the Association, Declarant may exercise the right to vote any Declarant-owned voting interests in the same manner as any other Owner, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board of Directors.

Section 4. Multiple Owners. Each vote in the Association must be cast as a single vote, and fractional votes shall not be allowed. If joint or multiple Owners are unable to agree among themselves as to how their vote is to be cast, or if more than one (1) Class "A" vote is cast for any Lot, none of the votes for that Lot shall be counted. If any Owner casts a vote on behalf of a Lot,

it shall be conclusively presumed that Owner was acting with the authority and consent of all other Owners of that Lot.

ARTICLE IV

COMMON STRUCTURAL ELEMENTS

Section 1. Definition. Each Building contains or shall contain certain elements, features or parts which are structural elements of the Building or of more than one Dwelling Unit (such elements, features, or parts being hereinafter referred to as "Common Structural Elements"). The Common Structural Elements of each Building shall include the following:

(a) Party Walls. All division walls between two townhomes beginning at the unfinished surface of each side of such wall (hereinafter referred to as "Party Walls") located upon a Property Line between two townhomes, provided that the mere fact such a division wall between two Townhomes is found not to be on a Property Line shall not preclude such division wall from being a Party Wall.

(b) Roofing. The entire roof of the Building, any and all roof support structures, and any and all appurtenances to such roof and roof support structures, including, without limitation, the roof covering, roof trim and roof drainage fixtures, all of which are collectively referred to herein as the "Roofing." Should the Roofing or part thereof extend beyond the Townhomes, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Roofing as same shall be constructed or hereby imposed.

(c) Foundation. The entire concrete floor slab or wood floor system if used in lieu thereof and all foundational and support structures and appurtenances thereto, all of which are collectively referred to as the "Foundation." Should the Foundation or part thereof extend beyond the Townhomes, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Foundation as same shall be constructed or thereby imposed.

Section 2. General. Each Owner shall own that portion of the Party Wall which stands on his own Lot. To the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each Party Wall (or party fence, if applicable) which is built by Declarant as part of the original construction of the Dwelling Units or is an Initial Improvement upon the Lots and any replacement thereof.

If any portion of any Initial Improvement or structure, as originally constructed by Declarant or its designee, including any Party Wall or fence, shall protrude over two adjoining Lots, it shall be deemed that said Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection, Party Wall or fence. The foregoing shall also apply to any replacements of any structures, Party Walls or fences, if same are constructed in conformance with the original structure, party wall or fence. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

Section 3. Sharing Maintenance or Repair The costs of reasonable repair and maintenance of Common Structural Elements shall be shared equally by the Owners who make use of the wall in proportion to such use, except as otherwise provided herein. Such costs shall not be an Operating Expense.

Section 4. Destruction by Fire or Other Casualty. In the event of damage or destruction of Common Structural Elements from any cause whatsoever, other than the negligence or willful misconduct of either Owner thereto, the Owners shall, at their joint expense, repair or rebuild such Common Structural Elements in accordance with the requirements of Article XVII of this Declaration, and each Owner, his successors and assigns, shall have the right to full use as herein contained of said Common Structural Elements so repaired or rebuilt. If damage or destruction is a result of one Owner's negligence or willful misconduct, that party shall be responsible for the total repair and replacement in a timely fashion. If either Owner fails to pay his share of repair or replacement, as aforesaid, then the other Owner shall have such Common Structural Elements repaired or reconstructed and shall be entitled to file in the Public Records of the County, a claim of lien on the premises of the Owner failing to pay for the amount of such defaulting Owner's share of the repair or replacement costs. Owner shall have the right to foreclose said claim of lien in accordance with the same procedural requirements as now provided for in Florida Statutes for foreclosure of a mechanic's lien; provided, however, such claim of lien shall be filed within ninety (90) days from the date repairs or replacements were made to the party wall, and suit thereon shall be commended one (1) year form the date such lien is filed. If either or both Owners shall give or shall have given a mortgage or mortgages upon his property to an Institutional Mortgagee, then such Institutional Mortgagee shall have the full right, at its option, to exercise the rights of its mortgagor as an Owner hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the Institutional Mortgagee for repairs hereunder and not reimbursed to said Institutional Mortgagee by the Owners.

Section 5. Easement for Repairs. If repairs or reconstruction to the Common Structural Elements shall be necessary, all necessary entries on or into the adjacent Dwelling Unit upon the Adjacent Lot shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a timely and workmanlike manner, and, in the event entry on a Dwelling Unit is required, reasonable notice is provided to the Owner. Consent is hereby given to enter on or into adjacent Dwelling Units to effect necessary repairs and reconstruction.

Section 6. Right to Contribution Runs with Land. The right of any Owner to contribute from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Weather Proofing. Notwithstanding other provisions of this Article, an Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary repair and protection against such elements.

Section 8. Arbitration. In the event of any dispute arising concerning Common Structural Elements, or under the provisions of this Article, each party shall choose one arbiter, and such arbiters shall choose one additional arbiter, and the decision of a majority of all of the arbiters shall be final and conclusive of the questions involved.

Section 9. Alterations. The Owner of a Dwelling Unit sharing a Party Wall with an adjoining Dwelling Unit shall not cut windows or other openings in the Party Wall, nor make any alterations, additions or structural changes in the Party Wall.

Section 10. Structural Cross Easements. Cross easements of support and use over, upon, across, under, through and into the Common Structural Elements shall exist in favor of the Association, the Owners or their designees for the continued use, benefit and enjoyment and continued support, maintenance, repair and design of all Dwelling Units and Common Structural Elements within any of the Buildings.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Easements. The Association and each Owner (including Declarant) shall have a non-exclusive right and easement of use and enjoyment in and to the Common Property. Said right and easement shall be appurtenant to and pass with the title to each Lot, and shall include, without limitation, the following:

(a) Right-of-way for ingress and egress by vehicles and on foot through and across any streets, roads or walks in the Common Property for all lawful purposes; and

(b) Rights and easements to drain across the Surface Water Management System in accordance with the Permit and District rules; and

(c) Rights to connect to, maintain and make use of utility lines, wires, pipes, conduits, cable television lines, telephone lines and equipment, sewers and drainage lines which may from time to time be in or along areas of the Common Property, but only in accordance with applicable laws and regulations and the requirements of the applicable entities which regulate said utilities; and

(d) Rights and easement to use and enjoy the Common Property for any purpose not inconsistent with this Declaration, the Articles, the Bylaws, the rules and regulations of the Association, or law.

Section 2. Blanket Easement over Lots for Landscaping, Maintenance, Repair and Replacement by the Association. The Association is granted a perpetual, non-exclusive easement for ingress and egress, at all times, over and across each Lot (except for those portions of the Lot(s) with a building pad now constructed, or to be constructed from time to time), for the Association to fulfill its obligations as set forth in Article IX of this Declaration; provided however, that if the Association is ever dissolved, then all landscaping, maintenance, repair and replacement obligations relating to the Lots and the Residences located thereon shall be the responsibility and financial obligation of the Owner owning each Lot and Dwelling Unit.

Section 3. Easement for Access and Drainage. The Association shall have a perpetual non-exclusive easement over all areas of the Surface Water Management System for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the Surface Water Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water Management System as required by the Permit, subject to any maintenance responsibilities assumed by any governmental authority. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Surface Water Management System. No person shall alter the drainage flow of the Surface Water Management System, including buffer areas or swales, without the prior written approval of the District.

Section 4. Title to Common Property. Declarant shall convey to the Association or, if required by the Local Government incidental to the establishment of an MSTU/MSBU as described in Article V, Section 8, dedicate to the Local Government for the uses and purposes set forth in this Declaration or in any subdivision plat of the Property fee simple title in and to the Common Property free and clear of all encumbrances except taxes, applicable subdivision plats, this Declaration and any easements recorded in the public records prior to the conveyance to the Association. Once conveyed to the Association, the Common Property may not be mortgaged or further conveyed without the consent of at least two-thirds (2/3) of the Owners (excluding Declarant).

Section 5. Extent of Easements. The rights and easements created in this Article V shall be governed by the following:

(a) Subject to any rights of Declarant and the Owners set forth in this Declaration, the Association shall be responsible for the exclusive management, control and maintenance of the Common Property.

(b) Declarant, until conveyance of title to the Association, and the Association thereafter, may reserve to itself or to grant or dedicate (subject to the terms of Article XII) to Declarant, any Owner, any governmental agencies and/or to any utility companies, easements and rights-of-way, over, under or through the Common Property for installation, use, maintenance and inspection of lines and appurtenances for public or private utilities, surface water drainage improvements and areas, or completion of the development. No improvement or material may be placed upon any such easement which may damage or interfere with the installation or maintenance of utilities or the easement area or that may alter or impede the direction or flow of drainage.

(c) Declarant's rights reserved in this Declaration.

(d) Matters shown on any plat(s) of the Property.

Section 6. Additional Easements over Common Property. Declarant hereby creates, reserves and declares to exist the following licenses, rights, privileges and easements over, under and through the Common Property subject at all times to the terms and conditions of the Permit and subject to receiving prior written approval of the District as to any activities that may affect or may occur on or within the Surface Water Management System and Conservation Easement Area, including any upland buffers: (i) rights-of-way and easements to install, maintain and use electric, lighting, telecommunications, cable television, telephone, gas, water, sewer, drainage and utility poles, wires, cables, conduits, fixtures, pipes, meters, equipment, facilities, ponds, swales, berms or ditches, and other equipment and improvements necessary or convenient for the completion, marketing, use and enjoyment of the Property, (ii) the right to cut trees, bushes or shrubbery, make any gradings of the soil, and take any similar action reasonably necessary to provide economical and safe utility and drainage installation or to maintain reasonable standards of health, convenience, safety and appearance, (iii) the right to locate thereon wells, pumping stations and irrigation systems and lines, (iv) easement of ingress and egress for purposes of development, construction and marketing, and (v) such other rights as may be reasonably necessary to complete in an orderly and economic manner the development and sale of the Property including, without limitation, the maintenance of temporary signage and trailers used in such development and sales efforts; provided, however, that said reservation and right shall not be considered an obligation of Declarant to provide or maintain any such easement, utility, equipment or service. Declarant also reserves the right to connect with and make use of the utility lines and drainage improvements which may from time to time be in or along the streets and roads, or within the Common Property or platted easements. The easements and rights-of-way herein reserved shall continue in existence in favor of Declarant after conveyance of the Common Property to the Association or dedication to the Local Government until such time as Declarant has sold all Lots in the Property and in any lands separately developed by Declarant and located adjacent to the Property.

Declarant also reserves a perpetual right and easement to irrigate the Common Property with treated effluent from a wastewater treatment facility, if any. The benefit of this reservation shall inure to Declarant and its specifically designated successors and assigns, but not in favor of any other Owner and shall remain in effect whether or not Declarant owns any Lots in or lands adjacent to the Property.

Section 7. Delegation. Any Owner (including Declarant) may grant the benefit of any easement, right or privilege to tenants and guests for the duration of their tenancies or visits, but same shall not be construed to create any rights in the general public.

Section 8. MSTU/MSBU. Declarant or the Local Government may establish a municipal service taxing unit, municipal service benefit unit, or similar mechanism (sometimes referred to in this Declaration as "MSTU/MSBU"), to provide for any one or more of the following: (a) operation and maintenance by the Local Government of any of the Common Property, and any recreational, drainage or other improvements thereon, for the uses and purposes set forth in this Declaration or in any applicable subdivision plat, which may or may not include a requirement that ownership of the affected lands and improvements be transferred to the Local Government, (b) construction or improvement of recreation, drainage, sidewalk, wall, landscaping, open space, conservation, or other areas, improvements or facilities on or within the Common Property or any easement areas for the use and benefit of the Property and the occupants thereof, and (c) construction, operation or maintenance of street lighting or any other service or benefit to or for the Property authorized under the terms of this Declaration or the MSTU/MSBU, or by the applicable governmental authority. It is anticipated that the costs incurred by the MSTU/MSBU will be billed directly to the Owners or to the Association for subsequent assessment to the Owners and Lots.

Section 9. Conservation Easement Area(s). Pursuant to the provisions in Section 704.06, Florida Statutes, Declarant reserves the right to grant to the District a conservation easement in perpetuity to be recorded in the Public Records of Duval County.

(a) Purpose. The Purpose of a Conservation Easement, if granted, is to ensure that the Conservation Easement Area(s) will be retained forever in their existing natural condition and to prevent any use of the Conservation Easement Area(s) that will impair or interfere with the environmental value of these areas.

(b) Prohibited Uses. Any activity in or use of the Conservation Easement Area(s) inconsistent with the purpose of the Conservation Easement is prohibited. The Conservation Easement shall expressly prohibit the activities and uses.

(c) Responsibilities. The Declarant, its successors and assigns, are responsible for the periodic removal of trash and other debris that may accumulate in the Conservation Easement Area(s).

(d) Rights of District. To accomplish the purposes stated in the Conservation Easement, the Declarant may convey specific rights to the District.

(e) Amendment. The provisions of the Conservation Easement may not be amended without the prior written approval of the District.

ARTICLE VI

INSURANCE

Section 1. Common Areas.

(a) General Liability. The Association, by action of its Board of Directors, shall maintain public liability insurance, to the extent obtainable, covering the Association and each Association Member, lessee and occupant, and the managing agent, if any, against liability for any negligent act or commission or omission attributable to them, which occurs on or in the Common Areas.

(b) Additional Insurance. To the extent obtainable, the Board of Directors shall also be required to obtain the following insurance:

(i) Vandalism and malicious mischief endorsements, insuring the Common Areas; and

(ii) worker's compensation insurance, if required by law; and

(iii) Directors' and Officers' liability insurance, fidelity insurance and other insurance it may deem proper to protect the Association, its members and property.

(c) Assured and Loss Payable. All casualty insurance policies purchased by the Association hereunder shall be for the benefit of the Association and all Owners and their mortgagees as their interests may appear and shall provide that all proceeds covering casualty losses of $10,000.00 or less shall be paid to the Association. Any sum in excess of $10,000.00 shall be paid either to the Association or to an insurance trustee as the Association shall determine at the time. An "Insurance Trustee" shall be any bank or trust company or other corporate trustee authorized for and doing business in Florida, as designated by the Board of Directors of the Association. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust pursuant to the terms of the Insurance trust agreement to be executed by the Association and the Insurance Trustee, which shall not be inconsistent with any of the provisions herein set forth.

(d) Payment of Premiums. The Board of Directors shall collect and pay the premiums for insurance as a part of the Operating Expenses. Expenses of any Insurance Trustee appointed shall be paid by means of special assessments by the Board.

(e) Mandatory Repair. Unless there occurs substantial damage or destruction to all or a substantial part of a Building or to Common Area facilities, the Association and the Owners shall use insurance proceeds to repair, replace and rebuild the damage caused by casualty loss. Related costs and expenses not covered by insurance shall be borne by the Owners in a fair and equal manner.

(f) Association as Agent. The Association is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Association, and to execute releases thereof.

Section 2. Dwelling Units, Lots.

