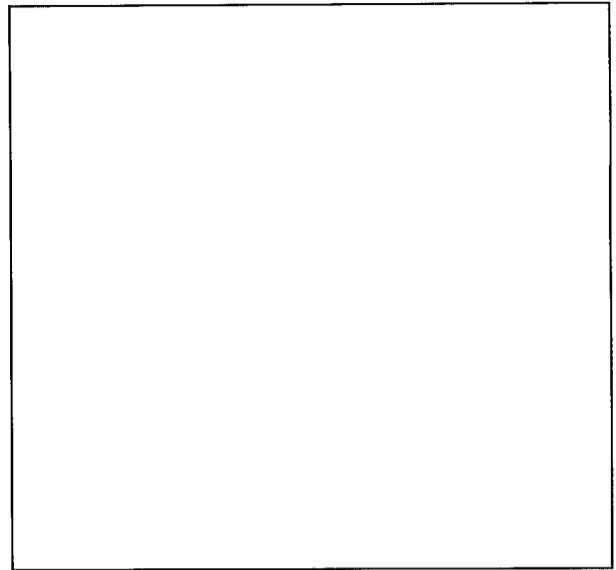


**THIS INSTRUMENT PREPARED BY
AND RETURN TO:**
Joseph J. Van Rooy, Esq.
Van Rooy & Dekle
9471 Baymeadows Road, Suite 103
Jacksonville, FL 32256



**DECLARATION OF CONDITIONS, COVENANTS,
EASEMENTS AND RESTRICTIONS
FOR
HILLCREST BLUFF**

THIS DECLARATION OF CONDITIONS, COVENANTS, EASEMENTS AND RESTRICTIONS FOR HILLCREST BLUFF (hereinafter this "Declaration") is made as of this 4th day of March, 2014, by KB HOME JACKSONVILLE LLC, a Delaware limited liability company, whose address is 10475 Fortune Parkway, Suite 100, Jacksonville, Florida 32256 (hereinafter collectively the "Declarant").

WHEREAS, Declarant is the owner of that certain property located in the City of Jacksonville, Duval County, Florida, which is more particularly described on the attached Exhibit "A" which is incorporated by this reference (the "Property"); and

WHEREAS, Declarant has established a land use plan for the Property and desires to provide for the preservation of the values and amenities hereby established and as may be established for the Property hereafter committed to a land use plan and to this end does hereby subject the Property to use covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities established as aforesaid to create a corporation known as HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC. to maintain, operate and/or administer the Property and certain improvements thereon, to administer and enforce this Declaration, and to collect and disburse the assessments and charges hereinafter created; and

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be owned, improved, held, conveyed, mortgaged, transferred and occupied subject to the terms, easements, conditions, covenants and restrictions of this Declaration. The terms, easements, conditions, covenants and restrictions of this Declaration shall run with the Property, shall be binding upon all parties having and/or acquiring any right, title and/or interest in the Property or any portion of

the Property, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in the Property or any portion of the Property.

ARTICLE I.
DEFINITIONS

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

1.1 “Additional Property” means and refers to those lands (excluding the Property), together with any improvements thereon, which hereafter may be made subject to this Declaration and to the jurisdiction of the Association pursuant to Article II of this Declaration.

1.2 “Architectural Review Board” or “ARB” means and refers to the committee appointed by the Board of Directors of HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC., and which is more particularly described in Article VII of this Declaration.

1.3 “Articles” means and refers to the Articles of Incorporation of the HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC., as may be amended from time to time. A copy of the initial Articles is attached as Exhibit “B” to this Declaration and incorporated by this reference. The Articles may be amended as provided therein. A copy of each amendment to the Articles shall be recorded in the Public Records of Duval County, Florida. It shall not be necessary to amend this Declaration in order to amend the Articles.

1.4 “Assessment” means and refers to the charges levied by the Association from time to time against the Owners and Lots within the Property for the purposes set forth in this Declaration, and shall include, but is not limited to, each: (1) Initiation Assessments; (2) Annual Assessment; (3) Special Assessment; (4) Individual Assessment; and (5) Transfer Fees.

1.5 “Association” means and refers to HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, its successors and assigns.

1.6 “Board” means and refers to the Board of Directors of the Association.

1.7 “Bylaws” means and refers to the Bylaws of the HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC., as may be amended from time to time. A copy of the initial Bylaws is attached as Exhibit “C” to this Declaration and is incorporated herein by this reference. The Bylaws may be amended as provided therein, and a copy of each amendment to the Bylaws shall be recorded in the Public Records of Duval County, Florida. It shall not be necessary to amend this Declaration in order to amend the Bylaws.

1.8 Intentionally Omitted.

1.9 “City” means and refers to City of Jacksonville, Florida, a political subdivision of the State of Florida.

1.10 “Code” means and refers to the Code of Ordinances of City of Jacksonville, Florida, as such may be amended from time to time.

1.11 “Common Area” means and refers to all real property and all personal property owned by the Association from time to time and devoted to the use and/or enjoyment of the Members of the Association. “Common Area” also includes any portion of the Property and/or any personal property designated by Declarant as Common Area and/or dedicated to the Association on any Plat of the Property. The Association shall accept, own, operate, maintain, repair, replace and insure all Common Areas conveyed to transferred to it for the common use, benefit and enjoyment of the Owners in accordance with and subject to the terms of this Declaration. No commitment is made by Declaration that any Additional Property will contain or not contain additional Common Area. The Common Area shall include, without limitation, the Drainage System.

1.12 “Common Expense” means and refers to the expenses of operating and managing the Association and the costs and expenses incurred by the Association in performing its duties and in exercising its prerogatives, including without limitation, costs and expenses incurred for operation, improvement, maintenance, repair, replacement and insurance of the Common Area. “Common Expense” shall also include the funding of any reserve accounts established by the Association.

1.13 “County” means and refers to Duval County, Florida, a political subdivision of the State of Florida.

1.14 “Declarant” means and refers to KB HOME JACKSONVILLE LLC, a Delaware limited liability company, and its successors and assigns by virtue of such written instruments assigning the rights and obligations of Declarant hereunder which are recorded in the Public Records of Duval County, Florida. A Lot purchaser, Lot Owner or Lot Mortgagee shall not be deemed to be the Declarant by the mere act of purchase or mortgage of a Lot. No successor or assignee of Declarant shall have any rights or obligations of Declarant under this Declaration except to the extent any such rights and obligations are specifically set forth in an instrument of succession or assignment, or unless such rights pass by operation of law.

1.15 “Declaration” means and refers to this Declaration of Conditions, Covenants, Easements, and Restrictions for HILLCREST BLUFF as recorded in the Public Records of Duval County, Florida, and as the same may be amended and/or supplemented from time to time.

1.16 “Design Guidelines” means and refers to architectural, landscaping, structure, building, construction, appearance and/or aesthetic standards and/or requirements for any portion of the Property, including without limitation, Lots and Residences, that have been adopted and distributed by either the Declarant and/or the ARB, as such Design Guidelines may be amended, altered, updated, changed, modified and/or revised from time to time. It shall not be necessary to amend this Declaration in order to amend, alter, modify and/or revise the Design Guidelines.

1.17 “Director” means and refers to a member of the Association’s Board.

1.18 “District” means and refers to the St. John’s River Water Management District, an agency created pursuant to Chapter 373 of the Florida Statutes.

1.19 “District Permit” means and refers to the Environmental Resource Permit #40-031-129540-2, Parcel ID # 108148-0010, issued by the

District, as may be modified from time to time with the prior approval of the District. It shall not be necessary to amend this Declaration in order to amend and/or modify the District Permit. The Association is obligated to accept any assignment of, and to assume in writing, all of Declarant's rights and obligations under the District Permit.

1.20 Intentionally Omitted.

1.21 "Drainage Easements" means and refers to the drainage easements declared and reserved on the Plat.

1.22 "Drainage System" means and refers to the overall system that has been designed and will be 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 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 the applicable provisions of the Florida Administrative Code and the District Permit. The Drainage System includes all land, easements and other facilities and appurtenances, including, without limitation, inlets, ditches, swales, berms, culverts, water control structures, retention ponds, dry detention areas and detention ponds, that together constitute and comprise the surface water management and drainage system of the Property as reflected on the plans therefor on file with and approved by the District, as the same may be amended, modified and/or supplemented from time to time with the prior approval of the District. Maintenance of the Drainage System shall be by the entity, whether Association, or City owning the respective portion of the Drainage System.

1.23 "Enforcement Cost" means and refers to all reasonable costs of enforcement, whether or not any suit or other judicial or administrative proceeding is filed, and, if a proceeding is filed, it includes all reasonable costs before and during any such proceeding, at all levels of proceedings, and in any post-judgment proceedings, including without limitation, court costs, attorneys' fees, paralegals' fees, expert fees and related disbursements.

1.24 "Entitled To Vote" means and refers to that Member of the Association for each Lot who will cast a ballot and/or vote on behalf of that Lot. Each Lot shall have only one (1) Member Entitled To Vote.

1.25 "Fiscal Year" means and refers to the time period beginning on January 1 through and including December 31 of each calendar year, or such other period of time as may subsequently be determined by the Board.

1.26 "Governing Documents" means and refers to this Declaration, the Articles, the Bylaws, each Plat of the Property, any rules and regulations promulgated by the Association, the Design Guidelines (if any) and any rules and regulations promulgated by the ARB, as each of the foregoing may be adopted, amended and/or modified from time to time.

1.27 "Institutional Lender" or "Institutional Mortgagee" means and refers to any bank, savings bank, federal or state savings and loan association, insurance company, mortgage company, credit union, real estate or realty investment trust, pension fund, pension trust, or any other generally recognized institutional-type lender or its loan correspondent, any agency of the

United States government, the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Federal Housing Administration (FHA), the Veteran's Administration (VA) or similar government or quasi-government agencies.

1.28 "Lot" means and refers to any parcel of land created by any recorded Plat and intended to be improved with a single family Residence, together with such Residence and other improvements from time to time located on such parcel of land.

1.29 "Member" means and refers to each member of the Association, as more particularly described in Article III of this Declaration

1.30 "Mortgage" means and refers to a mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot and held by an Institutional Lender.

1.31 "Mortgagee" means and refers to a beneficiary or holder of a Mortgage.

1.32 "Owner" means and refers to the record holder of fee simple title to any Lot in the Property, but, notwithstanding any applicable theory of the law of mortgages, the term "Owner" shall not mean or refer to any Mortgagee unless and until such Mortgagee has acquired title to a Lot pursuant to a foreclosure proceeding or a conveyance or other proceeding in lieu of foreclosure. "Owner" shall also include any corporation, limited liability company, governmental agency, business trust, estate, trust, trustee, partnership, association, sole proprietorship, joint venture, two or more persons having a joint or common interest, or any other legal entity or form of ownership that holds fee simple title to any Lot in the Property. All holders of fee simple title of a single Lot shall be treated for all purposes as a single Owner, irrespective of the form or nature of such ownership.