(a) (i) Owner's Insurance Coverage. Each Owner shall be required to obtain and maintain adequate insurance on his Dwelling Unit, which shall insure the property for its full replacement value, with no deduction for depreciation, against loss by fire, storm or other hazards or casualty. Such insurance shall name the Association an additional insured and shall be sufficient to cover the full replacement value, or to cover necessary repair or reconstruction work. Such insurance shall be written in the manner acceptable to the Board of Directors of the Association and shall contain a clause, which provides ten (10) days prior written notice to the Board of Directors of the Association before the policy can be cancelled. Each Owner shall be required, on a monthly basis, concurrent with the payment of monthly/ annual assessments pursuant to Article VII hereof, to supply the Board of Directors with evidence of insurance coverage on his Dwelling Unit which complies with the provisions of this Section. Each Owner shall also be responsible for the purchasing of liability insurance for accidents occurring on his or her Lot.

(ii) Action by Board. If the insurance provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of Directors, then the Board shall obtain such insurance coverage. Insurance obtained by

the Board of Directors shall be written in the name of the Association as Trustee for the benefit of the applicable Homeowner.

(iii) Payment of Premium. Premiums for insurance obtained by the Board of Directors for the benefit of an individual Owners, as provided hereinabove, shall not be an Operating Expense, but shall be an individual assessment (special assessment) payable in accordance with the provisions of Article VIII of this Declaration.

(iv) Repair or Replacement of Damaged or Destroyed Property. Each Owner shall be required to reconstruct or repair any Dwelling Unit destroyed by fire or other casualty, covered by insurance written in the name of the Association as Trustee. The insurance proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signatures(s) of an agent(s) duly authorized by the Board of Directors. If no repair or rebuilding has been contracted for, or otherwise substantially started by the Owner within thirty (30) days of the receipt of the insurance proceeds, the Board of Directors shall itself initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit pursuant to Section 2(b) herein below.

(b) Association Action. Notwithstanding the provisions of the above subsection (a) of this Section 2, the following provisions shall also apply to Dwelling Units which have Common Structural Elements:

(i) Association Approval. The insurance referred to in subsection (a) of this Section shall be written in a manner acceptable to the Association. The Association shall carry out the functions set forth hereafter.

(ii) Insurance Trustee. Each policy shall contain a loss payment provisions which provides that the proceeds of any loss shall be payable to the Association who shall hold such funds in trust to insure that repairs are made as hereinafter set forth. Each policy shall also contain a clause that it is non-cancelable without ten (10) days prior written notice to the Association. Each Owner shall be required to supply the Association with evidence of insurance coverage on his Dwelling Unit which complies with the provisions of this Section.

(iii) Action by Board. If the insurance provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of Directors of the Association, then the Board of Directors of the Association shall obtain such insurance coverage. The purpose of such insurance will be to protect, preserve and provide for the continued maintenance and support of separately owned Dwelling Units which shall include Common Structural Elements. Insurance obtained by the Board of Directors of the Association shall be written in the name of the Association, as Trustee, for the benefit of the applicable Owner.

(iv) Payment of Premiums. Premiums for insurance obtained by the Board of Directors for the benefit of an individual Owner, as provided hereinabove, shall not be a part of the Operating Expenses, but shall be an individual assessment (special assessment) payable in accordance with the provisions of Article VIII of this Declaration.

(v) Repair or Replacement of Damaged or Destroyed Property. Each Owner shall, with the concurrence of the Owner's Institutional Mortgagee, if any, and the Board of Directors of the Association, be required to reconstruct or repair any Dwelling Unit destroyed by fire, storm or other casualty in accordance with the

requirements of Article XVII of this Declaration. Insurance proceeds issued for such repair shall be in the name of the Association, as Trustee. The insurance proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signature(s) of an agent(s) duly authorized by the Board of Directors of the Association. If no repair or rebuilding has been contracted for or otherwise substantially started by the Owner within thirty (30) days after the Association receives the insurance proceeds, the Board of Directors of the Association is hereby irrevocably authorized by such Owner to initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit. Repairs should be done in a good and workmanlike manner in conformance with the original plans and specifications. The Board of Directors of the Association may advertise for sealed bids from any licensed contractors and may then negotiate with said contractors. The contract or contractors selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding, unless such requirement is waived by the Board of Directors of the Association. If the insurance proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or destroyed portions in a good and workmanlike manner, the Board of Directors of the Association shall levy a special assessment against the Owner in whatever amount is required to make up the deficiency. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Owner and/or the Owner's mortgagee in such portions as shall be independently determined by those parties.

(c) Administrative Fee. Should the Association obtain the insurance coverage on a Dwelling Unit pursuant to this Article, then the Association may charge and the applicable Owner shall be responsible for, as a special assessment against the Lot, an administration fee of $100.00. Said fee is in addition to the charge for the premium, for which Owner is also responsible.

(d) Notwithstanding anything to the contrary in this Article, the Association, its Director or officers, shall not be liable to any person should it fail for any reason whatsoever to obtain insurance coverage on a Dwelling Unit.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Purpose. The Association, through the ARB, shall have the right to exercise architectural control over all Improvements constructed, erected, or placed upon any part of the Property, to assist in making the Property a community of high standards and aesthetic beauty. Such architectural control may include all architectural aspects of any such Improvement, including, without limitation, size, height, site planning, setbacks, exterior, materials, colors, open space, landscaping, and aesthetic criteria; provided however, that any ARB approval shall not be deemed a statement, representation or indication that such Improvement complies with any applicable law, regulation, or ordinance. The purpose of this review procedure is solely to promote the aesthetic development of the Property to assure that the Architectural Guidelines, as established from time to time, are complied with. This review is not intended to be a condition to the issuance of a building permit by the Local Government and the review undertaken by the Declarant or the ARB is not to be construed as any quasi governmental action. The Declarant shall have the sole right to approve the Initial Improvements on the Property and the rights granted to the ARB hereunder shall only be in effect after the Residence has been completed.

Section 2. Membership of ARB. So long as Declarant or its designee owns any Lots subject to this Declaration, Declarant shall be entitled to appoint all members of

the ARB. Thereafter, the membership of the ARB shall be determined by the Board, the ARB shall consist of no less than three (3) members, none of whom shall be required to be Owners or occupants of the Property. No member of the ARB shall be entitled to compensation for services performed, but the ARB may employ professional advisors and pay reasonable compensation to such advisors at Common Expense. Members of the ARB (other than those appointed or designated by the Declarant) may be removed by the Board of Directors at any time without cause. Members of the ARB appointed or designated by the Declarant my only be removed by the Declarant.

Section 3. Architectural Guidelines. The ARB or Declarant, as applicable, shall adopt, and revise from time to time, reasonable rules of procedure and standards for the submission and review of any matter to be brought before it and the inspection and final approval of any completed work done pursuant to any approval of the ARB (the "Architectural Guidelines"). Such rules shall be (i) subject to the prior approval of the Board of Directors, (ii) consistent with the covenants and restrictions set forth in this Declaration, and (iii) published or otherwise made available to all Owners and their contractors, subcontractors and other appropriate designees. All rules of the ARB shall be adopted and/or amended by a majority vote thereof.

Section 4. Application/Approvals.

(a) Applications. It is the responsibility of each Owner applying for approval to supply two (2) sets of specifications, plans, or other pertinent information regarding the proposed modification or alterations for which such Owner requests ARB approval.

(b) Approvals. Decisions of the ARB shall be by majority action and shall be approved or disapproved within thirty (30) days after receipt by the ARB. The ARB approval or disapproval shall be written and shall be accompanied by one (1) copy of the plans, etc., to be returned to the Owner. Whenever the ARB disapproves plans, the ARB shall specify the reason or reasons for such disapproval. Approval shall be granted or denied by the ARB based upon compliance with the provisions of this Declaration and any Architectural Guidelines established pursuant thereto, the qualify to workmanship and materials, the harmony of external design with its surroundings, the effect of the construction on the appearance from surrounding Lots, and all other factors, guidelines and standards promulgated from time to time, including purely aesthetic considerations, which, in the sole opinion of the ARB, will affect the desirability or suitability of the construction.

Section 5. Violations. The work must be performed strictly in accordance with the plans as approved. If after plans have been approved, the improvements are altered, erected, or maintained upon the Lot other than as approved, same shall be deemed to have been taken without ARB approval. After one (1) year from completion of any improvement, addition or alteration, said improvement shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to comply with the provisions hereof unless a notice of such noncompliance executed by any member of the ARB shall appear in the public records of the County, or legal proceedings shall have been instituted to enjoin the noncompliance or to enforce compliance with these provisions.

Section 6. Variances. The ARB or Declarant, as applicable, may authorize a variance from compliance with the Architectural Guidelines or any of the architectural provisions of this Declaration when circumstances such as topography, natural obstructions, hardships, or aesthetic or environmental considerations may reasonably require. The granting of any variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Lot and the particular provision covered by the variance, nor shall it affect the Owner's obligation to comply with governmental requirements. Such variances may only be granted when unique circumstances dictate and no variance shall (i) be effective unless in writing, (ii) be contrary to the

restrictions set forth in this Declaration, or (iii) estop the ARB from denying a variance in other circumstances.

Section 7. Waiver of Liability. None of Declarant, Builder, the ARB, the Directors or the Association, or any agent or employee thereof shall be liable to anyone submitting plans for approval or to any Owner, occupant or guest of the Property by reason of or in connection with approval or disapproval of any plans, or for any defect in any plans submitted, revised or approved in accordance with the requirements of the ARB, or for any structural or other defect in any work done according to such plans. Approval of plans, or any other approvals, variances or consents, are given solely to protect the aesthetics of the Property in the judgment of the ARB and shall not be deemed a warrant, representations or covenant that any action taken be in reliance thereon complies with applicable laws, codes, rules or regulations, nor shall ARB approval be deemed approval of any plan or design from the standpoint of structural safety or conformity with building or other codes. Every person who submits plans for approval agrees, by submission of such plans, and every Owner or occupant of any Lot agrees, by acquiring title thereto or an interest therein, that it will not bring any action, proceeding or suit to recover any such damages and shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid parties from and for any loss, claim or damages connected with the aforesaid aspects of the improvements or alterations.

Section 8. Enforcement. Declarant and the Association shall have standing and authority on behalf of the Association to enforce in courts of competent jurisdiction the Architectural Guidelines and the decisions of the ARB. Should Declarant or the Association be required to enforce the provisions hereof by legal action, the reasonable attorneys' fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' fees and costs incurred on appeal from judicial proceedings, shall be collectible from the violating Owner. Should any Owner fail to comply with the requirements hereof after thirty (30) days' written notice. Declarant and the Association shall have the right but not the obligation to enter upon the Owner's property, make such corrections or modifications as are necessary, or remove anything in violation of the provisions hereof or the Architectural Guidelines, and charge the cost thereof to the Owner as an individual assessment. Declarant and the Association, or their agents or employees, shall not be liable to the Owner or to any occupant or invitee of any Lot for any trespass or damages or injury to property or person for any action taken hereunder unless accused by gross negligence or intentional wrongdoing.

Section 9. Exemption. Declarant and Builder shall be exempt from the architectural control provisions of this Article VII. Declarant shall be entitled to construct or install any new improvement, and to alter or change any existing improvement, without submitting plans to or obtaining the approval of the ARB.

Section 10. No Waiver of Future Approvals. The approval of the ARB of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ARB, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters subsequently or additionally submitted for approval or consent.

Section 11. Change in Buildings. Neither the Association nor any Owner shall make or permit any structural modification or alteration of any Building except with the prior written consent of the ARB, or its successor, and all Institutional Mortgagees holding a mortgage on a Dwelling Unit within said Building. Consent may be withheld if, in the sole discretion of the party requested to give the same, it appears that such structure modification or alteration would affect or in any manner endanger other Dwelling Units. No Building shall be demolished or removed without the prior written consent of all Owners of all other Dwelling Units within such Building and of all Institutional Mortgagees holding a mortgage on a Dwelling Unit within said Building, and also the prior written

consent of Declarant or its successors. Declarant shall have the right, but shall not be obligated, to assign all of its rights and privileges under this Article to the Association.

ARTICLE VIII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Lien and Personal Obligation Nonpayment.

(a) Declarant, for each Lot owned by it in the Property, and each Owner other than Declarant by acceptance of title to any Lot, whether or not it shall be so expressed in any deed or other conveyance, covenants and agrees to pay to the Association: (1) monthly/ annual assessments or charges, (2) special assessments, (3) individual assessments, and (4) a one-time only start-up assessment. Said assessments shall be fixed, established and assessed as herein provided. Assessments, together with such interest and late charges as shall be imposed by the Board at its discretion, and the cost of collection thereof, including without limitation court costs and reasonable attorneys' and paralegals' fees before trial, at trial and on appeal, shall be a charge and a continuing lien upon the Lot against which such assessment is made, and upon any Dwelling Unit located on said Lot, from and after the date on which such assessment is due. Each assessment, together with said interest, late charges, costs and fees, shall also be the personal obligation of each person who was an Owner of the Lot at the time the assessment fell due.

If any assessment or installment thereon is not paid when due, then such assessment shall be delinquent and the delinquent assessment, together with interest, late charges, and collection costs, shall be secured by a continuing lien on the Lot as to which the assessment accrued, and upon any Dwelling Unit located thereon. Such lien shall be prior to all other liens hereinafter created except taxes or assessments levied by governmental authority, and except as to the lien of any mortgage. The lien shall be prior to and superior in dignity to homestead status. The lien shall bind the Lot and any Dwelling Unit located thereon in the hands of the then Owner and of each subsequent Owner. The personal obligation of the Owner to pay such delinquent assessment shall remain that Owner's personal obligation for the statutory limitations period and personal liability shall not pass to successors in title unless expressly assumed by them.

If the delinquent assessment or installment thereon is not paid within thirty (30) days after the due date, same shall bear interest from the date due at the highest lawful rate in Florida, or at such lesser rate as may be determined by the Board and uniformly applied, and the Association may bring an action for collection against the Owner personally obligated to pay the same and to foreclose the lien against the Lot and any Dwelling Unit located thereon by judicial foreclosure in the same manner as foreclosure of a mortgage, and there shall be added to the amount of such assessment the aforesaid interest, late charges, collection costs and attorneys' and paralegals' fees, and fees and collection costs shall be recoverable whether or not suit be brought. The Owner shall also be required to pay the Association any assessments against the Lot which become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale and to own sell, lease, encumber, use and otherwise deal with the Lot and any Dwelling thereon as owner thereof.

(b) Exempt Property. The following property shall be exempt from the assessments, charges and liens created herein: (1) Common Property; (2) lands owned by Declarant which have not been annexed to the Property by this Declaration or any Supplemental Declaration; (3) lands dedicated to the Local Government or other governmental authority, any utility company or the public; and (4) Lots owned by Declarant during the period of time that Declarant subsidizes the Common Expenses of the Association pursuant to Section 8 of this Article. No other land or improvements in the Property shall be exempt from these assessments, charges or liens. No Owner may avoid assessment obligations by virtue of non-use or abandonment of the Common Property.