1.33 "Person" means and refers to an individual, a corporation, a general partnership, a limited partnership, a trustee, a limited liability company, a joint venture or any other legal entity.

1.34 "Plans" means and refers to plans, specifications and plot plans showing all details of each proposed improvement, construction, landscaping, alteration, modification, repair, replacement and/or addition, including but not limited to, the dimensions, design, shape, finished grade elevation, size, materials, composition and color, together with a landscape plan and a plot plan showing the location relative to Lot boundaries and adjacent improvements of all proposed improvements, alterations, construction, modifications, replacement and/or additions. "Plans" shall also include any other information the Reviewing Entity, in its sole and absolute discretion, determines is necessary or desirable to make an informed determination on any proposed improvement, construction, landscaping, alteration, modification, repair, replacement and/or addition to any Lot.

1.35 "Plat" means and refers to the plat or map of HILLCREST BLUFF, as recorded in the Public Records of Duval County, Florida, together with any plat or map of Additional Property made subject to this Declaration and to the jurisdiction of the Association.

1.36 "Property" means and refers to the real property more particularly described on the attached Exhibit "A", together with such Additional Property as may hereafter from time to time be made subject to this Declaration pursuant to Article II of this Declaration. Notwithstanding anything to the contrary contained in this Declaration, any portion of the Property may be withdrawn from being subject to this Declaration and the jurisdiction of the Association pursuant to the method set forth in this Declaration.

1.37 "Residence" means and refers to any home, dwelling and/or house constructed on a Lot for which a certificate of occupancy has been duly issued, and any other buildings, structures, appurtenance and/or improvements of any kind on that Lot.

1.38 "Rules and Regulations" means and refers to any rules and regulations which may, from time to time, be adopted, amended, modified and/or repealed by the Association through its respective Board. It shall not be necessary to amend this Declaration to adopt, amend, modify and/or repeal any Rules and Regulations.

1.39 "Supplemental Declaration" means and refers to any instrument which extends the scope and effect of this Declaration and the jurisdiction of the Association to Additional Property pursuant to Article II of this Declaration.

1.40 "Surface Water Management System Facilities" shall have the same meaning as "Drainage System"

ARTICLE II.
PROPERTY SUBJECT TO THIS DECLARATION;
ADDITIONS THERETO

2.1 The Property. The Property is and shall be owned, improved, held, conveyed, mortgaged, sold, transferred and occupied subject to this Declaration. The Property is more particularly described on the attached Exhibit "A".

2.2 Additional Property. Declarant reserves and shall have the unilateral right, in its sole and absolute discretion, but not the obligation, to bring within the scope of this Declaration and the jurisdiction of the Association, as Additional Property any other real property hereafter desired by Declarant to be annexed. Additional Property may be brought by Declarant within the scope of this Declaration and the jurisdiction of the Association at any time and from time to time within twenty (20) years after the date on which this Declaration is recorded in the Public Records of the County.

2.3 Annexation by Declarant. Any annexation of Additional Property by Declarant shall be made by recording a Supplemental Declaration in the Public Records of the County extending the scope and effect of this Declaration to that Additional Property. That Supplemental Declaration shall describe the Additional Property being annexed and shall state that the Supplemental Declaration is being entered into pursuant to this Declaration for the purposes of annexing the Additional Property therein described to the scope and effect of this Declaration and the jurisdiction of the Association. That Supplemental Declaration may contain additional terms, conditions, restrictions, easements and/or provisions desired by Declarant to reflect the different character, if any, of the Additional Property being annexed or of the housing

or development approaches then being implemented within that Additional Property. From and after recordation of any Supplemental Declaration in the Public Records of the County, the Additional Property therein described shall be subject to all the terms and provisions of this Declaration and to the jurisdiction of the Association, and it will be considered part of the Property as fully as though originally designated herein as part of the Property. Annexation may be accomplished by Declarant without the consent of the Association, any Owners, any Members, any Mortgagee or other lien holder, or any other Person, and each Supplemental Declaration need only be signed by Declarant and, if Declarant is not the owner of the Additional Property being annexed by that Supplemental Declaration, the owner of such Additional Property.

2.4 Annexation by Association.

2.4.1 The Association may extend the scope of this Declaration and the jurisdiction of the Association to any Additional Property, provided all of the following have been obtained: (i) consent of the owner of such Additional Property; (ii) the affirmative vote of Members representing a majority of Class "A" votes of the Association represented at a meeting duly called for such purposes; and (iii) the consent of Declarant, so long as Declarant owns any portion of the Property.

2.4.2 Any annexation of Additional Property by the Association meeting the requirements of Section 2.4.1 of this Declaration shall be effected by filing a Supplemental Declaration in the Public Records of the County describing the Additional Property to be made subject to this Declaration and to the jurisdiction of the Association. Such Supplemental Declaration shall be signed by the President and Secretary of the Association's Board, and by the owner of the Additional Property being annexed by that Supplemental Declaration, and by Declarant, if Declarant's consent is required. Any such annexation shall be effective upon recording the Supplemental Declaration in the Public Records of the County, unless otherwise provided therein.

2.5 Withdrawal. Declarant reserves the right to remove any portion of the Property (including without limitation, Lots and/or Common Area) from the scope and effect of this Declaration and from the jurisdiction of the Association, subject, however, to all terms, conditions, restrictions and requirements of the District Permit and any other rules, regulations, ordinances, approvals and requirements. Declarant may make such withdrawal without notice and without needing the consent of any Person other than the owner of the portion of the Property to be withdrawn from the scope and effect of this Declaration; provided, however, no such withdrawal may impair access to any Lot.

2.6 Non-Binding Plans. From time to time, Declarant and/or others may present to the public drawings, renderings, plans or models showing possible future development of the Property. Declarant does not represent, warrant and/or guarantee that the development programs or features of any such drawings, renderings, plans and/or models will be carried out or how the future improvements, if any, within the Property will actually be developed and/or built. Any such drawings, renderings, plans and/or models are conceptual in nature and do not represent a final development or improvement plan. Each Owner acknowledges, covenants and agrees that Declarant shall have no liability to any Owner for any changes to, or failure to complete, any

development and/or improvements in accordance with any drawings, renderings, plans and/or models. Each Owner further acknowledges that the development of the Property may extend over a number of years, and each Owner specifically and voluntarily agrees and consents to all changes in the following: (i) uses or density of Lots within the Property; (ii) the architectural scheme of the Property; and/or (iii) the architectural pattern of the Property. Each Owner acknowledges and agrees that the Owner is not entitled to rely upon, and has not received and/or relied upon, any representations, warranties and/or guarantees of any type or nature whatsoever as to the current or future: design, construction, completion, development, use, benefits and/or value of land within the Property; number, types, sizes, prices and/or designs of any Residence, structure, building, facilities, amenities and/or improvements built or to be built in or on any portion of the Property; and/or use or development of any land, real property, personal property, building, structure and/or improvement adjacent to or within the vicinity of the Property.

ARTICLE III.
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.1 The Association. The Association shall be a not for profit corporation organized under the laws of the State of Florida. The Association shall have all of the common law and statutory powers set forth in Chapter 617 Florida Statutes of a not for profit corporation organized under the laws of Florida and those of a homeowners' association, unless otherwise restricted by this Declaration, the Articles or the Bylaws. The Association shall have the power 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 administration of the Property and Common Area. The officers and Directors of the Association must be either: (i) a Member of the Association; or (ii) a designate or appointee of the Declarant. Except as otherwise specifically provided in the Governing Documents or Florida law, the Board, and such officers as the Board may appoint or elect, shall exercise all rights and powers of the Association and conduct and manage the affairs of the Association without needing a vote and/or authorization of or from the Members. The Association is authorized to retain professional services (including without limitation, legal, accounting, engineering, construction, management, advertising, marketing, architectural and landscaping) and enter into any and all reasonable agreements, leases and/or contracts in order to carry out its duties and permitted activities under the Governing Documents and Florida law.

3.2 Membership. Each Owner (including Declarant) shall be a Member of the Association. Membership in the Association shall be appurtenant to and inseparable from the Lot giving rise to such membership, and any transfer of record title to a Lot shall operate automatically to transfer to the new Owner the membership in the Association appurtenant to that Lot. The interest, if any, of a Member in the funds and assets of the Association may not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Member's Lot. Membership in the Association is mandatory for all Owners and membership shall continue, as to each Owner, until such time as that Owner sells, transfers or conveys that Owner's fee simple interest in the Lot upon which that Owner's membership is based or until such fee simple interest is transferred or conveyed by operation of law, at which time the membership in the Association will automatically pass to the grantee or transferee. Notwithstanding the foregoing, the Association shall not be obligated to recognize such a

transfer or conveyance of membership until such time as the Association receives a true copy of the recorded deed or other written instrument establishing the transfer or conveyance of ownership of the Lot, and it shall be the responsibility of the new Owner of that Lot to provide such true copy of said deed or other written instrument to the Association.

3.3 Voting Rights. The Association shall have two (2) classes of membership with the voting rights as follows:

3.3.1 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 Class A Member. When more than one Person is an Owner of any Lot, all such Persons shall be Members, but the vote for that Lot shall be exercised only by that one (1) Member Entitled To Vote. In no event shall there be more than one (1) Class A vote cast for each Lot.

3.3.2 Class B. The Class B Member shall be Declarant, or the express assigns or successors in interest of Declarant. Until conversion of the Class B membership to Class A membership pursuant to Article III of this Declaration, Declarant shall have fifteen (15) votes for each Lot in the Property owned by Declarant. As each Lot in the Property is conveyed by Declarant to a Class A Member, Declarant's votes for that Lot shall automatically terminate.

3.4 Multiple Owners. The vote for each Lot 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 Class A vote is cast for any Lot, the vote for that Lot shall not be counted for any purpose except for establishing a quorum. If a Member Entitled To Vote casts a vote on behalf of a Lot, it shall be conclusively presumed that Member Entitled To Vote was acting with the authority and consent of all Owners of that Lot.

3.5 Conversion of Class B Membership. Declarant's Class B membership status shall continue in effect during the period from the date of this Declaration until the earlier of the following:

(a) Three (3) months after ninety percent (90%) of all Lots in all phases of the Property have been conveyed or transferred to Owners other than Declarant, excluding conveyances and/or transfers to builders, contractors, and/or others who purchase a Lot for the purpose of constructing improvements thereon for resale; or

(b) Ten (10) years after the date on which this Declaration is recorded in the Public Records of the County; or

(c) At such earlier time as Declarant, in its discretion, may so elect by recording notice of such election in the Public Records of the County.

When the earlier of the preceding events occurs, Declarant's Class B membership shall automatically convert to Class A membership. Declarant shall then retain one (1) vote for each Lot still owned by Declarant. When Declarant's Class B membership converts to Class A membership in the Association, Declarant may exercise the right to vote any Lot(s) still owned by Declarant in the same manner as any other Class A Member, except Declarant cannot exercise

its vote(s) for the purposes of reacquiring control of the Association or selecting a majority of the members of the Board.

3.6 Transition of Control. When Declarant's Class B membership terminates and is converted to Class A Membership, Declarant shall call a Special Meeting of the Association's membership to advise of the termination of the Class B membership. At this Special Meeting of the Association's membership, Declarant shall turn over control of the Association to the Class A Members, and the Class A Members Entitled To Vote shall elect Directors as provided in the Articles or Bylaws.

3.7 General Matters. When reference is made herein, or in the Articles, Bylaws, the Rules and Regulations, management contracts or any other document, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members Entitled to Vote and not of the Members themselves.

ARTICLE IV.
Intentionally Omitted

ARTICLE V.
PROPERTY RIGHTS IN THE COMMON AREAS; OTHER EASEMENTS

5.1 Designation. Declarant shall have the right and the power, in its sole discretion, to determine which real and/or personal property will be Common Area and to convey or transfer ownership of the Common Area to the Association for the uses and purposes set forth in this Declaration or in any Plat. The Association is obligated to accept ownership of all Common Area designated by Declarant in its "as is" condition when conveyed or transferred to the Association, without warranty by or recourse against Declarant. Prior to the later of conveyance of title to the Common Area to the Association or the conversion of the Class B membership to Class A membership, Declarant may change and/or cause the Association to change the configuration or legal description of any of the Common Area due to a change in Declarant's development plans. Each Owner acknowledges, understands and agrees that any portion of the Property, including without limitation, Common Area, may be withdrawn from the Property by the Declarant pursuant to Article II of this Declaration.

5.2 Transfer of Title. Declarant shall convey to the Association fee simple title in and to all real property designated by Declarant as Common Area; subject to, however, all taxes not then delinquent, applicable Plats, this Declaration and any other restrictions, limitations, conditions, reservations, easements and other matters then of public record. Declarant shall also transfer and assign to the Association by bill of sale or assignment ownership of all personal property designated by Declarant as Common Area. Except as otherwise provided in this Declaration, after conveyance to the Association, any real property owned by the Association may not be mortgaged or further conveyed by the Association without the consent of at a least two-thirds (2/3) of the Members Entitled To Vote (excluding Declarant) and, for so long as Declarant owns any portion of the Property, the Declarant.

5.3 Association Responsibilities. The Association shall accept all conveyances, transfers and/or assignments of all real and/or personal property from time to time designated by Declarant as Common Area. Subject to any conflicting rights of Declarant and the Owners set forth in the Governing Documents or by law, the Association, as the case may be, shall be solely responsible for the ownership, operation, management, maintenance, repair, replacement, control and insurance of all of the Common Area, and for the payment of all taxes on the Common Area due and payable from and after the date this Declaration is recorded. No Owner nor any family member, tenant, occupant, invitee, licensee, contractor, subcontractor, agent, visitor and/or guest of any Owner may construct anything in and/or on, install anything in and/or on, modify, alter or change in any way the Common Area.

5.4 Easements to Owners and Association. Declarant hereby creates, reserves and declares to exist in favor of the Association and each Owner (including without limitation, Declarant) a perpetual, non-exclusive right and easement on, over and through the Common Area for the use and enjoyment of the Common Area for all lawful purposes not inconsistent with the Governing Documents or the rights and privileges granted or reserved to Declarant by the Governing Documents. This easement in favor of each Owner shall be appurtenant to and pass with the title to each Lot.

Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

A. The right and duty of the Association to levy Assessments against each Lot and Owner thereof for the purposes set forth in, and in compliance with, the Governing Documents;

B. The right of the Association to adopt at any time, and to enforce, reasonable rules and regulations governing the use of the Common Area and all improvements at any time situated on the Common Area. Any rule and/or regulation so adopted by the Association shall apply until rescinded or modified as if originally set forth at length in this Declaration;

C. The right of the Association to suspend an Owner's voting rights for the nonpayment of Assessments against that Owner's Lot, which Assessments are delinquent in excess of ninety (90) days;

D. The right of the Association to suspend an Owner's use of the Common Area for a period not to exceed sixty (60) days and/or to levy fines against that Owner in accordance with this Declaration for any violation and/or infraction of the Governing Documents;

E. The right of the Declarant and the Association to have, grant and use either general or specific easements over, under, on and/or through the Common Area and to modify, amend, terminate, supplement and/or relocate such easements;

F. The right of the Declarant and the Association to enter into agreements with other Persons with respect to the maintenance and/or management of Common Area, including without limitation, the delegation or assignment of specific maintenance

and/or management responsibilities as the Declarant or the Association may determine from time to time.

5.5 Maintenance. The Association shall at all times maintain, operate, manage, repair and insure, and shall replace as often as necessary as determined in the reasonable discretion of the Board, the Common Area and all improvements situated on the Common Area, including but not limited to:

A. All landscaping, irrigation, parks, lakes, signage, structures, buildings, improvements, fencing, walls, pedestrian pathways and pedestrian trails that may be situated upon the Common Area;

B. Landscaping and irrigation located in any Rights-of-Way, including the median constructed by the Declarant and/or the Association and accepted for maintenance in writing by the Association, are to be maintained by the Association;

C. The Association shall maintain any sidewalks, streetlights, and/or signage within and/or abutting the Property that is not owned and maintained by the City or any other entity;

D. Declarant may elect to install upgraded decorative roadway street lights and signs within public property which is to be owned and maintained by the City. If Declarant selects, prior to issuance of certificate of completion and acceptance of the infrastructure, the Declarant and the City shall enter into a separate Use and Maintenance Agreement outlining responsibilities related to decorative street lights and signage, including but not limited to, the cost differential between maintaining standard street lights and signs and decorative street lights and signs. Declarant acknowledges that prior to turning the Association over to its members, Declarant will assign the Use and Maintenance Agreement to the Association for continuation of obligations related thereto, and the Association shall accept any such assignment and release and indemnify Declarant from any liability thereunder;

E. Such portions of any Additional Property included within the Common Area as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association;

F. All ponds, streams and/or wetlands located within the Property which serve as part of the drainage and stormwater retention system for the Property, including without limitation, the Drainage System, detention ponds, retention ponds, dry detention areas, drainage facilities, drainage structures (not owned and maintained by the City of Jacksonville), any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits and/or similar equipment installed therein or used in connection therewith, as consistent with the ownership thereof, as provided and set forth on the Plat; and

G. Any property and/or facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association such property and/or facilities to be identified by written notice from Declarant to the Association and

to remain a part of the Common Area and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

Except as otherwise specifically provided in this Declaration, all costs associated with the maintenance, management, operation, insurance, repair and replacement of the Common Area shall be part of the Common Expense, without prejudice to the right of the Association to seek reimbursement from the Owner(s) of, or other Persons responsible for, certain portions of the Common Area pursuant to this Declaration, other recorded covenants or agreements with the Owner(s) thereof. No Owner may waive or otherwise escape liability for any Assessment by non-use (either voluntary or involuntary) of the Common Area, abandonment of that Owner's right to use the Common Area and/or abandonment of that Owner's Lot.

In the event that the Association fails to properly perform its obligations pursuant to this Section 5.5, Declarant may, upon not less than ten (10) days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs and expenses incurred. However, Declarant shall not be obligated to perform any maintenance that the Association is obligated to perform pursuant to this Declaration. In the event of any conflict, ambiguity and/or uncertainty as to whether certain obligations or duties as to any portion of the Property fall within the jurisdiction of the Association or belong to an Owner or Owners, the determination of the Association shall control.

5.6 Easement for Further Improvements. Declarant hereby creates, reserves and declares to exist in favor of Declarant, and its designated successors and assigns the right and easement over, under and through the Common Area to make and install, at Declarant's expense and at any time and from time to time on or before the tenth (10th) anniversary of the date on which this Declaration is recorded in the Public Records of the County, additional improvements to the Common Area and any amenities, recreational and/or other improvements located thereon. Upon the completion of any such additional improvements, all right, title and interest therein shall be transferred (subject to the rights and easements herein created and reserved) to the Association for the uses and purposes set forth in the Governing Documents, and the Association shall accept and thereafter operate, manage, maintain, repair, replace and insure those additional improvements.

5.7 Temporary Easements Over Common Area. Subject at all times to the terms, conditions, restrictions and requirements of all District Permits, Declarant hereby creates, reserves and declares to exist in favor of Declarant and its designated successors and assigns rights and easements on, over, in, under and through the Common Area for the following purposes: (a) to permit pedestrian and vehicular ingress, egress, passage and parking incidental to development, construction and marketing of any portion of the Property; (b) to cut trees, bushes or shrubbery; (c) to change the grade and/or elevation of any portion of the Property; and (d) such other rights and easements as may be reasonably necessary to permit the orderly and economic development, improvement and sale of any portion of the Property. The rights and easements reserved in this Section 5.7 shall continue in existence until such time as Declarant and its designated successors and assigns have sold all Lots to be developed and constructed in the Property.

5.8 Permanent Easements Over Common Area. Declarant hereby creates, reserves and declares to exist in favor of Declarant, its designated successors and assigns perpetual, non-exclusive rights and easements on, over, in, under and through the Common Area and platted easements in the Property for the following purposes: (a) installation, maintenance, repair, replacement, connection with and use of wells, pumps, controls, poles, wires, fixtures, cables, conduits, pipes, lines, meters and other equipment and improvements for lighting, irrigation and utilities services (including but not limited to cable television, satellite television, telephone, electric, gas, sewer, water, reuse or reclaimed water, and telecommunications) to serve any portion of the Property; (b) installation, maintenance, repair, replacement, connection with and use of the surface water drainage detention, retention and conveyance structures and areas of the Drainage System in accordance with District Permit and District requirements; and (c) irrigation of the Common Area, which may be with pre-treated effluent from a wastewater treatment facility.

5.9 Easement for Maintenance of Drainage System. Declarant hereby creates, reserves and declares to exist in favor of the Declarant and the Association a perpetual, non-exclusive easement over all portions of the Drainage System for access to operate, maintain, repair and/or replace the Drainage System. By this easement, the Declarant and the Association shall have the right to enter upon any portion of any Lot which is part of or adjacent to the Drainage System, at a reasonable time and in a reasonable manner, to operate, maintain, repair and/or replace the Drainage System as required by the District Permit, the City, and/or any governmental agency or quasi-governmental body. Additionally, the Declarant hereby creates, reserves and declares to exist in favor of the Declarant and the Association a perpetual, non-exclusive easement for drainage over the entire Drainage System, and the owner of the pumps, pipes and other apparatus comprising the Drainage System is hereby granted an easement of access and maintenance as necessary for the operation, maintenance, repair and/or replacement of such equipment. No Person shall alter the drainage flow of and/or over any portion of the Drainage System, including but not limited to, buffer areas, berms and swales, without first obtaining the written approval of the Association and the District. This Section 5.9 shall not be amended in any way without the prior written approval of the Association and the District. Notwithstanding anything herein to the contrary, Declarant hereby acknowledges ownership of portions of the Drainage System by the City and reserves and grants cross easements over such City and Association owned portions thereof to provide and allow each entity to access and/or maintain the portions of the Drainage System owned thereby, to the extent necessary to maintain compliance with any District Permits benefitting the portions thereof owned by each respective entity.