Section 2. Purpose. The assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Owners, to perform the Association's duties and to exercise the powers conferred on it, to improve, operate, insure and maintain the Common Property and the Areas of Common Responsibility, and to pursue any other purpose deemed desirable or appropriate by the Board, including without limitation any one or more of the following: (a) payment of Association operating expenses; (b) lighting, irrigation, maintenance, improvement and beautification of streets and easement areas, and acquisition, maintenance, repair and replacement of community identification signs and traffic control devices, and control and regulation of traffic in the Property; (c) payment, contest or compromise of real and personal property taxes and assessments separately levied upon or assessed against the Association or the Common Property; (d) operation, management, insurance, replacement, maintenance, repair, beautification and improvement of the Common Property, Areas of Common Responsibility, and easement areas benefiting the Association; (e) repayment of any deficits previously incurred by the Association; (f) funding of reserves for future Common Expenses, (g) procurement and maintenance of insurance, (h) employment of accountant attorneys and other professionals to represent or advise the Association; (i) operation, maintenance and repair of the Surface Water Management System for the Property in accordance with the terms of this Declaration and the requirements of the District; (j) monitoring of protected wetlands as required by the District; and (k) doing anything necessary or desirable in the judgment of the Board to keep the Property neat and attractive, to preserve or enhance the value thereof, to eliminate fire, health or safety hazards, or otherwise to benefit the Owners.

Section 3. Determination of Annual Assessments.

(a) Operating Budget. At least thirty (30) days prior to the end of the Association's fiscal year, the Board shall prepare a budget of the estimated costs of operating the Association during the coming year, including but not limited to operational items such as overhead and indirect costs, insurance, utilities, taxes, professional fees, repairs, reserves, maintenance and other operating expenses, as well as charges to cover any deficits from prior years, and capital improvement budget items approved by the Board under Subsection (b), below.

(b) Capital Budget. Each year, the Board shall approve a capital budget taking into account the number, type, useful life and expected replacement cost of replaceable assets. The Board shall then set the required annual capital contribution in an amount sufficient to meet the projected capital needs of the Association on a timely basis. The annual capital contribution fixed by the Board shall then be included in the annual operating budget and annual assessments described in Subsection (a), above.

(c) Adoption of Operating Budget. The Association shall mail to each Member a copy of the capital budget, operating budget and projected annual assessments approved by the Board to be levied for the next fiscal year at least thirty (30) days prior to the end of the Association's current fiscal year. The operating budget and annual assessments shall become effective unless disapproved at a special meeting of the Members held not later than sixty (60) days after the proposed budget and assessments are mailed to the Members. To be effective, the disapproval must be by a vote of two-thirds (2/3) of the membership of the Association, without regard to class. If the membership so disapproves the operating budget for the succeeding year, or if the Board fails to propose a budget, then the budget and annual assessments for the preceding year shall continue in effect until a new budget is determined.

(d) Allocation of Annual Assessments Among Lots. The operating budget of the Association shall be assessed against all Owners and Lots in the Property in an equal amount per Lot.

Section 4. Special Assessments.

(a) Special Assessments. In addition to annual assessments, the Board may levy at any time a special assessment for the purpose of defraying the cost of any construction, repair or replacement of any improvement on the Common Property or Areas of Common Responsibility, or on any easement benefiting the Association, for the purpose of covering any budget deficits of the Association, or for any other purpose deemed desirable or appropriate by the Board; provided, however, that any such special assessment shall have the approval of a majority of the votes of the Members of each class who are in attendance and voting in person or by proxy at a meeting duly called for said purpose.

(b) Individual Assessment. The Board may levy an individual assessment against any Owner and that Owner's Lot and any Dwelling Unit located thereon in order to cover costs incurred by the Association due to that Owner's failure to maintain its Lot or Dwelling Unit pursuant to the standards set forth in this Declaration, or to reimburse the Association for loss or damage to the Association or to any Common Property, Area of Common Responsibility or easement area caused by that Owner or his lessee, agent, contractor or guest, and not covered by insurance, or for any other purpose expressly permitted by this Declaration.

Section 5. Commencement Dates; Start-Up Assessment; Initial Annual Assessment; Due Dates. Annual assessments on the Lots in the Property shall commence upon the closing of the first Lot in the Property with a fully constructed Dwelling Unit thereon, to a bona fide third party purchaser. In the event the Declarant sells any vacant Lot to the Builder for the purpose of commencing or completing the Initial Improvement of such Lot by constructing a Dwelling Unit, any annual assessment, special assessment, or other assessment provided for herein shall commence when such Builder closes on the sale of the Dwelling Unit and Lot to a bona-fide third party purchaser. The annual assessment for the Property for the calendar year 2007, shall be One Thousand Three Hundred and Eighty 00/100 Dollars ($1,380.00) per Lot, paid in monthly installments of One Hundred Sixty and 00/100 Dollars ($115.00). At the closing of the sale of each Lot and Dwelling Unit in the Property by Declarant and/or Builder to the first purchaser, the purchaser shall pay to the Association (i) a one time Start-Up Assessment in the amount of Three Hundred and 00/100 Dollars ($300.00), and (ii) the entire monthly assessment for the month of closing, prorated on a per diem basis from the date of closing through the end of that calendar month. Thereafter, monthly assessments shall be due, in advance, on or before the first (1st) day of each month for which imposed; but the Board may elect to collect annual assessments in monthly, quarterly or semi-annual installments. In the event of such deferred payments, the Board may but shall not be required to charge a uniform, lawful rate of interest on the unpaid balance. The Board may accelerate the balance of any annual assessment upon default in the payment of any installment thereon. Monthly assessments which commence to accrue as to any Lot and Dwelling Unit other than on the first day of the month shall be prorated for the balance of that month. After the one time Start-Up Assessment has been paid as to a Lot and Dwelling Unit in the Property, subsequent purchasers of said Lot and Dwelling Unit shall not be required to pay said Start-Up Assessment. In a sale of a Lot and Dwelling Unit by Declarant to a homebuilder, any annual assessment, special assessment, or other assessments provided for in this Declaration shall not arise or commence until such time that the homebuilder conveys the Lot to a purchaser with a fully constructed residence located thereon.

The annual assessment for each Additional Property shall commence upon the closing of the first sale by Declarant or Builder on any Lot improved with a Dwelling Unit in the Additional Property. The initial annual assessment for the Lots in each Additional Property shall be the same as the then current annual assessment for the remainder of the Property, or as otherwise set forth in the relevant Supplemental Declaration.

Section 6. Certificate. Upon request, the Association shall furnish to any Owner a certificate setting forth whether required assessments have been paid. Such certificate

shall be conclusive evidence in favor of third parties relying thereon of the payment of any assessment therein stated to have been paid.

Section 7. Subordination. The assessment lien shall be subordinate to the lien of any mortgage. Any mortgagee which obtains title to a Lot by foreclosure of a mortgage, or by voluntary conveyance in lieu of such foreclosure, shall not be liable for the uncollected assessments or interest, late charges or collection costs pertaining to such Lot or chargeable to the former Owner thereof which became due prior to the acquisition of title by said mortgagee. Such unpaid amounts shall be deemed a Common Expense collectible from all Owners, including the acquiring mortgagee, on a pro-rata basis. Any such transfer to or by a mortgagee shall not relieve the transferee of responsibility nor the Lot from the lien for assessments thereafter falling due.

Section 8. Funding by Declarant. Notwithstanding anything contained in this Declaration to the contrary, Declarant shall not be obligated to pay any annual or special assessment as to any Lot owned by it during any period of time that Declarant pays the Common Expense actually incurred over and above the income derived from annual, special and individual assessments collectible from the Class "A" Members. For purposes of this subsidy arrangement, Declarant need not subsidize or pay replacement reserves or capital expenditures. Declarant, at its option, may elect by written notice delivered to the Association at any time to abandon the subsidy approach and commence payment of the assessments thereafter falling due for the Lots then owned by Declarant, prorated as of the date of such notice. Declarant shall never be obligated to pay any individual assessment.

ARTICLE IX

MAINTENANCE OBLIGATION OF ASSOCIATION

Section 1. Common Property. The Association shall at all times maintain, repair and replace at its expense all Common Areas, including all improvements placed thereon, in good condition and repair. The Association's duties shall commence upon the completion of any Improvements upon the Property, irrespective of which entity holds title thereto, and shall include the management, operation, maintenance, repair, servicing, replacement, and renewal of all Improvements, equipment, and tangible personal property installed by Declarant as part of the Common Property. Without limiting the generality of the foregoing, the Association shall assume any and all of the Declarant's responsibilities to the County and the State and their respective governmental and quasi-governmental subdivisions and similar entities with respect to the Common Property and shall indemnify and hold Declarant harmless.

Section 2. Association Obligations. The Association is responsible for the following matters relating to the Initial Improvements located on the Lots and relating to Improvements made to the Buildings and the Dwelling Units by the Declarant, Builder or the Association:

(a) The Association shall, from time to time as deemed reasonably appropriate and necessary by the Board of Directors, in the Board of Directors' sole and absolute discretion, maintain and repair and replace the exterior of the Buildings (except as set forth in Article X, Section 1, (c) and (e), including painting the exterior, surfaces, paintable walls of each Building, repairing and replacing all portions of the siding of each Building, maintaining, repairing maintaining and replacing the roof, gutters and downspouts of each Building and periodically cleaning the exterior portions of the Building. The Association shall undertake this responsibility to assure uniformity in exterior appearance of the Buildings. The cost of such maintenance, cleaning, painting, repairs and replacements shall be a Lot Assessment, which assessment shall be assessed equally between all of the Owners of the Building being repaired.

(b) The Association shall, from time to time as deemed reasonably appropriate and necessary by the Board of Directors, in the Board of Directors' sole and absolute discretion, repair and replace fences and sidewalks (but not walkways, driveways or patios) located on or within a Lot. The Association shall undertake this responsibility to assure uniformity in exterior appearance of the Buildings. The cost of such repairs and replacements shall be a Lot Assessment, which assessment shall be assessed equally between all of the Owners of the Building being repaired.

(c) The Association shall, from time to time as deemed reasonably appropriate and necessary by the Board of Directors, in the Board of Directors' sole and absolute discretion, maintain, repair and replace all secondary wiring to the Building(s) from the transformer and also maintain meter boxes to the point of attachment to a Building. The cost of such maintenance, repairs and replacements shall be a Lot Assessment, which assessment shall be assessed equally between all of the Owners of a particular Building.

(d) The Association shall also be responsible for repairing all incidental damage caused to a Dwelling Unit by reason of the repairs and replacements accomplished pursuant to the provisions of Articles IX, Section 2, (a) through (c) above. The cost of such repairs and replacements shall be a Lot Assessment, which assessment shall be assessed equally between all of the Owners of the Building being repaired.

(e) Notwithstanding the terms and conditions of this Article IX, Section 2(a) through (d) above, if any Lot, Building or Dwelling Unit is damaged or destroyed as a result of the negligence, misuse, error, act or the failure to act by an Owner or any of his guests, tenants, invitees, agents, employees, or family members, the Association may, in its sole and absolute discretion, either (i) repair the Lot, Building or Dwelling Unit, with the cost of such repairs being the sole responsibility of that Owner as a Lot Assessment, payable by the responsible Owner immediately upon receipt of a written invoice or statement or (ii) provide written notice to the Owner to repair the affected Lot, Building or Dwelling Unit, in which case the Owner shall immediately and at such Owner's sole cost and expense, perform exactly such repairs to the Lot, Building or Dwelling Unit as are required by the Association

Section 3. Sanitary Sewer Facilities. A sanitary sewer pump station and facilities related to the operation and use thereof (the "Sanitary Sewer Facilities") shall be located at various locations within the Property, including portions thereof on or under one or more of the Lots. Until such time as the Association shall convey or dedicate the same to a governmental entity or utility company, the Sanitary Sewer Facilities, wherever located, shall at all times be owned by the Association, and the Association shall be obligated to maintain, repair and replace the same at its expense. The Association shall also be obligated to pay all costs and expenses of operating the Sanitary Sewer Facilities.

Section 4. Lawn and Landscape Maintenance. The Association shall maintain lawn areas on the Lots, including mowing, edging, irrigating and fertilizing, and landscaped areas on the Lots as originally installed by the Declarant, including weeding, trimming and irrigating. The lawn and landscaping areas shall include all property area located on the Lots except for building pads now constructed or to be constructed from time to time. Lot Owners may install landscaping other than lawn anywhere on their respective Lots that does not unreasonably interfere with the Association's lawn maintenance obligations, or the rights of other Lot Owners, subject to Article VII, above. No Lot Owner shall make any modification or alteration to the lawn or landscaped areas on the Common Area. The Declarant may install a common irrigation system serving the Common Area and the Lots, including pumps, water distribution lines, sprinkler heads and other related facilities (the "Irrigation System"), on and under the common Areas and the Lots, and shall operate, maintain, repair and replace any such Irrigation System. No Owner may make any alterations, modifications or other changes to the

Irrigation System. Each Lot Owner shall be responsible to the Association for any damage or injury to the Irrigation System due to the negligence or intentional act or omission of the Lot Owner or any family member, tenant, guest or invitee of such Owner.

Section 5. Surface Water Management System. A Common Surface Water Management System and facilities (the "SWMS") has been constructed throughout the Property, including on and under the Common Areas and the Lots, in accordance with the Permit issued by the District. The Association shall be obligated to maintain, repair and replace the SWMS in accordance with the requirements of the Permit and the District. The District has the right to take enforcement measures, including a civil action for injunction and/or penalties, against the Association to compel it to correct any outstanding problems with the SWMS. No amendment to this Declaration affecting the SWMS, or the operation and maintenance thereof, shall be valid or enforceable without the prior written consent of the District. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system **must be** transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be **approved by the St. Johns Water Management District prior to such termination, dissolution or liquidation**. It is the responsibility of the Association to enforce, or to take such appropriate action as may be necessary to cure violations of, the routine maintenance and non-interference covenants of the SWMS of the Owners under this Declaration, and, when appropriate, to levy assessments therefore. Maintenance of the SWMS shall include the exercise of practices which allow the system to provide drainage, water storage, conveyance and other surface water management capabilities as permitted by the District. Any repair or reconstruction of the SWMS shall be as originally permitted or, if modified, as approved by the District.

Section 6. Others. Where reasonably possible, the Association shall also maintain the vegetation and any landscaping upon areas that are not within the Property but abut same and are owned by a utility or governmental authority, so as to enhance the appearance of the Property, such as swale areas within the right-of-way of abutting public streets or road and areas within drainage rights-of-way.

Section 7. Street Lighting. The Association shall have the obligation for operation, maintenance, repair and replacement of any street lighting facilities owned by the Association, if any, from the date of recording this Declaration or from the installation of the street lighting, which occurs first. In the event the Declarant, in its sole discretion, elects to install such street lighting, the Declarant shall be entitled to all rebates or refunds of the installation charges. The Association hereby assigns any such rebates or refunds to the Declarant, and agrees to forthwith pay the same to the Declarant if received by the Association.