5.10 Sign Easement. Declarant reserves for itself and the Association an easement over, upon, in, through, under and across all areas of the Property for the erection, installation, operation, maintenance, repair, placement and/or replacement of signs, walls, monuments, fencing, decorative improvements, entry features, gates, landscaping, lighting, utility and/or irrigation facilities within and/or adjacent to the Property as such may be depicted on the Plat. No Owner shall obstruct access to this easement, or install, build, construct and/or remove any plant or other improvement or installation of any kind that has been placed in this easement by the beneficiaries thereof. No Owner shall obstruct the view of the easement from any adjacent street right-of-way. All signs, fencing, walls, monuments, entry features, gates, landscaping, utilities, irrigation and/or other permanent improvements installed, constructed, built and/or

placed in this easement shall be maintained, operated, managed, monitored, insured, cleaned, repaired and/or replaced by the Association. In addition, Declarant and/or any designee of Declarant shall have the right, without requiring the prior approval of the Association and/or any Owner, within the Property, to erect, change, move, alter, remove, repaint, replace, maintain, operate and/or otherwise exercise complete and unfettered control over advertising, sales, promotional and/or marketing signs at all times prior to the sale of the last Lot owned by Declarant within the Property, and all such advertising, sales, promotional and/or marketing signs shall be and remain the exclusive property of Declarant (or such designee of Declarant) and shall not be deemed or considered part of the Common Area owned by the Association.

5.11 No Implied Obligation. None of the reservations of rights and easements in Article V of this Declaration shall be interpreted to impose any obligation on Declarant, its successors or assigns to install, operate, build, construct, manage, maintain, repair, replace, connect with and/or use any of the improvements, amenities, structures and/or facilities referenced therein.

5.12 No Interference. No improvement or material may be placed in and/or upon any easement which may damage or interfere with the installation, operation, maintenance, repair and/or replacement of any utilities, or the easement area or that may alter and/or impede the direction and/or flow of drainage in any way.

5.13 No Reference Necessary. The terms and provisions of this Declaration, including, but not limited to, the rights and easements granted and reserved in Article V of this Declaration, shall survive the delivery of each deed of Common Area to the Association, and said terms and provisions shall remain in full force and effect and shall bind the Common Area and the Association whether or not referred to or recited in any deed of Common Area to the Association.

5.14 Delegation. Any Owner (including Declarant) may grant the benefit of any easement, right or privilege conferred under this Declaration to their respective family members, officers, agents, employees, contractors, members, tenants, licensees, invitees and/or guests, but nothing contained in this Declaration shall be construed to create any rights, easements or privileges in the general public.

5.15 Community Systems and Services. Declarant reserves for itself, its successors and assignees, and the Association the exclusive and perpetual right to provide and operate, or to permit others to provide and operate, within the Property, such telecommunication systems (including, without limitation, cable television, satellite television, community intranet, internet, telephone and other systems for receiving, distributing and transmitting electronic data, signals, and audio or visual communications), systems and services, utilities, and similar systems and services, including, without limitation, conduits, wires, amplifiers, towers, antennae, and other apparatus and equipment for the operation and/or provision thereof (collectively, the "Community Systems and Services") on a reasonably competitive basis, as Declarant, in its discretion, deems appropriate. Such right shall include, without limitation, the right to select and contract with companies licensed to provide such services in the area where the Property is located, and to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the

relevant government authority, if applicable. Declarant and/or the Association may receive, and shall be entitled to retain, any rebate, credit, fee, and/or incentive relating to the installation, operation, and/or provision of any Community Systems and Services. Declarant and/or the Association may require that the Board enter into agreements for the provision of Community Systems and Services to all Lots as part of the Common Expense. If particular services or benefits are provided to particular Owners or Lots at their request, the benefited Owner(s) shall pay the service provider directly for such services, or the Association may assess the costs as an Individual Assessment. No Owner may avoid liability for the charges associated with the Community Systems and Services by electing not to utilize the Community Systems and Services.

5.16 Easements of Encroachment. Declarant grants easements of encroachment, and for the maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots. Such easement shall permit encroachment only by a structure, improvement, Residence and/or fixture which has been constructed by Declarant, or approved in advance in accordance with Article VII of this Declaration, and which is constructed, installed, built, erected and/or placed on the property of another Person without the actual intention of encroaching on such property. An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such an easement.

5.17 Easements to Serve Additional Property. Declarant reserves for itself and its duly authorized agents, successors and assigns, an easement in, through, under and/or over the Common Area and Lots for enjoyment, use, access and development of any other real property, whether such real property is actually made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over, under, in and/or through the Common Area and Lots for construction of roads and for connecting and installing utilities.

5.18 Easements for Cross-Drainage. All portions of the Property shall be burdened with easements for drainage of stormwater runoff from other portions of the Property; however, no Person other than Declarant shall alter the drainage on any Lot to increase materially the drainage of stormwater onto adjacent portions of the Property without the consent of the Owner(s) of the affected portions of the Property, the Board and the District.

5.19 Drainage Easements. Drainage Easements have been declared and reserved as shown on and created by the Plat. Each Owner of any Lot encumbered by a Drainage Easement upon which a drainage berm and/or swale is located shall be solely responsible for the repair, replacement and maintenance of such drainage berm and/or swale. Alteration, obstruction, modification, removal and/or any change of any kind to any drainage swale, drainage berm or drainage control facilities and/or structures is expressly prohibited. In the event any Owner fails to repair, replace and maintain any drainage swales and/or drainage berms, and/or alters or obstructs any piping, drainage swales, drainage berms, facilities and/or structures, the Association may repair, replace and maintain such drainage swales, drainage berms, facilities and structures and assess such Owner as an Individual Assessment for the costs and expenses incurred in order to accomplish the foregoing. Each Owner hereby grants an easement and license to the Declarant and the Association over, upon, under, through and across such Owner's Lot in order to facilitate and accomplish the foregoing. Further, no Owner shall place, erect,

install and/or construct any improvements of any kind or otherwise permit anything to occur within any Drainage Easement area which would in any way effect said Drainage Easement or any swale, berm, pipe or drainage control facility or structure located therein or thereon, unless, in the event of construction of any improvements, such improvements have been approved by Declarant, the Reviewing Entity or the ARB.

5.20 Playground. Declarant may, but is not obligated to, construct, erect and/or install recreational facilities, a playground and/or "tot lot" on a portion of the Common Area, which the Association shall own and maintain as a Common Area pursuant to this Declaration. Declarant the Association, and any and all of their respective officers, directors, employees, attorneys and agents do not make any warranties, representations, promises, guarantees and/or agreements with respect to the security or safety of the recreational facilities, recreational equipment, playground and/or the playground equipment. Declarant the Association and any and all of their respective officers, directors, employees, attorneys and agents shall not be responsible and/or liable for any claims for property damage, bodily injuries, any other types of personal injuries, or any other damages whatsoever by any Owners, or by any invitees, licensees, agents, family members, visitors and/or guests of any Owner, arising out of or relating to the use of the recreational facilities, recreational equipment, playground and/or any playground equipment. Each Owner, by acquiring title to any Lot or interest therein, shall be deemed to have agreed that the Owner shall not bring any action, proceeding, claim and/or suit of any kind against Declarant the Association and any and all of their respective officers, directors, employees, attorneys and agents for any causes of action arising out of, associated with, connected with and/or relating to the use of the recreational facilities, recreational equipment, playground and/or any playground equipment.

ARTICLE VI.
COVENANT FOR ASSESSMENTS

6.1 General.

A. Covenant to Pay. Each Owner, by acceptance of a deed or other conveyance of title to any Lot, whether or not it shall be so expressed in any deed or other conveyance, and whether or not reference to this Declaration shall be made in such deed or other conveyance, is obligated and covenants and agrees to pay to the Association all Assessments, including without limitation: (1) Annual Assessments; (2) Initiation Assessments; (3) Special Assessments; (4) Individual Assessments; and (5) Transfer Fees. Assessments shall be fixed, established, assessed and collected as provided in this Declaration, the Articles and/or the Bylaws. Declarant shall be excused from payment of Annual Assessments and Special Assessments for so long as Declarant subsidizes the budget of the Association pursuant to Section 6.9 of this Declaration. Declarant shall never be obligated to pay any Initiation Assessment. Declarant shall not be obligated to pay any Individual Assessment while Declarant has Class B membership.

B. Lien and Personal Obligation. All Assessments, together with such interest, administrative fees, administrative costs and late charges as shall be imposed by the Board, and the cost of collection thereof, including without limitation, Enforcement Cost, court costs and reasonable attorneys' and paralegals' fees before trial, at trial and on appeal, and in all

post-judgment proceedings, shall be a charge and a continuing lien upon the Lot against which such Assessment is made from and after the date on which such Assessment is due. Each Assessment, together with said interest, late charges, administrative fees, administrative costs, Enforcement Cost, costs and fees, shall also be the personal obligation of each Person who was an Owner of the Lot at the time the Assessment became due and payable. In the case a Lot is owned by more than one (1) Person, all such Owners shall be jointly and severally liable for the entire amount of the Assessment.

Each Owner shall be jointly and severally liable with the previous owner for all unpaid Assessments on that Owner's Lot that came due prior to and/or at the time of the conveyance, transfer and/or sale of the Lot to that Owner. This liability on the part of each Owner shall be without prejudice to any right the Owner may have to recover any such Assessments that are paid by the Owner from the previous owner of that Lot.

The liability for any Assessment may not be avoided by waiver of the use and/or enjoyment of any Common Area or by the abandonment and/or non-use of the Lot against which any Assessment was made. No diminution or abatement of an Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action and/or perform some function required to be taken and/or performed by the Association or Board under any of the Governing Documents, or for inconvenience or discomfort arising from the making of repairs and/or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any City, County, state, federal or other governmental authority.

C. Nonpayment. If any Assessment or installment of any Assessment is not paid when due, then such Assessment shall be delinquent and the delinquent Assessment, together with all interest, late charges, administrative fees, administrative costs, collection costs and Enforcement Costs, shall be secured by a continuing lien on the Lot as to which the Assessment accrued. The 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 first Mortgage on the Lot. The lien shall be prior to and superior in dignity to homestead status. The lien shall bind the Lot during the ownership by the Owner who owned the Lot at the time the Assessment fell due and the lien shall continue in effect following transfer of title to the relevant Lot to each subsequent Owner until all amounts secured by the lien have been paid. The personal obligation of the Owner to pay any delinquent Assessment shall remain that Owner's personal obligation for the statutory limitations period. If any Assessment or installment of any Assessment is not paid within thirty (30) days after the date when due, the delinquent amount shall bear interest at the highest lawful rate permitted in Florida from the date when first due until such fully paid. The Association may record a notice of lien for delinquent Assessments in the Public Records of the County pursuant to the procedure set forth in this Declaration and foreclose the lien in the same manner as a mortgage. Upon recording, the lien shall secure the amount of delinquency stated therein and all unpaid Assessments, interest, late charges, administrative fees, administrative costs, collection costs and Enforcement Cost thereafter until satisfied of record.