Section 8. Right of Entry to Lot by Association. Whenever it is necessary to enter a Lot for the purpose of inspection, including inspection to ascertain an Owner's compliance with the provisions of this Declaration, or for performance of any of the maintenance, alteration or repair obligations of the Association as set forth in this Article IX or elsewhere in this Declaration, the Association shall have the irrevocable right to access onto the Lot and an easement over, under, across and upon the Lot for such purposes, and the Owner thereof shall permit an authorized agent or contractor of the Association to go upon the Lot, provided that such entry shall be made only at reasonable times and with reasonable advance notice. In the case of emergency such as, but not limited to, fire or hurricane, entry may be made without notice or permission. Each Owner does hereby appoint the Association as its agent for the purposes herein provided and agrees that the Association shall not be liable for any alleged property damage or theft caused or occurring on account of any entry.

ARTICLE X

MAINTENANCE OBLIGATIONS OF LOT OWNERS

Section 1. Owner's Obligations. Each Owner is responsible for maintaining and repairing everything on the Lot, including but not limited to, the Dwelling Unit and any other improvements, except for the items which the Association is required to maintain, as set forth in Article IX above. Owner's responsibilities shall include, but shall not be limited to, following matters relating to his or her Dwelling Unit and Lot:

(a) Each Owner shall maintain, repair and replace, at its sole cost and expense, all interior portions of its Dwelling Unit contributing to the support of the Building, which portions shall include but not be limited to load-bearing columns and load-bearing walls. Notwithstanding the foregoing, the Association reserves the right but no obligation, in its sole and absolute discretion, if an Owner fails to do so, to make repairs and replacements of those interior portions of a Building contributing to the support of the Building.

(b) In accordance with the terms and conditions of Article IX, Section 1(a) the Association is responsible for painting the Buildings, as deemed reasonably appropriate and necessary by the Board of Directors. If any Owner desires to paint all or a portion of the exterior of its Dwelling Unit, then the Owner shall be subject to the terms and conditions of Article VII.

(c) Each Owner shall maintain (including periodic cleaning), repair and replace at its sole cost and expense, all windows, screens, doors (including sliding glass doors) and garage doors located on or attached to its Dwelling Unit and to maintain repair and replace concrete walkways, driveways, patios and fences located on any portion of its Lot.

(d) Each Owner shall maintain, repair and replace at its sole cost and expense, all interior portions of the Dwelling Unit (including without limitation carpeting, electrical fixtures and appliances in the Dwelling Units, non-supporting walls and partitions, all contents of the Dwelling Units and built-in cabinets in the Dwelling Units), together with water heaters, air handlers, air compressors and the air conditioning and heating unit which services the Dwelling Unit. Notwithstanding the foregoing, the Association reserves the right but no obligation, in its sole and absolute discretion, if an Owner fails to do so, to make repairs and replacements of those interior portions of a Building contributing to the support of the Building.

(e) If an Owner purchases a Dwelling Unit with a screen enclosed patio or is thereafter permitted by the ARB to enclose the patio, then the Owner shall be responsible, at its sole cost and expense, for the maintenance, repair and replacement of the screen enclosed patio and all components of the patio (excluding the roof).

(f) Each Owner shall maintain, repair and replace at its sole cost and expense, all conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services to the Dwelling Unit and/or the security alarm system and fire alarm serving the Dwelling Unit, whether such conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services, security alarm system and fire alarm are located within the Dwelling Unit or within the Building where the Dwelling Unit is located. Provided, however, Owners shall be responsible for the maintenance, repair and replacement, if applicable, of water and sanitary sewer lateral pipes servicing their Dwelling Unit, which laterals extend from the applicable water and sewer main to the Dwelling Units, notwithstanding that a portion of such lateral may be located within the Common Area. Notwithstanding the foregoing, the Association reserves the right but no obligation, in its sole discretion, if an Owner fails to do so, to make repairs and replacements of those interior portions of a Building contributing to the support of the Building.

(g) Each Owner shall replace, at its sole cost and expense, light bulbs located on the front entrance and back entrance of the Dwelling Unit and door bell light bulbs as they burn out, using a type and model of light bulb substantially similar to the light bulbs initially installed by the Declarant or otherwise approved in advance by the ARB.

(h) In addition to other specified maintenance required herein, each Owner shall keep all parts of his Lot, including the Dwelling Unit, clean and free of debris, at such Owner's sole cost and expense and shall be responsible, at such Owner's sole cost and expense, for any desired pest and/or nuisance control in and around the Dwelling Unit.

(i) All Owner maintenance, repair and replacement obligations shall (i) be done without disturbing the rights of any other Owners; (ii) be performed by each Owner at regular intervals as shall be necessary to keep the Lot and the Dwelling Unit in an attractive condition and in substantially the same condition and appearance as existed at the time of completion of construction; subject to normal wear and tear that can not be avoided by normal maintenance; and (iii) shall be of a design, quality specification and décor consistent with the Improvements located on the Property.

(j) Each Owner shall promptly report to the Association any defect or need for repairs or replacements for which the Association is responsible.

(k) Each Owner shall promptly perform any maintenance or repair requested by the Association. If an Owner fails to maintain his Lot and his Dwelling Unit as required herein or to perform any other maintenance required hereunder, the Association, after ten (10) days written notice to the Owner and with the approval of the majority of the Board of Directors, shall have the right to enter upon such Lot to correct, repair, restore, paint, maintain, and landscape any part of such Lot or Dwelling Unit. Such entry shall not be a trespass. the cost of such repairs or maintenance shall be a Lot Assessment, payable by the responsible Owner immediately upon receipt of a written invoice or statement therefore.

Section 2. Assessment of Cost. The cost of any work performed by or at the request of the Association pursuant to Section 1 shall be assessed as an individual assessment against the Owner of the Lot upon which such work is done.

Section 3. Access. In order to perform the repairs or maintenance authorized by this Article, the agents or employees of the Association may enter upon any Lot and the exterior of any improvement thereon during reasonable hours on any day except Sundays and holidays, except that in an emergency situation, as determined by the Board, entry may be made at any time.

ARTICLE XI

BUILDING AND USE COVENANTS

The Property shall be subject to the following covenants and restrictions which shall bind each Owner and Lot:

Section 1. Land Use. The use of a Dwelling Unit or of the Common Areas by a Member or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the Articles and Bylaws and the Rules and Regulations of the Board of Directors. A Dwelling Unit shall be used only for residential purposes for immediate members of a single family and their guests and invitees.

Section 2. Building Type. No building shall be erected, altered, placed or permitted to remain on any Lot other than the Dwelling Unit of the type originally constructed by Declarant and/or Builder.

Section 3. Condition of Lot. All garbage cans, trash containers, bicycles, and other personal property shall be kept, stored and placed in an area not visible from outside the Lot. Each Owner shall be responsible for depositing his garbage and trash in appropriate containers for pickup. All Lots shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage allowed to accumulate, or any fire hazard allowed to exist. No rubbish containers, bags or other receptacles shall be allowed outside a Dwelling Unit except on a designated collection day. In the event a Lot Owner shall fail to keep his Lot in a clean and sanitary manner after ten (10) days' notice from the Association, the Association may, but shall not be required to, enter onto the Lot and perform such maintenance or repair as may reasonably be necessary to keep the Lot generally consistent with the condition of the other Lots, and the Lot Owner shall indemnify the Association for the reasonable cost of such maintenance or repair work.

Section 4. Temporary and Accessory Structures. No accessory building or structure of a temporary character, or trailer, tent, mobile home, or recreational vehicle shall be permitted on any Lot or Common Areas at any time or used as living quarters or for storage at any time, either temporarily or permanently, except as permitted by the ARB. No gas tank, gas container, or gas cylinder serving a Dwelling Unit shall be permitted to be placed on or about the outside of any Dwelling Unit or any ancillary building, and all gas tanks, gas containers and gas cylinders shall be installed underground in every instance where gas is used. In the alternative, gas containers may be placed above ground if enclosed on all sides by a decorative screen approved by the ARB.

Section 5. Exterior Appearance and Landscaping. The paint, coating, stain, and other exterior finishing colors on all buildings may be maintained by the Association as set forth herein, as originally installed by the Declarant, without prior approval of the ARB. Prior approval by the ARB shall be necessary before any such exterior finish color is changed. Furthermore, prior approval shall be required if the Association or any Owner wishes to paint, varnish, stain or make any application to exterior trellises or wood treatment, if any. The landscaping, including, without limitation, the trees, shrubs, lawns, flower beds, walkways, and ground elevations, shall be maintained as originally installed by Declarant, unless the prior approval for any substantial change is obtained from the Association and the ARB. Neither aluminum foil, paper, nor anything which the ARB deems objectionable, may be placed on windows or glass doors. No Owner may place any furniture, equipment or objects of any kind or construct any structures, slabs or porches beyond the limits of any Building or patio wall or place any objects such as bicycles, toys, barbecues, etc., on the rear patio unless concealed from the view of the road frontage and other Dwelling Units, except, however, customary outdoor furniture.

Section 6. Nuisance; Compliance with Laws. No nuisance or activity or use shall be allowed upon any Lot which is a source of annoyance to other residents Lots by the residents thereof, or interferes with the peaceful possession and proper use and enjoyment of the Lots by the residents thereof, nor shall any improper, unsightly, offensive or unlawful use be made of any Lot, Dwelling Unit or the Common Property, and all laws and regulations of applicable governmental bodies shall be strictly observed. The Property shall be used, enjoyed and occupied in such manner as not to cause or produce any of the following effects discernible outside any Dwelling Unit: noise or sound that is objectionable because of its volume, duration, beat, frequency or shrillness; smoke; noxious, toxic or corrosive fumes or gases; obnoxious odors; dust, dirt or fly ash; unusual fire or explosive hazards; vibration; or interference with normal television, radio or other telecommunication reception by other Owners.

Section 7. Rules and Regulations. Reasonable rules and regulations may be promulgated by the Board, after notice and hearing, as to the use and enjoyment of the Property and shall be observed by the Owners and occupants thereof. Such rules and regulations may involve such matters as air conditioning units, signs, mailboxes, temporary structures, noisy mufflers or other nuisances, garbage and trash disposal, parking, traffic, state of repair of vehicles, tree removal, pets, game and play structures and devices, swimming pools, television and telecommunications devices and antennae, driveways, walkways, sight distances at intersections, garages, and fences. These matters are set out by way of illustration only and shall not be construed to limit the authority of the Board to promulgate and enforce reasonable rules and regulations. Such rules and regulations may augment or clarify the terms of this Declaration or any term, covenant or restriction herein contained.

Section 8. Animals. Birds, fish, dogs, cats, reptiles, and such animals generally recognized as household pets (collectively, "Animals") may be kept as pets only, and shall not be held or offered for sale or maintained or bred for any commercial use; provided, however, that no more than two (2) household pets (to include dogs, cats and other animals generally recognized as household pets), each of which may be no more than seventy-five (75) pounds in weight at maturity, may be kept on any Lot at any one time. The keeping of a dog or other domestic pet is not a right of an Owner, but is a conditional license. This conditional license is subject to termination at any time by the Association upon a finding that a dog or other pet is vicious, is annoying to other residents, or has in any way become a nuisance. Animals shall be sheltered inside Dwellings. No separate or exterior shelter for Animals shall be permitted. All pets shall be kept on a leash and may be walked outside the Owner's Lot only on areas designated for pets by the Board of Directors, if any. The person in control of a pet shall be responsible for removing and disposing of pet excrement from the Common Area and into an approved trash receptacle. The Owner of a Lot in which a pet is kept assumes liability for all damage to persons or property caused by the pet or resulting from its presence on the Property. The Board of Directors of the Association shall have the authority to adopt reasonable rules and policies regulating the keeping of pets within the Property not inconsistent with the provisions of this Section. Any violation of this Section or the rules of the Association concerning the keeping of pets shall constitute a nuisance and the Association shall have the right to terminate the conditional license.

Section 9. Window Covering. No aluminum foil or other reflective substance or material, or sheets, blankets or similar items, shall be placed on any window or any glass of a dwelling located on any Lot except as may be approved for energy conservation purposes and approved by the ARB.

Section 10. Parking.

(a) No more than two (2) automobiles or other such gas powered vehicles shall be parked or stored on any Lot. Further, each Dwelling Unit thereon will contain a garage large enough to accommodate at least one (1) vehicle. Each Lot Owner shall have the exclusive right to park up to two (2) vehicles on its Lot.

(b) All parking within the Property shall be in accordance with rules and regulations adopted from time to time by the Association. All vehicles on the Property must be operational, in good repair, must bear a current license and registration tag, as required pursuant to state law and must be in a good, clean and attractive condition. Guest spaces will be located within the Common Property and Owners may not park in guest spaces. No street parking is permitted at any time, and the Association reserves the right to tow vehicles, at the Owner's expense, for any vehicle parked in the street. No commercial vehicle, meaning any car, truck or van with signage or lettering on it, or with equipment affixed to it, or used in a trade or business, may remain parked on a driveway or in any guest space overnight. No commercial vehicle shall be parked in any parking space except with the written consent of the Board of Directors, except such temporary parking spaces provided for such purpose as may be necessary to effectuate deliveries to the Property, the

Association, Owners, or residents. All deliveries must be scheduled through the Association's property manager. No jet skis, personal water craft, boats, boat or utility trailers, campers, recreational vehicles or commercial vehicles may be parked or stored anywhere on the Property, except wholly within an Owner's garage. Motorcycles may be parked on the Common Property only with the written consent of the Board of Directors.

(c) Any vehicle or recreational equipment parked in violation of these or other regulations contained herein or in the rules and regulations adopted by the Association may be towed by the Association at the sole expense of the owner of such vehicle or recreational equipment if it remains in violation of the terms and conditions of this Declaration following notice by the Association. The Association shall not be liable to the owner of such vehicle or recreational equipment for trespass, conversion, damages, or otherwise, nor guilty of any criminal act by reason of such towing, and neither its removal nor failure of the owner of such vehicle or recreational equipment to receive any notice of said violation shall be grounds for relief of any kind.

(d) By acceptance of a deed to a Lot, each Owner acknowledges and agrees that any parking space may be relocated at any time, and from time to time, by the Declarant or the Board of Directors to comply with applicable Federal, State and local laws and regulations regarding or affecting handicap accessibility, including without limitation the Fair Housing Act and the Americans with Disabilities Act.

Section 11. Outdoor Drying. No outdoor clothes drying shall be allowed on any Lot unless the same is completely shielded from view off the Lot.

Section 12. Signs. No signs, advertisements, billboards, solicitation or advertising structures or materials of any kind shall be displayed or placed upon any Lot without the prior written approval of the ARB; provided, however, street numbers and name signs on Lots and one sign containing not more than eight (8) square feet of surface area per side (2 sides maximum) and used solely in connection with the marketing of the affected Lot for sale or lease shall be permitted without prior approval. Declarant or the Association may enter upon any Lot and remove and destroy any sign which violates this section. This section shall not apply to Declarant or to any residential builder doing business in the Property provided that any such builder first obtains Declarant's written approval of any such structures or materials prior to installing same, such approval to be granted or denied by Declarant in Declarant's sole discretion.

Section 13. Air Conditioning Equipment. No air conditioning equipment other than compressor units may be visible on the exterior of any Dwelling unless previously approved by the ARB, which approval may be based on the adequacy of screening of such equipment.

Section 14. Drainage. Unless first approved by the ARB and the District, no Owner other than the Declarant may obstruct, alter or in any way modify the method and/or structures of drainage utilized or installed by the Declarant or the Association from, on or across any Lot, the Common Area or any easement area; nor shall any structure or material be erected, placed or maintained which shall in any way obstruct such drainage devices or facilities or impede their efficient operation. No elevation changes shall be permitted on any Lot which materially adversely affect the drainage on or to neighboring Lots or the Common Areas. In the event of a violation of this Section on a Lot, and such violation continues uncured for a period of thirty (30) days after notice from the Association to the Owner of such Lot, the Association shall have the right and authority to enter onto the Lot and undertake such maintenance, repair or replacement as shall, in the Association's determination, be reasonably necessary to cure the violation. The Lot Owner shall indemnify the Association for the reasonable cost of such maintenance, repair or replacement work.

Section 15. Antennas; Communication and Current Transmission Lines. Except as may be permitted by federal law, no communications towers, poles, antennas, aerials, satellite dishes or appurtenances may be erected, constructed, or maintained on any Lot or Building. The Association shall not prohibit the installation or maintenance of a satellite communication dish antenna no greater than thirty six (36) inches in diameter as permitted by federal law, but the Association shall have the authority to promulgate reasonable rules and regulations, including specifications, relating to the installation and maintenance thereof, including a regulation that installation of any such antenna shall be done so as to not be visible from any street within the Property. Except as may be installed by the Declarant or as may be permitted by the ARB, no lines, wires, or other devices for communication or transmission of current shall be placed on any portion of the Property outside of a dwelling structure. In no event, however, shall lines or wires for communication or transmission of current be constructed, placed, or permitted to be placed within the Common Areas unless the same shall be installed by the Association for the common use of all Lot Owners, and all such lines and wires shall be protected cable and any which are not located in buildings shall be installed and maintained underground. Any line or wire installations permitted on any Lot by the ARB pursuant to this Section shall be protected cable and shall only be installed underground.

Section 16. Screened Enclosures. Except for screened enclosures installed or constructed by the Declarant, installation of a screened enclosure over or around any patio, porch or similar outdoor part of the improvements on any Lot, of screening or other enclosure around any portion of the front entry way of any building on any Lot, or of a screened or storm door over the front entry door of a building on any Lot shall be considered an improvement to or alteration of the Lot, and must be approved in advance by the ARB pursuant to Article VII above. All such screened enclosures or storm doors must meet all minimum building code and other governmental requirements applicable thereto, and the Lot Owner shall obtain all required permits therefor. No screened enclosure may be constructed in any designated building setback area on any Lot.

Section 17. Residential Use. The Lots shall only be used for residential purposes, and may not be occupied by more than one (1) family at any one time. For the purposes of this Section, a "single family" shall mean any two or more persons each of whom is related to all the others by blood or marriage, or any two or more persons not related by blood or marriage who are occupying the Lot and operating the property as a single household unit. The Association shall have the authority to promulgate further rules and regulations defining what constitutes a single family not inconsistent with this Section. No Lot or dwelling may be subdivided and no person may rent or lease less than the whole Lot or dwelling. Any use of a Lot that is permitted by applicable zoning requirements shall not constitute a violation of this Section.

Section 18. Fences and Walls. Except for walls constructed by Declarant, there shall be no fence or wall permitted on any Lot.

Section 19. Yard Accessories and Play Structures. The use of decorative items, including, but not limited to, statues, gates, rocks, planters, bird baths and other ornamental accessories are prohibited, unless the ARB has given written permission for their installation prior to use, installation or construction.

Section 20. Leasing. Lot Owners may lease their Lots, subject to the provisions of this Section. All leases shall be in writing. No lease on any Lot may be made for a term of less than three (3) months, and no Lot Owner may commence more than two (2) leases during any consecutive twelve-month period. Within fifteen (15) days after the commencement of any lease of a Lot, the Lot Owner shall provide the Association (a) the mailing address for the Lot Owner; (b) the names of all persons to be residing on the Lot during the lease term; and (c) the commencement date and expiration date of the lease. All tenants, and their guests and invitees, shall be subject to the terms and provisions of the Articles and the By-Laws, and the duly adopted rules and regulations of the Association. In the event

any tenant or other person using the Lot or the Common Areas as the guest or invitee of the Lot Owner or the tenant shall violate any of such restrictions, rules or regulations, and such violation shall continue for a period of seven (7) days after written notice from the Association to the Lot Owner, and the tenant, the Association shall be permitted to demand the immediate removal of the tenant from the Lot, and may thereafter proceed with legal action against the Lot Owner and the tenant for eviction of the tenant from the Lot.

Section 21. Owner's Responsibility for Acts of Others. The Lot Owner shall be responsible to the Association for the acts and omissions, whether negligent or willful, of any persons using the Lot or the Common Areas, whether that person is the tenant of the Lot Owner or is the guest or invitee of the Lot Owner or any tenant of the Lot Owner. The Lot Owner shall indemnify and hold the Association harmless from and against any damage, injury, judgment, expense, liability or cause of action of any kind, or any claim or demand therefor, resulting from the act or omission, whether negligent or willful, or any such person, to the extent that such damage or injury, or claim or demand therefor, shall exceed proceeds of insurance policies actually received by the Association.

Section 22. Collection. All garbage and refuse shall be placed for pickup not earlier than the evening preceding pickup, and all containers for garbage and refuse shall be returned no later than the evening of pickup to their normal, hidden location. Except for normal construction debris on any Lot during the course of construction of the Dwelling, no weeds, garbage, refuse or debris of any kind shall be placed or permitted to accumulate upon any portion of the Property.

Section 23. Pumping or Draining. The Owner of any Lot which includes or is adjacent to any pond, creek, bay head, or other body of water shall not reduce the depth or size of said body of water by pumping or draining therefrom.

Section 24. Landscaping of Easements. In addition to the easements reserved herein, easements for drainage, installation and maintenance of utilities and for ingress and egress are shown on the recorded plat(s) of the Property. Within these easements no structure, planting or other material may be placed or permitted to remain that will interfere with vehicular traffic or prevent maintenance of utilities located therein. Public utility companies servicing the Property and the Association, and their successors and assigns, shall have a perpetual easement for the installation and maintenance of water lines, sprinkler lines, sanitary sewers, storm drains, gas lines, electric and telephone lines, cables and conduits, including television cables and conduits and such other installations as may be required or necessary to provide maintenance and utility services to the Lots and/or the Common Areas under and through the utility easements as shown on the plat(s). Any damage caused to pavement, driveways, drainage structures, sidewalks, other structures, or landscaping in the installation and maintenance of such utilities shall be promptly restored and repaired by the utility whose installation or maintenance caused the damage. All utilities within the Property, whether in streets, rights-of-way or utility easements, shall be installed and maintained underground, provided, however, that water and sewer treatment facilities and control panels for utilities may be installed and maintained above ground. To the extent that any structure, planting or other material has been placed, installed or constructed within any such easement area that does interfere with vehicular traffic or prevents the maintenance of utilities located therein, the Lot Owner shall be obligated to remove, at his own cost, such structure, planting or other material from the easement area upon the request of the utility company seeking to gain access or perform maintenance, the Declarant or the Association. In the event the Lot Owner shall not timely remove such structure, planting or other material from the easement area, and such failure shall continue for a period of ten (10) days after notice from the Declarant or the Association, the Declarant or the Association may, but shall not be required to, enter onto the Lot and remove such obstructing structure, planting or other material. The Lot Owner shall indemnify the Declarant and the Association for the reasonable cost of such removal.

Section 25. Declarant Reservation. Any provision of this Declaration to the contrary notwithstanding, until Declarant has completed all of the contemplated improvements and closed the sales of all of the Lots, neither the Owners nor the Association shall interfere with the completion of Declarant's planned improvements and the sale of the Lots. Declarant may make such lawful use of the unsold Lots and the Common Property, without charge, as may facilitate such completion and sale, including, but not limited to, maintenance of sales and construction trailers and offices, the showing of the Lots and the display of signs and the use of Lots for vehicular parking. Without limiting the generality of the foregoing, except only when the express provisions of this Declaration prohibit the Declarant from taking a particular action, nothing in this Declaration shall be understood or construed to prevent or prohibit Declarant from any of the following:

(a) Doing on any property owned by it whatever it determines to be necessary or advisable in connection with the completion of the development of the Property, including without limitation, the alteration of its construction plans and designs as Declarant deems advisable in the course of development (all models or sketches showing plans for future development of the Property, as same may be expanded, may be modified by the Declarant at any time and from time to time, without notice); or

(b) Erecting, constructing and maintaining on any property owned or controlled by Declarant such structures as may be reasonably necessary for the conduct of its business of completing said development and establishing the Property as a community and disposing of the same by sale, lease or otherwise; or

(c) Conducting on any property owned or controlled by Declarant, its business of developing, subdividing, grading and constructing improvements in the Property and of disposing of Lots therein by sale, lease or otherwise; or

(d) Determining in its sole discretion the nature of any type of improvements to be initially constructed as part of the Property; or

(e) Maintaining such sign or signs on any property owned or controlled by Declarant as may be necessary or desired in connection with the operation of any Lots owned by Declarant or the sale, lease, marketing or operation of Lots; or

(f) Filing Supplemental Declarations which modify or amend this Declaration, which add or withdraw Additional Property as provided in this Declaration, or otherwise limit or impair the Declarant from effecting any action which may be required of Declarant by the Local Government or any other federal, state or local governmental or quasi-governmental agency in connection with the development and continuing operation of the Property; or

(g) Modifying, changing, re-configuring, removing or otherwise altering any improvements located on the Common Property or utilizing all or portions of the Common Property for construction access or staging (provided that same does not impair existing access or utility services to the Lots); or

(h) Causing utilities to be available to all portions of the Property, including, but not limited, to the granting of easements and rights of way as may be necessary to locate, install and maintain facilities and connections.

Section 26. Conservation Tracts. If any conservation tract is specifically designated as such on any plat of the Property, then, except for those alterations made by Declarant and those additional alterations which may be permitted by applicable governmental authorities and the ARB, there shall be no further clearing, construction, grading or alteration of those tracts.

Section 27. Mailboxes. Community mailboxes may be provided by the U.S. Post Office and individual mailboxes on each Lot shall be prohibited while community mailboxes are utilized by the U.S. Post Office.

Section 28. Security Bars. No security bar system may be installed on any window or door of any Dwelling in the Property.

Section 29. Variances. The Board of Directors of the Association shall have the right and power to grant variances from the provisions of this Article XI and from the Association's rules and regulations for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Article XI in any instance in which such variance is not granted.

ARTICLE XII

ADDITIONAL COVENANTS AND RESTRICTIONS

No Owner may impose any additional covenants or restrictions on any part of the Property without the prior written approval of Declarant, for so long as Declarant owns any Lots, and thereafter without the prior written approval of the Board.

ARTICLE XIII

AMENDMENT

The holders of at least two-thirds (2/3) of the votes in the Association (without regard to class) may change or amend any provision hereof either (1) by executing a written instrument in recordable form setting forth such amendment, or (2) by causing a certified copy of a duly adopted resolution of the Owners to be prepared, and having the same recorded in the Public Records of Duval County. Any proposed amendment may be initiated by Declarant, the Association, or petition signed by ten percent (10%) of the Owners. If a proposed amendment is to be adopted by vote, a written copy of the proposed amendment shall be furnished to each Owner at least thirty (30) days but not more than ninety (90) days prior to the meeting to discuss the proposed amendment. If adopted by vote, the affirmative vote required for adoption shall be two-thirds (2/3) of the votes of the Members (without regard to class) cast in person or by proxy at a meeting duly called, and the recorded certificate shall contain a recitation that notice was given as above set forth and said recitation shall be conclusive as to all parties, and all parties of any nature whatsoever shall have full right to rely upon said recitation in such recorded certificate. The amendment shall be effective upon recordation of the executed amendment, or the certified copy of the duly adopted resolution, among the Public Records of Duval County.

ARTICLE XIV

HUD/FHA/VA AND DISTRICT APPROVAL RIGHTS

Notwithstanding anything in this Declaration to the contrary, as long as there exists a Class "B" membership, if any one or more of HUD, FHA or VA requires approval or consent by it or them to annexation of Additional Property, any merger or consolidation involving the Association, the placing of any mortgage lien on the Common Property, dedication to the public of any Common Property, any amendment of this Declaration, or dissolution of the Association, by any one or more of said agencies as a condition of making, insuring or purchasing loans on Dwellings in the Property, and any such loan has been approved, insured or purchased by the applicable agency at the time of the proposed annexation, merger, consolidation, mortgaging, dedication, amendment or dissolution, then the required consent or approval shall be obtained. In addition, any amendment to this Declaration of Covenants, Conditions and

Restrictions which alters the Surface Water Management System beyond maintenance in its original condition, including the surface water management portions of the Common Property, must have the prior approval of the District. This Declaration may not be amended without the prior written consent of the District if such amendment would change any of the provisions of this Declaration governing or affecting the operation, maintenance or repair of the Surface Water Management System for the Property.

ARTICLE XV

DURATION AND TERMINATION

This Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by Declarant, the Association and any Owner, and their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded in the public records, after which time this Declaration and each Supplemental Declaration shall be automatically extended for successive periods of ten (10) years unless prior to the commencement of any 10-year extension period an instrument signed by the Owners of eighty percent (80%) of the Lots and agreeing to terminate this Declaration is recorded in the Public Records of Duval County.

ARTICLE XVI

ENFORCEMENT

Section 1. Compliance by Owners. Every Owner and all guests, tenants and invitees of any Member, shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Association.

Section 2. Enforcement. Failure of an Owner or that Owner's tenants, licensees, invitees and guests to comply with such restrictions, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend the rights of use of the Common Property (except for legal access and utilities) of defaulting Owners. The offending Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs. If any person shall violate or attempt to violate this Declaration, it shall be lawful for Declarant, any Owner, or the Association: (a) to prosecute proceedings for the recovery of damages against those so violating or attempting to violate this Declaration; (b) to maintain a proceeding in any court of competent jurisdiction against those so violating or attempting to violate this Declaration, for the purpose of preventing or enjoining all or any such violations or attempted violations; or (c) to maintain a proceeding for any other equitable or legal recourse or remedy available at law or in equity. In addition, whenever there shall have been built or there shall exist on any Lot any structure, thing or condition which violates this Declaration, Declarant or the Association (but not any Owner) shall have the right, but not the obligation, to enter upon the Lot where such violation exists and summarily to abate and remove the same, all at the expense of the Owner of such Lot, which expense shall constitute an individual assessment to be treated and collected as set forth in Article VIII, and such entry and abatement or removal shall not be deemed a trespass or make Declarant or Association, or the agents or employees of either, liable for any damages on account thereof. The remedies contained in this provision shall be cumulative of all other remedies now or hereafter provided by law or this Declaration. The failure of Declarant, the Association, or an Owner to enforce any covenant, restriction, obligation, right, power, privilege or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation occurring prior or subsequent thereto.