If any Owner is delinquent in the payment of any Assessment and/or any installment of any Assessments, the Association shall have the authority to impose on and collect from that Owner an administrative late fee in an amount not to exceed Twenty-Five and No/100 Dollars

(\$25.00) or five percent (5%) of the amount of the Assessments that are delinquent and/or each installment of any Assessments that are delinquent, whichever is the greater amount.

If any Owner is delinquent in the payment of any Assessment (including any installment), the Board may accelerate the entire balance of the applicable Fiscal Year's Assessments upon ten (10) days' prior written notice to that Owner and the filing of a claim of lien, and the then unpaid balance of the applicable Fiscal Year's Assessments shall be immediately due and payable upon the date stated in the notice to the Owner, but not less than seven (7) days after delivery of the notice to the Owner, or not less than fourteen (14) days after the mailing of such notice to the Owner by certified mail, whichever event occurs first.

The Association shall have and may pursue any and all remedies available at law and in equity for the collection of delinquent Assessments, including, but not limited to, bringing an action for collection against the Owner personally obligated to pay the delinquent Assessment, recording a claim of lien (as evidence of its lien and lien rights as provided for in this Declaration) against the Lot as to which the delinquent Assessment remains unpaid, and foreclosing the lien against the Lot by judicial foreclosure in the same manner as foreclosure of a mortgage. The Association may bring an action to foreclose the lien for unpaid and/or delinquent Assessment and/or any action to recover a money judgment and/or a collections action for unpaid and/or delinquent Assessment forty-six (46) calendar days after the Owner of the Lot has been provided notice of the Association's intent to foreclose the lien and/or to collect the unpaid and/or delinquent Assessment. The Association may pursue any one or more of its remedies at the same time or successively, and the Association does not waive its ability to foreclose on its lien on a Lot by bringing an action for collection against the Owner of that Lot. There shall be added to the amount of any delinquent Assessment the above-mentioned interest, late charges, administrative fees, administrative charges, collection costs, Enforcement Cost and attorneys' and paralegals' fees, which fees and collection costs shall be recoverable whether or not suit is actually brought. The Owner shall also be required to pay the Association any Assessments against the Lot which become due during the period of collection and foreclosure. The Association shall have the right and power to bid at the foreclosure sale and to own, sell, lease, transfer, convey, encumber, use and otherwise deal with any Lot acquired by the Association through foreclosure. During the period a Lot is owned by the Association following foreclosure on that Lot: (1) No right to vote shall be exercised on behalf of that Lot; (2) No Assessment shall be assessed or levied on that Lot; and (3) Each other Lot shall be charged, in addition to its usual Assessment, its pro rata share of the Assessment that would have been charged to the Lot had it not been acquired by the Association as a result of foreclosure. A suit to recover a money judgment for unpaid Assessments and attorneys' fees and costs shall be maintainable without foreclosing or waiving the lien securing the unpaid Assessments and attorneys' fees and costs.

In order to file a claim of lien against a Lot for past due, unpaid and/or delinquent Assessments, the Association must first provide a written notice or demand for past due, unpaid and/or delinquent Assessments (and any other amounts owed to the Association, including without limitation, applicable interest, Enforcement Cost, administrative fees, administrative costs, collection costs and reasonable attorneys' fees) to the Owner of that Lot. This written notice or demand must notify the Owner of that Lot that the Owner has forty-five (45) calendar days to make payment for all amounts due to the Association, including without limitation,

Enforcement Cost, interest, administrative fees, administrative costs, collection costs and reasonable attorneys' fees associated with, arising from and/or related to the preparation and delivery of the written notice or demand. The written notice or demand must be sent to the Owner of the Lot by registered or certified mail, return receipt requested and by standard first-class United States Mail at the last address for that Owner reflected in the official records of the Association, if such address is within the United States. The written notice or demand must also be sent by registered or certified mail, return receipt requested and by standard first-class United States Mail to the Owner at the address of the Lot, if the Owner's address contained in the official records of the Association is not the address of the Lot. If that Owner's address contained in the official records of the Association is outside of the United States, then the Association may send the written notice or demand to that Owner at that address and the address of the Lot by standard first-class United States Mail only.

Any payment received and accepted by the Association shall be applied in the following order: (1) to any interest accrued on the past due Assessments; (2) to any administrative late fee imposed by the Association; (3) to any costs, expenses and reasonable attorneys' fees incurred and/or expended by the Association associated with, arising from and/or related to the collection and/or payment of Assessments; and (4) to the unpaid and/or delinquent Assessments. The order of payment set forth herein shall apply regardless of any restrictive endorsement, designation, limitation and/or instruction placed on, written on and/or accompanying a payment to the Association. During the time period Declarant is deficit funding the Association, and to the maximum extent allowed by law, to the extent Declarant's deficit funding is increased due to non-payment default by Owners, such increased amount paid by Declarant shall be deemed a loan to the Association and payable to the Declarant within twelve (12) months following Turnover.

D. Exempt Property. The following property shall be exempt from the Assessments and liens created in this Declaration: (1) the Common Area, if any; (2) lands dedicated to and/or owned by, the City, or another governmental authority, any utility company or the general public, if any; and (3) Lots owned by Declarant during the period of time that Declarant subsidizes the Common Expense of the Association pursuant to Article VI of this Declaration. No other land or improvements in the Property shall be exempt from Assessments and liens created in this Declaration. No Owner may avoid any Assessment obligations by virtue of non-use and/or abandonment of the Common Area. No Owner may avoid any Assessment obligations by virtue of non-use and/or abandonment of that Owner's Lot.

6.2 Purpose. The Assessments levied by the Association may 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, and to pursue any other lawful purpose deemed desirable or appropriate by the Board, including without limitation any one or more of the following: (a) payment of the Common Expense and Association operating and overhead 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 and/or the Common Area; (d) improvement, operation, insurance, maintenance, repair and replacement of the Common Area, 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 Expense or any other reserve account established by the Association; (g) procurement and maintenance of insurance and fidelity bonds; (h) employment of accountants, attorneys, management and other professionals to serve, represent and/or advise the Association; (i) payment of the Association's portion of any assessments, obligations, responsibilities, debts, charges and/or fees to the Association; and (j) 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.

6.3 Annual Assessments.

E. Operating Budget. At least forty-five (45) days prior to the end of each Fiscal Year, to the extent possible, the Board shall prepare and approve a budget of the estimated Common Expense of the Association for the coming Fiscal Year, including without limitation, the Association's operating expenses, together with any amounts necessary to fund any deficits from prior years and to provide reserves for future expenses, including but not limited to the annual capital contribution approved by the Board under Section 6.3(c) of this Declaration. The Board shall determine and fix the amount of Annual Assessments for each Lot to meet all the expenses of the Association (including the Common Expense) and the Board shall determine when the Annual Assessments are payable. The operating budget of the Association shall include as a separate line item any and all fees, expenses and/or charges paid by the Association for recreational facilities and/or recreational amenities.

F. Capital Budget. Each Fiscal Year, the Board may approve a capital budget taking into account the number, type, useful life and expected major repair or replacement cost of major components for which the Association is responsible, if any. 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 described in Section 6.3(a) of this Declaration. The capital budget shall not be considered reserves and/or a reserve account of the Association.

G. Adoption of Operating Budget. The Association shall mail to each Member a copy of the operating budget and projected Annual Assessments approved by the Board to be levied for the next Fiscal Year at least thirty (30) days, to the extent possible, 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 thirty (30) days after the proposed budget and Annual Assessments are mailed to the Members. There shall be no obligation to call a Special Meeting for the purpose of considering the budget and Annual Assessments, except upon written request by the Association's Members Entitled To Vote as provided for Special Meetings in the Bylaws. To be effective, Members Entitled To vote representing at least two-thirds (2/3) of the total voting interests of the Association, without regard to membership class, must disapprove of the proposed budget and Annual Assessments. If the Association's membership so disapproves the operating budget and Annual Assessments for the coming Fiscal Year, or if the Board fails to propose an operating budget, then the operating budget and Annual Assessments for the prior Fiscal Year shall

continue in effect until a new operating budget and Annual Assessment amount are determined and adopted.

In the event that the Board is unable to adopt an operating budget and Annual Assessments for the coming Fiscal Year, the Board may call a Special Meeting of Members for the purpose of considering and adopting such an operating budget and Annual Assessments, which meeting shall be called and held in the manner provided in the Bylaws for a Special Meeting. The Board may also propose an operating budget and Annual Assessment in writing to the Members, and if such budget is adopted by the Members Entitled To Vote representing a majority of the total voting interests of the Association, and upon ratification by a majority of the entire Board, it shall become the operating budget and Annual Assessments for that coming Fiscal Year.

H. Allocation of Annual Assessments Among Lots. The Annual Assessment levied for the coming Fiscal Year against each Lot shall be calculated in the following manner: Taking the sum of the operating budget of the Association, including the Common Expense, deficits carried over, Capital Budget and any reserve accounts to be funded in that Fiscal Year, and dividing that sum by the total number of Lots within the Property. The Annual Assessment shall be assessed against all Owners and their Lots (except Declarant, while Declarant subsidizes the Common Expense of the Association pursuant to Article V of this Declaration) in the Property in an equal amount per Lot.

6.4 Initiation Assessments, Special Assessments, Individual Assessments and Reserve Accounts.

I. Initiation Assessments. At the closing of the first purchase of each Lot by an Owner (other than Declarant) who acquires the Lot for any purpose other than to build and/or construct improvements on that Lot for resale in the ordinary course of business, the Owner shall pay to the Association a one-time Initiation Assessment in an amount to be determined by the Board, which may be adjusted and/or increased from time to time, per Lot as a contribution to the capital of the Association. Initiation Assessments may be adjusted as to Additional Property as provided in the Supplemental Declaration applicable to such Additional Property. Initiation Assessments are not refundable and shall not be prorated. Initiation Assessments shall not be considered a payment of any other type of Assessment, including without limitation, Annual Assessments. The Association may use Initiation Assessments for any purpose.

J. Special Assessments. In addition to Annual Assessments, the Association may levy at any time a Special Assessment, if approved by a majority of the Members Entitled To Vote present, in person or by proxy, at a duly called Meeting of the Association's membership at which a quorum is present. If a Special Assessment is approved and levied by the Association, that Special Assessment shall be paid in such manner as the Board may require in the notice of the Special Assessment. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in the notice of adoption and levying of same. However, upon completion of such specific purpose or purposes, any excess funds will be considered surplus, and may, at the sole discretion of the Board be used for any other lawful purpose or deposited into one of the other existing accounts of the Association (for example, the general operating account or a reserve account) to be used for any other expense of the

Association. A Special Assessment may be levied for any lawful purpose and/or duty of the Association.

Any Special Assessment levied in accordance with Section 18.5 of this Declaration may be levied by the Board alone without needing the approval of a majority of the Members Entitled To Vote.