The District shall also have the right to enforce, by a proceeding at law or in equity, the provisions of this Declaration which relate to maintenance, operation and repair of the Surface Water Management System.

Section 3. Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner or that Owner's tenants, licensees, invitees and guests to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) Notice. The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Board of Directors at which time the Owner shall present reasons why a fine(s) should not be imposed. At least six (6) days' notice of such meeting shall be given.

(b) Hearing. The alleged non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why a fine(s) should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner by not later than twenty-one (21) days after the Board of Director's meeting. The Owner shall have a right to be represented by counsel and to cross examine witnesses.

(c) Amounts. The Board of Directors (if its or such panel's findings are made against the Owner) may impose special assessments against the Lot owned by the Owner as follows:

(i) For each violation, a fine not exceeding One Hundred Dollars ($100.00).

(ii) For a violation or violations which are of a continuing nature after notice thereof (even if in the first instance), a fine not exceeding One Thousand Dollars ($1,000.00).

(d) Payment and Collection of Fines. Fines shall be treated as an individual assessment subject to the provisions for the collection of individual assessments, and the lien securing same, as set forth elsewhere in this Declaration.

(e) Application of Proceeds. All moneys received from fines shall be allocated as directed by the Board of Directors.

(f) Non-exclusive Remedy. These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any fines paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

(g) CPI. Unless limited by law, specific dollar amounts stated in this Section shall increase from time to time by application of a nationally recognized consumer price index chosen by the Board of Directors, using the date this Declaration is recorded as the base year. In the event no such consumer price index is available, the Board shall choose a reasonable alternative to compute such increases.

ARTICLE XVII

DAMAGE OR DESTRUCTION TO COMMON PROPERTY

Damage to or destruction of all or any portion of the Common Property shall be addressed in the following manner, notwithstanding any provision in this Declaration to the contrary:

Section 1. Sufficient Insurance Proceeds. In the event of damage to or destruction of the Common Property, if the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such portions of the Common Property to be repaired and reconstructed substantially as it previously existed.

Section 2. Insufficient Insurance Proceeds. If the insurance proceeds are not sufficient to effect total restoration of the Common Property, then the Association shall cause such portions for the Common Property to be repaired and reconstructed substantially as they previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a special assessment against each of the Owners in accordance with the provisions of Article VIII of this Declaration.

Section 3. Negligence or Willful Misconduct. Each Owner shall be liable to the Association for the cost to repair any damage to the Common Property not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Owner or that Owner's tenants, guests or invitees. In addition, the Association shall have the right to charge any Owner for the increase, if any, in the insurance premium attributable to damage caused by such Owner or that Owner's tenants, guests or invitees. The sums due from an Owner hereunder shall be an individual assessment against the Owner and that Owner's Lot and may be collected as provided elsewhere in this Declaration for the collection of individual assessments.

ARTICLE XVIII

MORTGAGEE PROTECTION

Section 1. Records and Notices. The Association shall make available to all Owners and to all holders of mortgages on Lots, and to insurers and guarantors of any first mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of this Declaration (with all amendments) and the Articles, Bylaws, rules and regulations, and the books and records of the Association (including the budget). Such persons shall be entitled, upon prior written request, (i) to receive a copy of the Association's financial statement for the immediately preceding fiscal year, (ii) to receive notices of and attend Association meetings, (iii) to receive notice from the Association of an alleged default by any Owner in the performance of such Owner's obligations under this Declaration, the Articles or Bylaws of the Association, which default is not cured within thirty (30) days after the Association learns of such default and to the extent that the mortgagee, insurer and/or guarantor has an interest, by virtue of the mortgage, in the Lot owned by the defaulting Owner, and (iv) to receive notice of any substantial damage or loss to the Common Property.

Section 2. Adverse Events. Any holder, insurer or guarantor of a mortgage on a Lot shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Common Property, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot, and (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 3. Taxes and Other Charges. After thirty (30) days written notice to the Association, any holder, insurer or guarantor of a mortgage on a Lot shall have the right to pay, singly or jointly, taxes or other charges that are delinquent and have resulted or may result in a lien against or loss of the Association's title to any portion of the Common Property, and to receive prompt reimbursement from the Association.

Section 4. Insurance Premiums. After thirty (30) days written notice to the Association, any holder, insurer or guarantor of a mortgage on a Lot shall have the right to pay, singly or jointly, any overdue premiums on any hazard insurance policy covering the Common Property or obtain, singly or jointly, new hazard insurance coverage on the Common Property upon the lapse of a policy and, in either case, receive prompt reimbursement from the Association.

ARTICLE XIX

GENERAL PROVISIONS

Section 1. Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 2. Enforcement. Without limiting the generality of Article XVIII, enforcement of these covenants and restrictions shall be accomplished by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots to enforce any lien created by these covenants; and failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Interpretation. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions and interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine and neuter genders shall each include the others.

Section 4. Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

Section 5. Effective Date. This Declaration shall become effective upon its recordation in the Public Records of the County.

Section 6. Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and By-Laws of the Association and said Articles shall take precedence over the By-Laws and any rules hereinafter promulgated.

Section 7. Cooperation. Each Owner, by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to cooperate in, and support, any and all zoning, administrative, governmental and/or quasi-governmental filings, applications, requests, submissions and other actions necessary or desired for development and/or improvement of the Property, including, without limitation, signing any required applications, plats, etc. as the owner of any portion of the Property owned or controlled thereby when necessary or requested.

Section 8. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners hereby designate the Declarant and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. All parties using easements granted in this Declaration shall use reasonable efforts to minimize interference with all other permitted uses of the easements and the property subject thereto and shall restore any damage to such property caused in the exercise of any rights granted in any such easement.

Section 9. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Property to the public, or for any public use.

Section 10. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot, shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition, lien and covenant contained herein, whether or not any reference hereto is contained in the instrument by which such person acquired an interest in such Lot.

Section 11. Execution of Documents Required by Duval County Local Government. The Declarant's plan for the development of Timmerman's Walk may require from time to time the execution of certain documents required by Duval County Local Government. To the extent that said documents require the joinder of any or all Owners in Timmerman's Walk, each of said Owners, by virtue of his acceptance of a deed to his Lot, does irrevocably give and grant to the Declarant, or any of its officers individually, full power of attorney to execute said documents as his agent and in his place and stead.

ARTICLE XX

DISCLAIMERS

Section 1. Disclaimer of Representations or Warranties. EXCEPT AS EXPRESSLY PROVIDED IN THIS DECLARATION, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF. IF ANY SUCH WARRANTY CANNOT BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

Section 2. General. Notwithstanding anything contained herein or in the Articles, bylaws and rules and regulations of the Association or any other document governing or binding the Association, Declarant or the Property (collectively, the "constituent documents"), neither the Association nor the Declarant shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Property including,

without limitation, residents and their families, agents, employees, contractors, guests or invitees, or for any property of any such persons. Without limiting the generality of the foregoing:

(a) it is the express intent of the constituent documents that the various provisions thereof which are enforceable by the Association or Declarant or which govern the uses of the Property, have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof;

(b) the Association is not empowered, nor has been created, to act as an entity which enforces or ensures compliance with the laws of the United States, State of Florida, the [City or County] or any other jurisdiction, or prevents tortious activities; and

(c) any provisions of the constituent documents setting forth the uses of assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of assessment funds and not as creating a duty of the Association to protect or further the health, safety or welfare of any person(s), even if assessment funds are chosen to be used for such reason.

Each Owner (by virtue of its, his or her acceptance of title to its, his or her Lot) and each other person having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such uses) shall be bound by this Article XIX and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association or Declarant and arising from or connected with any matter for which the liability of the Association or Declarant has been disclaimed in this Article or in this Declaration generally.

As used in this Article XX, the words "Association" and "Declarant" shall each include within their meanings all of the respective directors, officers, committees and board members, employees, agents, contractors (including without limitation management companies), and successors and assigns of each.

[remainder of this page left intentionally blank]

IN WITNESS WHEREOF, Declarant has executed this Declaration on the day and year first above written.

Signed, sealed and delivered in the presence of:

DECLARANT:

TIMMERMAN'S WALK, LLC
a Florida limited liability company

Print Name: James Edmonds III

Print Name: Gloria Mencharo

By: Dana Edmonds
Name: Dana Edmonds
Its: President and Manager

STATE OF FLORIDA)
COUNTY OF)

The foregoing instrument was acknowledged before me this 13th day of March, 2007, by Dana Edmonds, for Timmerman's Walk, LLC, a Florida limited liability company, as President and Manager. She [✓] is personally known to me or [ ] has produced _____ as identification.

(NOTARY STAMP)

GLORIA MENCHERO
MY COMMISSION EXPIRES
April 27, 2008
#DD 314024
Bonded thru Notary Public Underwriters
NOTARY PUBLIC, STATE OF FLORIDA

Name: Gloria Mencharo
Title: Notary Public
My Commission Expires: April 27, 2008

TIMMERMAN'S WALK, LLC
a Florida limited liability company

Print Name: James Edmonds III

Print Name: Gloria Mencharo

By: Bill Cutts
Name: Bill Cutts
Its: Vice President and Manager

STATE OF FLORIDA)
COUNTY OF)

The foregoing instrument was acknowledged before me this 13th day of March, 2007 by Bill Cutts, for Timmerman's Walk, LLC, a Florida limited liability company, as Vice President and Manager. He [✓] is personally known to me or [____] has produced _____ as identification.

(NOTARY STAMP)

GLORIA MENCHERO
MY COMMISSION EXPIRES
April 27, 2008
#DD 314024
Bonded thru
Notary Public Underwriters
NOTARY PUBLIC, STATE OF FLORIDA

Name: Gloria Manchero
Title: Notary Public
My Commission Expires: April 27, 2008

EXHIBIT "A"

LEGAL DESCRIPTION

That portion of Section 25, Township 3 South, Range 25 East, being a Replat of the west one-half of Tract 1, Block 1, Section 25, Township 3 South, Range 25 East, Jacksonville Heights, according to the plat thereof recorded in Plat Book 5, page 93, of the current public records of Duval County, Florida, being more particularly described as follows: For a point of reference commence at the intersection of the east line of said Section 25, Township 3 South, Range 25 East, with the southerly right of way line of Townsend Road (a 66 foot right of way as now established); from the Point of Reference thus described thence South 89 degrees 39 minutes 37 seconds West, along said southerly right of way line of Townsend Road, a distance of 331.98 feet to the Point of Beginning; from the Point of Beginning thus described thence departing said southerly right of way line, South 00 degrees 24 minutes 06 seconds West, a distance of 634.72 feet to a point situate on the line said Tract 1 and Tract 2 of said Block 1; thence North 89 degrees 55 minutes 32 seconds West, along said dividing line, a distance of 331.93 feet to the southwest corner of said Tract 1, said corner also being the northwest corner of said Tract 2, said corner also being situate on the line dividing said Tract 1 and Tract 3 of said Block 1; thence North 00 degrees 25 minutes 21 seconds East along said dividing line, a distance of 632.32 feet to its intersection with said southerly right of way line of Townsend Road; thence North 89 degrees 39 minutes 37 seconds East, departing said dividing line and along said southerly right of way line, a distance of 331.72 feet to the Point of Beginning. (excepting any portion of said Tract 1 now lying within the right of way of Townsend Road)

END OF LEGAL DESCRIPTION

EXHIBIT "B"

ARTICLES OF INCORPORATION OF ASSOCIATION

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of TIMMERMAN'S WALK HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, filed on October 12, 2005, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H05000241987. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below

The document number of this corporation is N05000010547.

Authentication Code: 005A00062530-101305-N05000010547-1/1

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

Glenda E. Hood

Glenda E. Hood
Secretary of State

FLORIDA DEPARTMENT OF STATE
Glenda E. Hood
Secretary of State

October 13, 2005

TIMMERMAN'S WALK HOMEOWNERS' ASSOCIATION, INC.
9309-1A OLD KINGS ROAD
JACKSONVILLE, FL 32257

The Articles of Incorporation for TIMMERMAN'S WALK HOMEOWNERS' ASSOCIATION, INC. were filed on October 12, 2005, and assigned document number N05000010547. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H05000241987.

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

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

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

Suzanne Hawkes
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 005A00062530

ARTICLES OF INCORPORATION
OF
TIMMERMAN'S WALK HOMEOWNERS' ASSOCIATION, INC.

The undersigned natural persons, all of whom are citizens of the State of Florida, acting as incorporators under the laws of the State of Florida, Chapter 617, Florida Statutes, applicable to corporations not for profit, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

The name of the corporation shall be **TIMMERMAN'S WALK HOMEOWNERS' ASSOCIATION, INC.** ("Corporation").

ARTICLE TWO

The Corporation is a non-profit corporation.

ARTICLE THREE

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

ARTICLE FOUR

This Association is formed to be the corporate entity which is to be responsible for the performance of certain duties and the enforcement of certain rights as provided in the Declaration of Covenants for Timmerman's Walk Homeowners' Association, Inc. recorded or to be recorded in Duval County, Florida ("Declaration"), for the planned, single-family residential community to be known as Timmerman's Walk, located in Duval County, Florida ("Timmerman's Walk").

The Association shall operate, maintain and manage the common areas as set forth in the Declaration, including, without limitation, operating, maintaining and managing the surface water or stormwater management system(s) in a manner consistent with the St. Johns River Water Management District permit no. 42-031-99301-1 requirements and applicable District rules, and shall assist in the enforcement of the covenants and restrictions in the Declaration which relate to the surface water or stormwater management system.

The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance, repairs and operation of the surface water and stormwater management system and other maintenance, repairs and costs to be incurred by the Association, in accordance with the terms of the Declaration.

The assessments shall be used for the maintenance and repair of Timmerman's Walk, for administrative costs incurred by the Association and for such other purposes as shall be determined by the Association, in accordance with the terms of the Declaration.

ARTICLE FIVE

The members of the Corporation shall be all fee simple lot owners in Timmerman's Walk. Upon the purchase of a lot, the lot owners shall automatically become Class A members as defined in the covenants and restrictions of Timmerman's Walk to be recorded. Membership shall be appurtenant to, and inseparable from, ownership of a lot.

ARTICLE SIX

The street address of the initial principal business office of the Corporation is 9309-1A Old Kings Road, Jacksonville, Florida 32257. The address of the registered office and the name of the initial Registered Agent is: Intrepid Registered Agent Services, LLC, One Independent Drive, Suite 1200, Jacksonville, Florida 32202.

This Corporation shall never have less than THREE (3) Directors. The number of Directors constituting the initial Board of Directors of the Corporation is THREE (3) and the names and addresses of the persons who are to serve as the initial Directors until the first election shall be as follows:

1. Dana Edmonds
   9309-1A Old Kings Road
   Jacksonville, Florida 32257

2. Bill Cutts
   9309-1A Old Kings Road
   Jacksonville, Florida 32257

3. Stephen L. Edmonds
   9309-1A Old Kings Road
   Jacksonville, Florida 32257

Directors shall serve and be appointed as provided in the By-Laws of the Association.

ARTICLE SEVEN

The affairs of the Corporation are to be managed by the Officers of the Corporation who shall be appointed by the Board of Directors. The names, addresses and offices of the persons who are initially to serve as officers of the Corporation are as follows:

Dana Edmonds — President
9309-1A Old Kings Road
Jacksonville, Florida 32257

Bill Cutts
9309-1A Old Kings Road
Jacksonville, Florida 32257

Vice President

Stephen L. Edmonds
9309-1A Old Kings Road
Jacksonville, Florida 32257

Secretary/Treasurer

ARTICLE EIGHT

If the association is dissolved, the assets shall be dedicated to a public body, or conveyed to a nonprofit organization with similar purposes; provided, however, that the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE NINE

The power to alter, amend or repeal the By-Laws or Articles of Incorporation or to adopt new By-Laws shall be vested in the Board of Directors. The By-Laws may contain any provisions for the regulation and management of the affairs of the Corporation not inconsistent with the law or with the Articles of Incorporation.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 12th day of September, 2005.

Dana Edmonds
Dana Edmonds

Bill Cutts
Bill Cutts

Stephen L. Edmonds
Stephen L. Edmonds

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

In compliance with Section 48.091, Florida Statutes the following is submitted:

FIRST, that TIMMERMAN'S WALK HOMEOWNERS' ASSOCIATION, INC. desiring to organize under the laws of the State of Florida, with its principal place of business at 9309-1A Old Kings Road, Jacksonville, Florida 32257, has named Intrepid Registered Agent Services, LLC, located at the registered office of One Independent Drive, Suite 1200, Jacksonville, Florida 32202, as its Agent to accept service of process within this state.

Having been named to accept service of process for the above stated Corporation at the place designated in this certificate, I hereby agree to act in this capacity, and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I accept the duties and obligations of Section 607.0501 of the Florida Statutes.

REGISTERED AGENT

GWEN HUTCHESON GRIGGS
on behalf of Intrepid Registered Agent Services, LLC

STATE OF FLORIDA
COUNTY OF DUVAL

Sworn to and subscribed before me this 12 day of ~~September~~ October, 2005, by Gwen Hutcheson Griggs, who is personally known to me.

Mary E Brannon
Notary Public, State of Florida

NOTARY PUBLIC STATE OF FLORIDA
MARY E. BRANNON
MY COMMISSION # DD 435950
EXPIRES: August 27, 2009
Bonded Thru Budget Notary Services

EXHIBIT "C"

BYLAWS

BYLAWS

OF

TIMMERMAN'S WALK

HOMEOWNERS' ASSOCIATION, INC.

BYLAWS
OF
TIMMERMAN'S WALK HOMEOWNERS' ASSOCIATION, INC.
a Florida Not for Profit Corporation

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BYLAWS
OF
TIMMERMAN'S WALK HOMEOWNERS' ASSOCIATION, INC.
a Florida Not for Profit Corporation

ARTICLE I
IDENTITY

1.1 Applicability.

These are the Bylaws of Timmerman's Walk Homeowners' Association, Inc. (the "Association"), a Florida not for profit corporation, organized pursuant to the provisions of Chapters 617 and 720, Florida Statutes, 2006, as amended, to the date of filing of the Articles of Incorporation (the "Articles"). The purpose and object of the Association will be to administer the operation and management of Timmerman's Walk (the "Development"), which will be established in accordance with Chapter 720, Florida Statutes, 2006, regarding Homeowners' Associations, upon certain real property in Duval County, Florida. All capitalized terms contained herein will have the same meaning as contained in the Declaration of Covenants, Conditions, Restrictions and Easements of Timmerman's Walk and the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Timmerman's Walk (the "Declaration"), to be recorded in the public records of Duval County, Florida.

1.2 Office.

The office of the Association will be at 9309-1A Old Kings Road, Jacksonville, Florida 32257, or at such other place as may be established by resolution of the Board of Directors.

1.3 Fiscal Year.

The fiscal year of the Association will consist of a twelve-month period commencing on January 1st of each year and terminating on December 31st of that year.

ARTICLE II
MEMBERSHIP, VOTING, QUORUM, PROXIES

2.1 Membership.

The qualification of members of the Association (the "Members"), the manner of their admission to membership and termination of such membership, and the establishment of the voting rights of Members will be as set forth in Article V of the Articles and in Article III of the Declaration, the provisions of which are incorporated herein by reference.

2.2 Quorum.

The percentage of voting interests required to constitute a quorum at a meeting of the Members shall be 30 percent (30%) of the total voting interests, whether in person or by proxy. The joinder of a Member in the action of a meeting by signing and concurring in the minutes thereof will constitute the presence of such person for the purpose of determining a quorum. When any Director meets by telephone conference, those Directors attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must be used so that the conversation of those Directors attending by telephone conference may be heard by the Directors attending in person as well as by any Members present at a meeting.

2.3 Voting.

The vote of the Owner(s) of a Lot in the Development owned by more than one natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity, will be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the Owner(s) of such Lot as the "Voting Member" thereof. In each instance where title to a Lot is proposed to be conveyed or is otherwise to become vested in more than one natural person (except a husband and wife as tenants by the entirety), a partnership, or any association of natural persons, or a corporation a trust, or any association of natural persons, or a corporation, a trust, or any other entity, the prospective Owner(s) will, by written instrument acceptable to the Association, designate one natural person as the Voting Member. The instrument designating the Voting Member will be filed with the Association, and the person so designated will be and remain the Voting Member of the Lot until such designation has been revoked by written instrument executed by the Owner(s) of the Lot or by lawful conveyance of the Lot. The Voting Member of the Lot will be the only person entitled to cast or exercise, in person or by proxy, the vote of the Owner(s) of such Lot at any meeting of Members or in connection with any action concerning which Members of the Association will be required or allowed to vote or otherwise act. With regard to Lots owned by a husband and wife as tenants by the entirety, in the absence of a written designation signed by both spouses and filed with the Association, either spouse may act as the Voting Member.

2.4 Approval.

Evidence of the approval or disapproval of the Owner(s) of a Lot upon any matter, whether or not the subject of an Association meeting, will be given to the Association by the same person who would cast the vote of such Owner if in an Association meeting.

2.5 Vote Required.

Except as otherwise required under the provisions of the Articles, these Bylaws, or the Declaration, or where the same otherwise may be required by law, at any meeting of the Members of the Association duly called and at which quorum is present, the acts approved by the affirmative vote of the majority of the Members present in person or by proxy and entitled to vote upon any question will be binding upon the Members.

2.6 Proxies.

At any meeting of the Members, every Member having the right to vote will be entitled to vote in person or by proxy, provided that no person will be designated to hold more than ten (10) proxies. Any proxy given will contain the date, time and place of the meeting for which the proxy is given, and if a limited proxy, will set forth those items for which the holder of the proxy may vote and the manner in which the vote is to be cast. A proxy will be effective only for the specific meeting for which originally given and lawfully adjourned meetings thereof. The proxy will set forth the name of the person voting by proxy and the name of the person authorized to vote the proxy for him or her. All such proxies will be filed with the Secretary prior to or during the roll call of such meeting. In no event will any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy will be revocable at any time at the pleasure of the Member executing it. A Director may submit in writing his or her agreement or disagreement with any action taken at a meeting that the Director did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

2.7 Consent to Action.

Unless a duly called meeting of the Association is specifically required for action to be taken by the Members in these Bylaws, the Articles, the Declaration or the Florida Statutes, any action to be taken by the Association may be taken by written consent setting forth the action so taken, approved by Members holding not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voting. In the event that an amendment to these Bylaws is proposed, and if the wording of the proposed amendment is set forth in the notice of the meeting at which the amendment will be voted upon, Members may signify their affirmative vote by sending an executed joinder to the secretary prior to the meeting. The joinder will not preclude attendance at the meeting and/or the giving of a proxy.

ARTICLE III
ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

3.1 Annual Meeting.

The annual meeting of the Members will be held at the office of the Association, or such other place in Florida and at such time as may be specified in the notice of the meeting, for the purpose of selecting Directors and of transacting any other business authorized to be transacted by the Members.

3.2 Special Meetings.

Special meetings of the entire membership of the Association will be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from Members entitled to cast ten percent (10%) of the votes of the entire membership.

3.3 Notice of Meetings.

(a) Generally. Written notice of all meetings of Members will be given by the Secretary, or another officer of the Association, to each Member unless waived in writing. Each notice will state the time and place of and purpose for which the meeting is called and will be delivered to each Member at least fourteen (14) days prior to the meeting.

(b) Annual. Notice of the Annual Meeting will be given to each Member not less than fourteen (14) days and not more than sixty (60) days prior to the date set for the meeting, and will be mailed, delivered, or electronically transmitted to each Member unless the right is waived in writing. Such notice will be deemed properly given when deposited in the United States Mail addressed to the Member at his or her post office address as it appears on the records of the Association, with postage thereon prepaid. The Post Office certificate of mailing will be retained as proof of such mailing. If a Member waives, in writing, the right to receive notice of the Annual Meeting by mail, such notice may be delivered personally to such Member. If delivered personally, receipt of notice will be signed by the Member, indicating the date received.

(c) Special. Notice of Special Meetings will be given to each Member not less than fourteen (14) days prior to the date set for the meeting and will be mailed by regular mail or delivered personally to the Member.

(d) Waiver. Any Member may, in writing signed by such Member, waive notice of any meeting prior to such meeting, and such waiver, when filed in the records of the Association, will be deemed equivalent to the giving of such notice to such Member.

(e) Meetings by Written Consent. Members may take action by written agreement without meetings.

(f) Adjourned Meetings. If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for a particular purpose is not present, wherever required by the applicable provisions of the Articles, the Bylaws, or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

3.4 President Officer and Minutes.

At meetings of Members, the President or, in his absence, the Vice President will preside; in the absence of both, the Members present will select a chairman of the meeting. Minutes will be kept in a businesslike manner and available for inspection by Directors, Members and their authorized representatives during normal business hours at the principal office of the Association. The Association will retain these minutes for a period of not less than seven (7) years.

3.5 Order of Business.

The order of business at annual meetings of Members, and as far as practical, at other meetings of Members, will be:

1. Calling of the roll and certifying of proxies;
2. Proof of notice of meeting or waiver of notice;
3. Reading or waiver of reading of minutes of previous meeting of Members;
4. Reports of officers;
5. Reports of committees;
6. Appointment by Chairman of inspectors of election;
7. Election of Directors;
8. Unfinished business;
9. New Business; and
10. Adjournment.

ARTICLE IV
BOARD OF DIRECTORS

4.1 Members of Board.

The first Board of Directors will consist of not less than three (3) persons as designated in the Articles. The Developer reserves the right to appoint all of the Directors to the Board until control of the Association is transitioned to the Members pursuant to Florida Statute section 720.307. Pursuant to Florida Statute section 720.307(2), the Developer reserves the right to appoint at least one of the Directors to the Board as long as the Developer holds for sale in the ordinary course of business at least 5 percent of the Lots in all phases of the Development. The number of directors may be increased to five (but not decreased to less than three) by the affirmative vote of two-thirds (2/3) of Members voting at a duly noticed meeting of Members.

4.2 Election of Directors.

Directors will be elected in the following manner:

(a) Commencing with the election of the Board to succeed the first Board as designated in the Articles and continuing until Developer has lost or relinquished the right to appoint all the Directors pursuant to the terms of the Articles or applicable law, Developer will appoint that number, and the identity, of the members of the Board which it will be entitled to appoint in accordance with the Articles and these Bylaws and, upon such appointment by Developer, by written instrument presented to the meeting at which such election is held, the persons so appointed by Developer will be deemed and considered for all purposes Directors of the Association and will thenceforth hold the offices and perform the duties of such Directors until their successors will have been elected or appointed, as the case may be, and qualified in accordance with the provisions of the Bylaws.

(b) Commencing with the first annual election of Directors after Developer has lost or relinquished the right to appoint all the Directors pursuant to the terms of the Articles or applicable law, the Members will elect all the Directors, by a plurality of the votes cast at the annual meeting of the Members, at which a quorum is present. A person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for Board membership. The validity of an action by the Board is not affected if it is later determined that a Director is ineligible for Board membership due to having been convicted of a felony.

(c) Vacancies on the Board may be filled, through the unexpired term thereof, by the remaining Directors except that, should any vacancy of the Board be created in a directorship previously filled by any person appointed by Developer, such vacancy will be filled by Developer by a written instrument delivered to any officer of the Association.

(d) Anything to the contrary herein notwithstanding, after Developer has lost or relinquished the right to appoint all of the Directors pursuant to the terms of the Articles or applicable law, the Members owning Lots shall be entitled to elect two of three (or three of five, as the case may be) of the Directors.

4.3 Board Minutes.

Minutes of all meetings of the Board will be kept in a businesslike manner and available for inspection by Members and Directors during normal business hours at the principal office of the Association. The Association will retain these minutes for a period of not less than seven (7) years.

4.4 Waiver of Notice.

Any Director may waive notice of a meeting before, at or after the meeting, and such waiver will be deemed equivalent to the giving of notice.

4.5 Quorum.

A quorum at meetings of the Board will consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present will constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws, or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because a greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws, or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. When any Director meets by telephone conference, those Directors attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must be used so that the conversation of those Directors attending by telephone conference may be heard by the Directors attending in person as well as by any Members present at a meeting.

4.6 Notice to Members.

Written notice of all meetings of Board will be given by the Secretary, or another officer of the Association, to each Member unless waived in writing. Each notice will state the time and place of and purpose for which the meeting is called and will be mailed, delivered, or electronically transmitted to each Member at least fourteen (14) days prior to the meeting. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the Directors. Such emergency action shall be noticed and ratified at the next regular meeting of the Board.

Meetings of a committee to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are subject to the provisions of this section. Meetings of a committee that does not take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are exempt from this section. Notwithstanding the foregoing, written notice of any meeting at which nonemergency special assessments, or at which amendment to rules regarding Lot use shall be mailed, delivered, or electronically transmitted to the Lot Owners not less than fourteen (14) days prior to the meeting.

4.7 Action without a Meeting.

To the extent now or from time to time hereafter permitted by the laws of Florida, the Board may take any action which they might take at a meeting or the Board without a meeting; provided, that a record of all such actions so taken, signed by each Director, will be filed and retained in the minute book of the Association.

4.8 Removal.

Directors may be removed from office in the manner provided by Florida Statute section 720.303(10) for the recall of directors.

4.9 Presiding Officer.

The presiding officer of meetings of the Board will be the President of the Association. In the absence of the President, the Directors present will designate one of their number to preside.