All Special Assessments shall be allocated and levied in the same manner as an Annual Assessment. The total amount required by the Association divided by the total number of Lots within the Property. A Special Assessment shall be assessed against all Owners and their Lots (except Declarant, while Declarant subsidizes the Common Expense of the Association) in the Property in an equal amount per Lot.

K. Individual Assessment. The Board may levy an Individual Assessment against any Owner and that Owner's Lot in order to cover costs incurred by the Association due to that Owner's failure to maintain that Owner's Lot pursuant to the standards set forth in this Declaration, or to reimburse the Association for loss and/or damage to the Association or to any Common Area or easement area caused by that Owner or that Owner's tenant, family member, employee, agent, contractor, invitee and/or guest, and not covered by insurance, or for any other purpose expressly authorized by this Declaration.

The Board may also levy an Individual Assessment against any Owner and that Owner's Lot to reimburse the Association for costs incurred pursuant to this Declaration in bringing an Owner and/or that Owner's Lot into compliance with the provisions of this Declaration, the Articles, the Bylaws, the Rules and Regulations, and any amendments to any of these. This includes but is not limited to Enforcement Cost, attorneys' fees and costs.

Declarant shall not be obligated to pay any Individual Assessment while Declarant has Class B membership.

L. Transfer Fee. Upon each closing of a subsequent sale of a Residence from an Owner (other than Declarant or a builder) to a buyer, that buyer shall pay to the Association a transfer fee (the "Transfer Fee") of One Hundred and No/100 Dollars (\$100.00). The Transfer Fee will not be considered an advance payment of Annual Assessments.

M. Reserve Accounts. The Board may establish reserve accounts which the Board, in its sole and absolute discretion, determines are necessary and/or desirable. Any reserve account established by the Board shall be part of the Common Expense and included as part of the Annual Assessment for each Fiscal Year. The Association may, but is not obligated to, establish a pooled account for two (2) or more reserve items. The funds and any interest accruing on those funds in each reserve account established by the Board shall be used only for expenditures, costs, expenses, charges and payments related to, arising from, associated with and/or connected with the purpose of that reserve account. As an illustration, but not as a limitation, if the Board established a reserve account for a swimming pool that is part of the Common Area, the funds in that reserve account shall be used only for expenditures, costs, expenses, charges and/or payments related to, arising from, associated with and/or connected with that swimming pool. Notwithstanding anything to the contrary in this Declaration, the

Association may use funds contained in any reserve account of the Association for any purpose if approved in advance by at least a majority of the Members Entitled To Vote in a vote at a duly called meeting of the Association at which a quorum is present either in person or by proxy. Prior to the expiration of the Class B membership, Declarant shall not unilaterally vote to use the funds in any reserve account of the Association for any purpose other than the original purpose of that reserve account; provided, however, the Declarant may vote to use the funds in any reserve account of the Association for any purpose if also approved in advance by at least a majority of the Class A Members Entitled To Vote in a vote at a duly called meeting of the Association at which a quorum is present either in person or by proxy.

For each reserve account established by the Board, the Association may waive funding that reserve account in a Fiscal Year, provide for no reserves and/or less reserves than required for the Fiscal Year encompassed by that budget. The waiving of funding reserve accounts, providing no reserves and/or providing less reserves than required shall require the approval of at least a majority of the Members Entitled To Vote at a duly called meeting of the Association at which a quorum is present either in person or by proxy. If a meeting of the Association has been called to determine whether to waive and/or reduce funding of any reserve account and a majority of the Members Entitled To Vote does not approve the waiving of reserves and/or the reduction in funding of reserves and/or a quorum of the Members Entitled To Vote is not present at the meeting either in person or by proxy, the reserves as originally included in Association's budget for that Fiscal Year shall automatically go into effect. Any vote to waive and/or reduce funding of any reserve account shall be applicable to only one (1) Fiscal Year of the Association.

6.5 Determination of Allocation of Assessments. The number of Lots used for the calculations of any Annual and/or Special Assessment shall be determined as of the ownership of record existing fifty (50) days prior to the commencement of each Fiscal Year of the Association, and once so determined shall be controlling and used for that entire Fiscal Year.

6.6 Commencement Dates; Initial Annual Assessments; Due Dates. Annual Assessments on the Lots shall commence on the date this Declaration is recorded in the Public Records of the County. The Annual Assessments for the Lots in each Additional Property (if any) shall commence on the date the applicable Supplemental Declaration is recorded in the Public Records of the County. At the closing of the sale of each Lot in the Property by Declarant to the first purchaser from Declarant, the purchaser shall pay to the Association the entire Annual Assessment for the Fiscal Year of the closing, prorated on a per diem basis from the date of closing through the end of that Fiscal Year. Thereafter, Annual Assessments shall be due, in advance, on or before the commencement of the Association's Fiscal Year for which imposed; but the Board may elect in its sole discretion to collect Annual Assessments in semi-annual, monthly or quarterly installments. Annual Assessments which commence to accrue as to any Lot other than on the first day of the Fiscal Year shall be prorated for the balance of that Fiscal Year.

6.7 Certificate. Upon request, the Association shall furnish to any Owner a certificate setting forth whether all required Assessments have been paid. Such certificate shall be conclusive evidence of the payment to the Association of any Assessment therein stated to have been paid.

6.8 Subordination. The lien for Assessments provided for in this Declaration shall be subordinate to the lien of any first Mortgage. However, such subordination shall apply only to the Assessments which have become due and payable prior to a sale, conveyance or transfer of a Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve that Lot from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment. Any Mortgagee or other acquirer who obtains title to a Lot through foreclosure of a first mortgage, or by voluntary conveyance or any other transfer 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 due from the former Owner thereof, which became due prior to the acquisition of title by said Mortgagee or other acquirer. Any Mortgagee or other acquirer who obtains title to a Lot through foreclosure of a first mortgage, or by voluntary conveyance or any other transfer in lieu of such foreclosure, shall be liable for any and all Assessments that come due while that Mortgagee or other acquirer holds title to that Lot.

6.9 Funding by Declarant. Notwithstanding anything contained in this Declaration to the contrary, Declarant shall not be obligated to pay any Annual Assessment and/or Special Assessment as to any Lot owned by Declarant during the period of time that Declarant has Class B membership, but Declarant must pay any operating expenses of the Association incurred that exceed the Assessments receivable from other Owners and other income of the Association (commonly referred to as "Deficit Funding the Association"), as more particularly described in this Section 6.9. While Declarant has Class B membership, Declarant may choose to pay the Common Expense actually incurred over and above the income derived from Initiation Assessments, Annual Assessments, Special Assessments and/or Individual Assessments due from the other Owners pursuant to this Declaration. For purposes of this subsidy arrangement, the Association's budget deficit is the difference between (i) the amount of Annual Assessments levied on Class A Member-owned Lots, plus any other anticipated income of the Association during that Fiscal Year (including, but not limited to, Special Assessments, Initiation Assessments and/or Individual Assessments), and (ii) the amount of the Common Expense and the Association's anticipated expenditures during that Fiscal Year, excluding contributions to reserves and/or reserve accounts and also excluding Special Assessments arising as a result of any loss or liability. For purposes of this subsidy arrangement, Declarant need not subsidize, contribute to and/or pay any reserves, replacement reserves and/or capital expenditures. Declarant, at its option and while Declarant has Class B membership, may elect by written notice delivered to the Association at any time to abandon the subsidy approach and commence payment of the Annual Assessments and any Special Assessments thereafter falling due for the Lots then owned by Declarant, prorated as of the date of such written notice.

ARTICLE VII.
ARCHITECTURAL CONTROL

7.1 Architectural Review. All portions of the Property, including the Lots, are subject to architectural review and control. The following provisions shall govern the architectural review process for the Property:

A. Declarant Review.

(1) Each Owner, by accepting a deed and/or other instrument conveying any interest in any portion of the Property, understands, agrees and acknowledges that Declarant has a substantial interest in ensuring that the improvements within the Property enhance the appearance of the Property and do not impair Declarant's ability to market, sell and/or lease any portion of the Property. Therefore, each Owner knowingly and voluntarily agrees that no site work, construction, excavation, staking, landscaping, repair, replacement, modification, utility installation or extension, drainage improvement, paving, driveway, swimming pool, pool enclosure, building, structure, fence, wall, sidewalk, mailbox, lighting, decoration, equipment, or any other physical or structural improvement in the Property and/or any Lot, no any exterior alteration, modification, repair, replacement and/or addition to any portion of the Property and/or any Lot (defined collectively for purposes of this Declaration as the "Work") shall be permitted, commenced, modified, erected, built, placed, started, planted and/or maintained unless and until the Declarant has given its prior written approval for such Work, which approval may be granted, conditionally granted and/or withheld in Declarant's sole and absolute discretion. In reviewing any architectural review request, Declarant shall be acting in Declarant's own interest and shall not owe any duty to any other Person.

(2) The rights granted and/or reserved to Declarant in this Section 7.1 shall continue so long as Declarant owns any portion of the Property, unless terminated, assigned and/or delegated at an earlier time in a written instrument that has been executed by Declarant and recorded in the Public Records of the County.

B. Architectural Review Board.

(1) Declarant may, from time to time, but shall not be obligated to, delegate, transfer and/or assign all or a portion of its reserved rights under this Section 7.1 to the Association's Architectural Review Board (the "ARB"), subject to the following: (i) the right of Declarant to revoke such delegation, transfer and/or assignment at any time and reassume jurisdiction over the architectural review matters previously delegated, transferred and/or assigned to the ARB; and (ii) the right of Declarant to veto any decision of the ARB which Declarant determines, in Declarant's sole and absolute discretion, to be inappropriate, inadvisable and/or not in keeping with the architectural scheme and/or architectural pattern of the Property. For so long as Declarant has rights pursuant to this Section 7.1, the jurisdiction of the ARB shall be limited to such matters that are specifically delegated, transferred and/or assigned to the ARB by Declarant. Unless and until such time as Declarant delegates, transfers and/or assigns all or a portion of Declarant's reserved rights to the ARB, the Association and/or the ARB shall have no jurisdiction over any architectural and/or architectural review matters. Upon any such delegation, transfer and/or assignment from Declarant to the ARB, the ARB shall accept and exercise the architectural review jurisdiction so delegated, transferred and/or assigned in accordance with the provisions of Article VII of this Declaration.

(2) Upon the expiration, cancellation and/or termination of Declarant's rights under this Section 7.1, the Association shall assume complete jurisdiction over architectural and/or architectural review matters pursuant to this Declaration, and the Association, acting through the ARB, shall be entitled to exercise all powers previously reserved to Declarant under Article VII of this Declaration.

7.2 Membership of ARB. So long as Declarant has Class B membership, Declarant shall be entitled to appoint all members of the ARB, none of whom shall be required to be Members of the Association. When Declarant's Class B membership terminates, the membership of the ARB shall be determined and selected by the Board, and all ARB members selected by the Board shall be Members of the Association. The ARB shall consist of no less than three (3) members, and may contain such additional number of members as may be determined from time to time by the Board. Decisions of the ARB shall be made by majority vote or action. 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 may be reimbursed by the Association for any out-of-pocket expenses incurred as a result of the performance of that member's service on the ARB, and such reimbursement shall be a Common Expense. Members of the ARB serve at the pleasure of the Board and any member of the ARB may be removed by the Board at any time with or without cause. Notice of ARB meetings shall be pursuant to the Articles and/or Bylaws.