4.10 Powers and Duties.

All of the powers and duties of the Association will be exercised by the Board of Directors, including those existing under the laws of Florida, the Articles, these Bylaws, and the Declaration. Such powers and duties will be exercised in accordance with the Articles, these Bylaws, and the Declaration, and will include, without limitation, the right, power and authority to:

(a) Make, establish, amend, and repeal reasonable rules and regulations governing the use of the Lots and the Development, real and personal, provided that such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and the Declaration;

(b) Make, levy, and collect assessments, including but not limited to assessments for reserves and for betterments to the Development, against Members and Members' Lots to defray the Common Area Charges of the Development as provided in the Declaration, including the right to levy and collect assessments for the purpose of owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing, and otherwise dealing with the Development, including the Lots, as may be necessary or convenient in the operation and management of the Development and the exercise of the powers and duties of the Association;

(c) Maintain, repair, replace, operate, and manage the Development as required for the benefit of Members, including the right to repair and reconstruct improvements after casualty, and to further improve and add to the Development;

(d) Acquire, buy, own, hold, operate, lease, encumber, sell, convey, exchange, trade, manage, and otherwise dispose of and deal with property, real and personal, of and in the Development, including Lots, as may be necessary or convenient in the operation and management of the Development, and in accomplishing the purpose set forth in the Declaration and Articles;

(e) Approve or disapprove the leasing, transfer, ownership, and possession of Lots as may be provided in the Declaration;

(f) Contract for the management and maintenance of the Development and, in connection therewith, delegate any or all of the powers and duties of the Association to the extent and in the manner permitted herein; and authorize a managing agent, agency, or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Development and the affairs of the Association, including but not limited to the performance of such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules, and maintenance, repair and replacement of the Common Areas, with funds as will be made available by the Association for such purposes. All such persons or entities may be so employed without regard to whether any such person or entity is a member of the Association or a Director or officer of the

Association, as the case may be. The Association and its officers will, however, retain at all times, all powers and duties granted by the Articles, the Declaration, these Bylaws, and applicable law, including but not limited to the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association;

(g) Enforce by legal means the provisions of the Articles, these Bylaws, the Declaration, and all regulations governing use of property of and in the Development now existing or hereafter adopted;

(h) Pay all taxes and assessments which are liens against any part of the Development other than Lots and the appurtenances thereto, and assess the same against the Members and their respective Lots subject to such liens;

(i) Purchase and carry insurance for the protection of Members and the Association against casualty and liability, including Directors' liability insurance. Additionally, the Association may carry fidelity bonds, if available and required by the Board;

(j) Pay all costs of power, water, sewer, and other utility services rendered to the Development and not billed to the Members individually;

(k) Employ personnel for reasonable compensation to perform the services required for proper administration of the Development;

(l) Record claims of lien for the payment of assessments due pursuant to the Declaration, and foreclose such liens in accordance with the Declaration and applicable law;

(m) Convey a portion of the Common Areas to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings;

(n) Review and approve plans of members for the addition to, alteration, or modifications of their Lots in accordance with the Declaration; and

(o) Exercise, undertake, and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association in the Declaration or by applicable law.

4.11 Lot Owner Rights at Board Meetings.

Meetings of the Board shall be open to all Lot Owners. Any Lot Owner may tape record or videotape meetings of the Board in accordance with the Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business and Professional Regulation's rules governing the tape recording and videotaping of the meeting. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The Association may adopt written reasonable rules governing the frequency, duration, and manner of Lot Owner statements. Notwithstanding any other law, the requirement that Board meetings and committee meetings be open to the Lot Owners is inapplicable to meetings between the Board or a committee and the Association's attorney, with respect to proposed or pending litigation, when the meeting is held for the purpose of seeking or rendering legal advice.

ARTICLE V
OFFICERS

5.1 Generally.

The Board will elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board will deem advisable from time to time. The President will be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President will not be held by the same person, nor will the office of the President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board.

5.2 President.

The President will be the chief executive officer of the Association and will have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees from among the Members from time to time, as he or she may in his or her discretion determine appropriate, to assist in the conduct of the affairs of the Association. The President will have such additional powers as the Board may designate.

5.3 Vice President.

The Vice President will, in the absence or disability of the President, exercise the powers and perform the duties of President. The Vice President will also generally assist the President and exercise such other powers and perform such other duties as will be prescribed by the Board.

5.4 Secretary

The Secretary will keep the minutes of all proceedings of the Board and Members and will attend to the affairs of the Association. The Secretary will attend to the giving and serving of all notices to the Members and the Board, and such other notices as may be required by law; will have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed; will keep the records of the Association, except those of the Treasurer; and will perform all other duties incident to the office of Secretary of a corporation not for profit and as may be required by the Board and the President. The Secretary will have such additional powers and duties as the Board may designate. The Assistant Secretary will perform the duties of the Secretary when the Secretary is absent.

5.5 Treasurer.

The Treasurer, or the manager of the Association if the Board of Directors chooses to delegate such duties, will have custody of all the property of the Association, including but not limited to funds, securities, and evidences of indebtedness. The Treasurer will keep the assessment roll and accounts of the Members; will keep the books of the Association in accordance with good accounting practices; and will perform all other duties incident to the office of Treasurer. The Assistant Treasurer will perform the duties of the Treasurer when the Treasurer is absent.

5.6 Compensation.

No compensation will be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is appointed by Developer will receive any compensation for his or her services as an officer. Nothing herein will be construed so as to prohibit or prevent the Board of Directors from employing any director or officer as an employee of the Association at such compensation as the Board will determine, nor will anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer of the Association may be a stockholder, officer, director or employee, for the management of the Development for such compensation as will be mutually agreed between the Board and such officer, director or corporation, or from contracting with a director or officer of the corporation may be a stockholder, officer, director or employee for the purpose of making available to the Lot Owners such services as are contemplated by the provisions of Article IV of these Bylaws. It is expressly contemplated that the first Board of Directors may enter into such contracts with persons who are initial officers or directors of the Association, or with corporations having officers, directors or employees who are also members of the first Board of Directors of the Association.

ARTICLE VI
FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and Articles will be supplemented by the following provisions:

6.1 Assessment Roll.

The assessment roll will be maintained in a set of accounting books in which there will be an account for each Member and such Member's respective Lot. Such account will designate the name and mailing address of the Member owning each Lot, the amount of each assessment against the Member, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

6.2 Annual Budgets.

The Board will adopt, for and in advance of, each fiscal year, a budget for the Development showing the estimated costs of performing all of the functions of the Association as to such Development for the year. Each budget will show the total estimated expenses of the Association for that year and will contain an itemized breakdown of the Common Area Charges, which will include, without limitation, the costs of operating and maintaining the Common Areas, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Lots, premiums for insurance carried by the Association, and any reserve accounts or funds for capital expenditures and deferred maintenance which may be established from time to time by the Board. Each budget will also show the proportionate share of the total estimated expenses to be assessed against and collected from the Members, and the due date(s) and amounts of installments thereof. Copies of the proposed budgets and proposed assessments will be transmitted to each Member at least fourteen (14) days prior to the meeting of the Board of Directors at which the budgets will be considered, together with a notice of the time, place and agenda of the meeting, which will be open to all Members. If any budget is subsequently amended, a copy will be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member will not affect the liability of any Member for any such assessment, nor will delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained will be construed as a limitation upon the additional

assessment in the event that any budget originally adopted appears to be insufficient to pay the costs and expenses of operation and management of the Development, or in the event of emergencies.

6.3 Increased Budgets.

If a budget is adopted by the Board which requires assessment of the Members in any budget year exceeding one hundred fifteen percent (115%) of such assessments for the preceding budget year, upon written application of ten percent (10%) of the voting interests of the Members received within twenty one (21) days after adoption of such budget, a special meeting of the Members will be held upon not less than fourteen (14) days written notice to each Member, but within sixty (60) days of adoption of the budget. At the special meeting Members may consider only and enact only a revision of the budget, or recall any and all members of the Board and elect their successors, subject, however, to the right of Developer to elect Directors as provided in Article IV. Any such revisions of the budget or recall of any and all members of the Board will require a vote of not less than a majority of the whole number of votes of all Members. The Board may in any event first propose a budget to the Lot Owners at any such meeting of Members or by writing, and if such budget or proposed budget be approved by a majority of the whole number of votes of all Members, either at such meeting or by writing, such budget will not thereafter be reexamined by the Members in the manner hereinabove set forth, nor will any members of the Board be recalled under the terms thereof. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled. Provided, however, that so long as Developer is in control of the Board of Directors, the Board will not impose as assessment for a budget year greater than 115% of the prior budget year's assessment without approval of a unanimous consent of the Members. In determining whether assessments exceed 115% of similar assessments in the prior budget year, there will be excluded from the computation any amounts for reasonable reserves made by the Board in respect of the repair and replacement of the Development property, or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and there will be excluded from such computation, assessments for betterments to the Development Property.

6.4 Capital Expenditures.

Reserve accounts shall include, without limitation, the cost of any construction, building painting and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other items for which the deferred maintenance or replacement cost exceeds $10,000.00. The amount to be reserved shall be computed by means of a formula based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. Reserve accounts may be adjusted annually, to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. For so long as Developer is in control of the Board of Directors, Developer may vote to waive or reduce the funding of reserves for the first two (2) fiscal years of the Association's operation, after which time reserves may be waived or reduced only upon the vote of a majority of all non-Developer Members voting in person or by limited proxy at a duly called meeting of the Association. If a meeting of the Members has been called to determine whether to waive or reduce the funding of reserves, and no such result is achieved or a quorum is not attained, the reserves as included in the budget shall go into effect. After turnover, Developer may vote its voting interest to waive or reduce the funding of reserves. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the Association. Prior to turnover of control of the Board by Developer, the Board shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all non-Developer Members, voting in person or by limited proxy at a duly called meeting of the Association.

6.5 Notice of Adopted Budgets.

Upon adoption of budgets, the Board will cause a written copy thereof to be delivered to all Members.

6.6 Assessments.

Assessments will be made against Members pursuant to procedures established by the Board, and in accordance with the terms of the Declaration and the Articles; provided, however, that the lien or lien rights of the Association will not be impaired by failure to comply with procedures established pursuant to these Bylaws. Assessments shall be payable not less often than monthly on the first day of each month. Accelerated assessments of an Owner who is delinquent shall be due and payable on the date the claim of lien is filed, and shall include the amounts due for the remainder of the budget year in which the claim of lien is filed. If an annual assessment is not made as required, an assessment will be presumed to have been made in the amount of the last prior assessment, and installments on such assessment will be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board or Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made will be payable in equal installments through the end of the fiscal year; provided that nothing herein will serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

6.7 Special Assessments.

Special assessments, if required and approved by two-thirds (2/3) of the voting interests of the Members at a duly convened meeting, will be levied and paid in the same manner as heretofore provided for regular assessments.

6.8 Depository.

The depository of the Association will be such bank or banks or savings and loan association or associations as will be designated from time to time by the Directors and in which the monies of the Association will be deposited. Withdrawal or monies from such accounts will be only by checks or withdrawals signed by such persons as are authorized by the Board, which may include in its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

6.9 Audit.

An audit of the accounts of the Association may be made from time to time if and as directed by the Board of Directors.

ARTICLE VII
PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) will govern the conduct of the Association's meetings when not in conflict with the Declaration, the Articles, or these Bylaws.

ARTICLE VIII
DISPUTE RESOLUTION

In the event that disputes or disagreements arise among Members, this Association, or their agents and assigns in connection with the operation of the Development, the parties shall resolve such disputes or disagreements in accordance with Florida Statute section 720.311. A dispute shall not include any disagreement that primarily involves title to any Lot, the interpretation or enforcement of any warranty, the levy of a fee or assessment, the collection of an assessment levied against a party, alleged breaches of fiduciary duty by one or more directors, or claims for damages to a Lot based upon the alleged failure of the Association to maintain the Common Areas. Nothing in this provision will be construed to foreclose the parties from proceeding in a trial de novo unless the parties have agreed that the arbitration is binding, and if such judicial proceedings are initiated, the final decision of the arbitrator will be admissible in evidence. Any party may seek enforcement of the final decision of the arbitrator in a court of competent jurisdiction.

ARTICLE IX
AMENDMENTS

The power to alter, amend or repeal the Bylaws or Articles or to adopt new Bylaws shall be vested in the Board of Directors. No amendment of these Bylaws shall be contrary to any provision in the Declaration.

ARTICLE X
WRITTEN INQUIRES

When an Owner files a written inquiry by certified mail with the Board, the Board shall respond in writing to the Owner within thirty (30) days of receipt of the inquiry. The Board's response shall either give a substantive response to such Owner or notify the Owner that a legal opinion has been requested. If a legal opinion is requested, the Board shall within sixty (60) days after the receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the Board from recovering attorneys' fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The Association may through its Board adopt reasonable rules and regulations regarding the frequency and manner of responding to Owner inquiries, one of which may be that the Association is only obligated to respond to one written inquiry per Lot in any given thirty (30) day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent thirty (30) day period.

EXHIBIT "D"

POTENTIAL ADDITIONAL PROPERTY

NONE

JOINDER AND CONSENT BY MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS:

THAT, Atlantic Coast Federal now known as Atlantic Coast Bank, (the "Mortgagee"), whose address is 10151 Deerwood Park Boulevard, Building 100, Suite 501, Jacksonville, Florida 32258, the owner and holder of that certain Construction Mortgage, dated March 27, 2006 and recorded in Official Records Book 13210,Page 2117, that certain Assignment of Rents, dated March 27, 2006, and recorded in Official Records Book 13210, Page 2127, and that certain UCC-1 Financing Statement recorded in Official Records Book 13210, Page 2126, all of the foregoing being of the Public Records of Duval County, Florida, (collectively, the "Security Documents") encumbering the Property described in the foregoing Declaration of Covenants, Conditions and Restrictions for (the "Declaration"), by the execution hereof, hereby joins into and consents to the placing of the Declaration on the Property described in Exhibit "A" to the Declaration, and further covenants and agrees that the lien of the Security Documents is and shall be subordinate to the Declaration as if the Declaration had been executed and recorded prior to execution, delivery or recordation of the Security Documents.

IN WITNESS WHEREOF, the Mortgagee has executed this Joinder and Consent by Mortgagee this 1st day of March, 2007.

ATLANTIC COAST BANK

Signed, sealed and delivered in the presence of:

By: _____
Name: Bob Kraus
Title: Vice President
Date: MARCH 1, 2007

Andrea C. Ordonez
Print Name: Andrea C. Ordonez

Herminia C. Wells
Print Name: HERMINIA C. WELLS

STATE OF FLORIDA)
) SS:
COUNTY OF DUVAL)

THE FOREGOING INSTRUMENT was acknowledged before me this 1st day of March, 2007 by Bob Kraus, a Vice President of Atlantic Coast Bank, on behalf of said corporation. He [X] is personally known to me or _____ has produced _____ as identification.

Marie Shelley Atnip
Name: MARIE SHELLEY ATNIP
Title: Notary Public
My Commission Expires: 05/11/2010

(NOTARY STAMP)

MARIE SHELLEY ATNIP
MY COMMISSION # DD 524872
EXPIRES: May 11, 2010
Bonded Thru Notary Public Underwriters