7.3 Prior Approval Requirement. Absolutely no site work, construction, excavation, staking, landscaping, repair, replacement, modification, utility installation or extension, drainage improvement, paving, driveway, swimming pool, pool enclosure, building, fence, wall, sidewalk, mailbox, lighting, decoration, equipment, or any other physical or structural improvement in, on and/or to the Property and/or any Lot, nor any exterior alteration, modification, repair, replacement and/or addition to any portion of the Property and/or any Lot (defined collectively for purposes of this Declaration as the "Work") shall be permitted, commenced, modified, erected, started, installed, built, placed, planted and/or maintained until Declarant, or to the extent that the ARB has jurisdiction pursuant to this Declaration, the ARB (the applicable entity having architectural review jurisdiction at any particular time for purposes of this Declaration shall be defined collectively as the "Reviewing Entity") has received and approved in writing the Plans therefor. All Work shall also comply with all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. It shall also be the responsibility of each Owner at the time of construction, placement, building, installation, planting and/or permitting of any Work on that Owner's Lot to comply with the approved construction plans for the Drainage System on file with the District, the applicable portions of the District Permit and all other District requirements. Until the Plans for all proposed Work have been submitted to and approved in writing by the Reviewing Entity, the Owner shall not make application (directly or through any other agent, servant and/or family member) to any governmental agency for any building and/or other permit for the proposed Work. Nothing in this Declaration shall limit the right of an Owner to finish or alter the interior of that Owner's Residence as that Owner desires; provided, however, that no such finishing and/or alteration increases the premium on any insurance policy obtained by the Association and/or that no such finishing and/or alteration is visible from the exterior of that Owner's Residence.

7.4 Submissions. Unless waived in advance by the Reviewing Entity, all Plans shall be prepared by an architect or engineer employed by and at the expense of the submitting Owner. Two (2) complete sets of all Plans shall be submitted to the Reviewing Entity.

7.5 Approval or Disapproval. Except as otherwise expressly provided in the Governing Documents, all Work must conform to the Governing Documents, and no Plans shall be approved by the Reviewing Entity if they are not in conformity with the Governing

Documents. If for any reason, including purely aesthetic reasons, the Reviewing Entity determines that any proposed Work is not consistent with the Governing Documents, Declarant's development plan and/or the best interests of the Property, then such Work shall not be made and/or performed. The Reviewing Entity's approval of Plans may be withheld not only because of noncompliance with any of the specific conditions, covenants, terms, provisions and restrictions contained in the Governing Documents, but also by virtue of the dissatisfaction of the Reviewing Entity with the location of the Work on the Lot, the elevation, color scheme, finish, design, proportions, architecture, drainage plan, shape, height, style and appropriateness of the proposed Work, the materials to be used therein, the materials, design, size, height and/or location of vegetation and/or any landscaping on the Lot, or because of the Reviewing Entity's reasonable dissatisfaction with any other matter or thing which, in the sole judgment of the Reviewing Entity, will render the proposed Work aesthetically displeasing and/or inharmonious with the Governing Documents, Declarant's development plan, architectural scheme of the Property, architectural pattern of the Property and/or the best interests of the Property.

Submittals and resubmittals of Plans shall be approved, conditionally approved or disapproved within forty-five (45) days after receipt by the Reviewing Entity of all required and/or requested Plans. The forty-five (45) day time period does not begin to run until the Reviewing Entity has received all Plans and any other documents required by the Reviewing Entity from the requesting Owner. The Reviewing Entity's approval, conditional approval or disapproval shall be in writing and shall be accompanied by one (1) copy of the Plans approved, conditionally approved or disapproved. In the event the Reviewing Entity fails to advise the requesting Owner by written notice of approval, conditional approval or disapproval within the forty-five (45) day time period set forth above, the requesting Owner shall give the Reviewing Entity written notice of the Reviewing Entity's failure to respond, and any such notice from the requesting Owner shall expressly state that unless the Reviewing Entity responds within fifteen (15) days of receipt of the requesting Owner's written notice, the approval of the Reviewing Entity shall automatically be deemed to have been granted. Whenever the Reviewing Entity disapproves any Plans, the Reviewing Entity may, but is not obligated to, specify the reasons for that disapproval. Any approval by the Reviewing Entity may be conditional in nature and/or may impose additional requirements to be met by the requesting Owner. If the conditions and/or additional requirements are not met by that Owner, the Reviewing Entity's approval will automatically be withdrawn, considered null and void and that Owner must resubmit Plans and obtain prior approval from the Reviewing Entity for any proposed Work. The Reviewing Entity may grant partial approval to any proposed Work.

Any approval, conditional approval or disapproval given in writing by the Reviewing Entity shall be final. An Owner cannot appeal any decision of the Reviewing Entity to the Board. Each Owner, by accepting any interest in any portion of the Property, acknowledges, understands and agrees that determinations and/or decisions of the Reviewing Entity are purely subjective, and opinions may vary as to the desirability and/or attractiveness of particular construction, improvements, alterations, modifications, landscaping, repairs, replacements and/or additions.

7.6 Commencement. If any Work that has been approved by the Reviewing Entity does not commence within six (6) months from the date of the Reviewing Entity's approval, such approval shall automatically expire and it shall be necessary for the Owner to

reapply for the Reviewing Entity's approval before the Work can begin. Any and all Work must be completed in the time set forth in Article IX of this Declaration.

7.7 Violations. All Work must be performed strictly in accordance with the approved Plans. If after Plans have been approved, the approved Work is altered, erected, constructed, built, placed, installed, planted, modified and/or maintained upon the Lot other than as approved by the Reviewing Entity, then the Work shall be deemed to have been undertaken without the Reviewing Entity's approval. After two (2) years from completion of any Work, it shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to comply with the Governing Documents unless a notice of such noncompliance has been issued by either the Reviewing Entity or the Board, or legal and/or administrative proceedings shall have been instituted to enjoin the noncompliance and/or to enforce compliance with the Governing Documents.

7.8 Variances. The Reviewing Entity may grant variances from compliance with the architectural provisions of the Governing Documents, including but not limited to restrictions upon height, size or placement of structures, buildings, landscaping and/or improvements, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may reasonably require or permit. The granting of any variance shall not operate to waive any of the terms and provisions of the Governing Documents for any purpose except as to the particular Lot and the particular provision covered by the specific variance being granted, nor shall it affect the Owner's obligation to comply with all governmental requirements, including the District Permit and other requirements of the District. Such variances may only be granted when mitigating or unique circumstances exist on a particular Lot, no variance shall be effective unless in writing, and no variance shall be deemed to preclude or estop the Reviewing Entity from denying a variance in similar circumstances in the future.

7.9 Waiver of Liability. None of Declarant, the ARB, the members of the Board or the Association, or any Director, officer, agent, servant, attorney or employee thereof, shall be liable to anyone submitting Plans for approval or to any Owner, or any Owner's family members, tenants, invitees, licensees, agents, visitors, occupants and/or guests by reason of or in connection with approval, conditional approval and/or disapproval of any Plans, or for any defect in any Plans submitted, revised and/or approved in accordance with the requirements of the Reviewing Entity, or for any structural and/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 values and aesthetics of the Property in the judgment of the Reviewing Entity and shall not be deemed a warranty, representation, guarantee and/or covenant that any action taken in reliance thereon complies with applicable laws, codes, ordinances, rules or regulations, nor shall the Reviewing Entity's approval be deemed approval of any Plan or design from the standpoint of safety and/or conformity with building, zoning or other codes. Every Owner who submits Plans for approval agrees, by submission of such Plans, and every family member, tenant, invitee, visitor, Person, agent, occupant and/or guest of any Owner agrees, by acquiring title thereto, by acquiring a deed thereto and/or acquiring an interest therein, or by entering the Property, that he, she or it will not bring any action, proceeding, claim and/or suit to recover any such damages and shall be deemed to have automatically, knowingly and voluntarily agreed to hold harmless and indemnify the Declarant, the Association, the ARB, the Board, and the

Association's officers and Directors from and for any loss, claim, property damage, personal injury, death and/or any other damages connected with, arising from and/or related to any aspects of the Work on, in, under and/or to any Lot.

7.10 Enforcement. The Reviewing Entity and the Association both shall have standing and authority on behalf of the Association to enforce in courts of competent jurisdiction and/or any applicable administrative agency the decisions of the Reviewing Entity. In addition to any other remedy to which the Reviewing Entity and/or the Association may be entitled, the Reviewing Entity and/or the Association shall also be entitled to recover their Enforcement Cost from the violating Owner. Should any Owner fail to comply with the requirements of this Article VII within thirty (30) days after receipt of written demand for compliance, the Reviewing Entity and the Association both shall have the right, but not the obligation, to enter upon that Owner's Lot, make such corrections, repairs, replacements, alterations and/or modifications as are necessary, or remove anything in violation of the provisions of the Governing Documents, and charge the cost thereof to that Owner as an Individual Assessment. Neither the Reviewing Entity and/or the Association, nor any of their respective Directors, officers, employees, servants, invitees, attorneys, contractors and/or agents, shall have any liability to the Owner or to any of that Owner's family members, tenants, invitees, agents, visitors, occupants and/or guests for any trespass, damages, injury to property or person(s) for any action taken hereunder unless caused by gross negligence or intentional wrongdoing. Any such entry upon that Owner's Lot shall not be considered a trespass and any corrections, repairs, replacements, alterations, modifications and/or removals from that Lot shall not be considered criminal activity of any kind, including, but not limited to, theft, criminal mischief, and burglary, and shall not be considered the basis of any civil claim, including, but not limited to, conversion and any tort claim.

7.11 Exemption. Declarant shall be exempt from the architectural control and/or architectural review provisions of Article VII of this Declaration. Declarant shall be entitled to construct, build, erect, place, plant and/or install any new improvement, any landscaping and/or structure of any kind, and to change, modify, replace and/or add to any existing improvement, building, landscaping and/or structure, without submitting Plans to and/or obtaining the approval of the ARB and/or the Association.

7.12 No Waiver of Future Approval Rights. The approval of any Plans by the Reviewing Entity or the approval of or consent to any other matter requiring the review, approval or consent of the Reviewing Entity, shall not be deemed to constitute a waiver of the right to withhold approval and/or consent as to any similar Plans or matters subsequently and/or additionally submitted to the Reviewing Entity for its review, approval and/or consent.

7.13 Review Rules. The Declarant, the Reviewing Entity and/or the ARB may adopt reasonable rules of procedure and/or Design Guidelines 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 Plans approved by the Reviewing Entity. If adopted by the ARB, such rules and/or Design Guidelines shall be: (a) subject to the prior approval of the Board of Directors; (b) not inconsistent with the covenants and restrictions set forth in this Declaration; and (c) published or otherwise made available to the Owners. If adopted by the Declarant, such rules and/or Design Guidelines shall not be subject to the prior approval of the Association, the ARB and/or the

Board of Directors, however such rules and/or Design Guidelines shall be published and/or otherwise made available to the Owners. Compliance with only portions of the Design Guidelines does not guarantee any Plans of an Owner will be approved by the Reviewing Entity. The Design Guidelines will be taken into account during the review of any Plans that are submitted to the Reviewing Entity, but the Reviewing Entity is not bound to approve any Plans that comply with the Design Guidelines to the extent permitted by law. Each Owner by acceptance of a deed agrees, acknowledges and understands that any Plans may be rejected and/or disapproved by the Reviewing Entity, even if those Plans are partially consistent with the Design Guidelines. Meetings of the ARB shall be held in accordance with the provisions of the Articles and/or Bylaws.

ARTICLE VIII.

EXTERIOR MAINTENANCE

8.1 Owner's Responsibility. Each Owner shall keep and maintain that Owner's Lot and all buildings, structures, Residence, improvements and landscaping located on that Owner's Lot in good repair and in a neat and attractive condition at all times. The minimum, but not exclusive, standard for maintenance of improvements shall be consistency with the approved Plans therefore and with the general appearance of the other occupied improvements or Residences in the Property as a whole when initially constructed and improved. The maintenance obligation of each Owner as to buildings, structures, the Residence and any other improvements shall include, without limitation, maintenance of all exterior surfaces and roofs, fascias and soffits, awnings, trellises, decorative facades, gutters, screens, windows and doors. Owners shall clean, repaint and/or restain, as appropriate, the exterior portions and/or surfaces of any building, structure, Residence and improvement (with the same colors as initially approved or with other colors that have first been submitted to and approved by the Reviewing Entity), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards. Each Owner shall keep the roof of that Owner's Residence in a neat and attractive condition at all times, including but not limited to, pressure washing, removal of mold, removal of mildew and removal of dirt. Each Owner shall also keep, maintain and irrigate the trees, shrubbery, grass and any other landscape material located on that Owner's Lot in good repair and in a neat and attractive condition. The minimum, but not exclusive, standard for maintenance of landscaping shall be consistency with the approved Plans therefore and with the general appearance of the other occupied Lots in the Property as a whole when initially landscaped (taking into account, however, the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained). Landscape maintenance shall include, without limitation, irrigation, fertilization, weeding, mowing, trimming, edging, keeping the Lot free of trash and debris of any type, spraying for insects and disease, and the periodic and timely replacement of any dead, damaged and/or diseased plantings and/or sod. To the extent not included in the areas required to be maintained by the Association pursuant to Section 8.4 of this Declaration, each Owner shall, at that Owner's expense, grass over (with sod of the St. Augustine or floritam variety or other grass or groundcover that have first been submitted to and approved by the ARB), mow and keep free of trash and debris, on a routine basis, those portions of the Drainage System located on that Owner's Lot (whether or not included in a platted drainage easement). When required, all major repairs to, and major maintenance and reconstruction of, all

components of the Drainage System in the Property shall be performed by the Association as part of the Common Expense. Each Owner shall grass over (with sod of the St. Augustine or floritam variety or other grass or groundcover that have first been submitted to and approved by the ARB), mow and keep free of trash and debris, on a routine basis, the unpaved portions of any platted street(s) abutting the Owner's Lot.

Each Owner's exterior maintenance responsibility as set forth in this Section 8.1 is mandatory and shall be complied with in its entirety even if an Owner does not reside on and/or occupy that Owner's Lot. An Owner may not waive or otherwise avoid this exterior maintenance responsibility by abandonment of that Owner's Lot.

The Association shall have the right, but not the obligation, to provide for the repair, replacement, cleaning and/or maintenance on any Lot, and any improvement, structure, Residence, landscaping or building thereon, in the event of default by any Owner in the duties imposed by this Section 8.1. Prior to the Association performing repair, replacement, cleaning and/or maintenance on any Lot that is the responsibility of the Owner, the Board shall determine that repair, replacement, cleaning and/or maintenance is needed, that such repair, replacement, cleaning and/or maintenance is the responsibility of the Owner, and that the failure of the Owner to perform such repair, replacement, cleaning and/or maintenance, in the sole opinion of the Board, detracts from the overall appearance or quality of the Property. Except in emergency situations, prior to commencement by the Association of any repair, replacement, cleaning and/or maintenance on any Lot that is the responsibility of the Owner, the Board must furnish written notice to the Owner to the effect that, unless specified repairs, replacement, cleaning and/or maintenance are commenced within ten (10) days from the date of the notice, and thereafter diligently pursued to completion, the Association may perform, or have performed, said repairs, replacement, cleaning and/or maintenance. Upon the Owner's failure to properly and timely commence and pursue diligently the required repairs, replacement, cleaning and/or maintenance, the Association and its agents, employees, servants and/or contractors shall have the right to enter in and/or upon the Lot to perform the repairs, replacement, cleaning and/or maintenance specified in the notice to that Owner. For example and not as a limitation, the Association shall have the right to clean, remove debris, remove trash, paint, resurface, repair, replace and provide maintenance to any and all exterior surfaces, roofs, chimneys, gutters, downspouts, pools, pool enclosures, fences, walls, driveways, walks, sidewalks, parking areas, retaining walls, landscaping (including but not limited to mowing, edging, trimming, watering, fertilizing and caring for trees, shrubs, grass, repairing sprinkler systems and providing shoreline maintenance), swales, berms and other drainage improvements. Neither the Declarant nor the Association, nor any of their respective Directors, officers, employees, contractors, servants, invitees and/or agents, shall have any liability to the Owner or to any family member, tenant, occupant, invitee, employee, agent and/or guest of that Owner for any trespass, damages and/or injury to property or person(s) for any action taken hereunder unless caused by gross negligence or intentional wrongdoing. Any such entry upon that Owner's Lot shall not be considered a trespass and any corrections, repairs, replacements, cleaning, alterations, modifications and/or removals from that Lot shall not be considered criminal activity of any kind, including, but not limited to, theft, criminal mischief, and burglary, and shall not be considered the basis for any civil action, including, but not limited to, conversion and any tort claim.

The Association shall have the right, but not the obligation, to provide maintenance, mowing, trimming, edging and/or pruning of the landscaping of any yards, lawns and/or sod located on a Lot (specifically excluding any landscape beds located on a Lot, gated portions of a Lot and/or fenced portions of a Lot), exterior pest control and/or fertilizer. Any maintenance, repair, operation, cleaning, irrigation and/or replacement performed and/or assumed by the Association shall be part of the Common Expense. Neither the Declarant nor the Association, nor any of their respective Directors, officers, employees, contractors, servants, invitees and/or agents, shall have any liability to the Owner or to any family member, tenant, occupant, invitee, employee, agent and/or guest of that Owner for any trespass, damages and/or injury to property or person(s) for any action taken hereunder unless caused by gross negligence or intentional wrongdoing. Any such entry upon that Owner's Lot shall not be considered a trespass and any corrections, repairs, replacements, cleaning, alterations, modifications and/or removals from that Lot shall not be considered criminal activity of any kind, including, but not limited to, theft, criminal mischief, and burglary, and shall not be considered the basis for any civil action, including, but not limited to, conversion and any tort claim.

8.2 Assessment of Cost. The cost of any work performed by or at the request of the Association pursuant to Section 8.1 of this Declaration shall be assessed as an Individual Assessment against the Owner of the Lot upon which such work is done. This Individual Assessment shall be assessed against the Owner even if the Owner is not then occupying or residing upon that Lot. The Owner of the Lot upon which such work is done pursuant to Section 8.1 of this Declaration knowingly and voluntarily agrees to indemnify and hold the Association, its Directors, officers, shareholders, Members, employees and agents harmless for any claim, suit, damages, and/or action of any kind for personal injury, property damage, and/or death that occurs to the Association's contractors, employees, vendors and/or servants while performing such work on that Owner's Lot.

8.3 Access. In order to perform the repairs, replacement, cleaning and/or maintenance authorized by Section 8.1 of this Declaration, the Association and/or the Association's agents, employees, vendors, servants and/or contractors may enter upon any Lot during reasonable hours on any day except Sundays and legal holidays on which financial institutions are closed, except that in an emergency situation, as determined by the Board in its sole and absolute discretion, entry may be made at any time. An Owner of the Lot may grant permission for entry on any day, including Sundays and legal holidays on which financial institutions are closed.

8.4 Association Responsibilities. The Association shall operate, maintain, repair, clean, manage and replace the Common Area and other improvements from time to time located thereon, subject at all times to obtaining all required governmental permits and/or approvals.

8.5 Drainage System.

N. Maintenance by Association. Declarant hereby acknowledges that significant portions of the Drainage System have been dedicated to and accepted by the City for maintenance. The City shall be responsible for maintenance of such portions of the Drainage System owned by the City. All remaining portions, whether owned by Declarant, the Association shall be subject to this Section 8.5. The Association shall, as part of the Common

Expense, be responsible for the operation, maintenance, repair, replacement and management of the Drainage System (except those portions on a Lot and required to be maintained by the Owner of that Lot), including, but not limited to, all lakes, canals, swale areas, retention areas, dry detention areas, retention ponds, culverts, pipes and related appurtenances, not owned and maintained by the City of Jacksonville or any quasi-governmental body, in accordance with the District Permit and the requirements of the District, and enforce (or take such appropriate action as may be necessary to cure violations of) the routine maintenance and non-interference covenants of the Owners under this Declaration relative to the Drainage System, and, when appropriate, to levy Special Assessments and/or Individual Assessments for such enforcement. Maintenance of the Drainage System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the District. Any repair or reconstruction of the Drainage System shall be as permitted or, if modified, as approved by the District.

O. Maintenance by Lot Owners. The Declarant may have constructed a drainage swale and/or drainage berm upon each Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot from time to time. Each Owner, including builders, shall be responsible for the maintenance, operation and repair of the swales and/or berms on that Owner's Lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales and/or berms to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the District. Filling, excavation, construction of fences, placement of any improvement, placement of any structure or otherwise obstructing the surface water flow in any swale and/or berm is prohibited. No alteration of any drainage swale and/or drainage berm shall be authorized and any damage to any drainage swale and/or drainage berm, whether caused by natural or human-induced phenomena, shall be promptly repaired and the drainage swale and/or drainage berm returned to its former condition as soon as possible by the Owner of the Lot upon which that drainage swale and/or drainage berm is located.

P. By the City. The City shall have an emergency access easement to and over all portions of the Drainage System in the event that inadequate maintenance of the Drainage System creates a hazard to the public health, safety, and general welfare. However, this emergency access easement does not impose any obligation, burden, responsibility or liability upon the City to enter upon the Drainage System to take any action to repair or maintain the Drainage System unless the same is dedicated to the City and the City assumes the responsibility to take such action or maintenance

Q. Intentionally Omitted.

E. Enforcement by the District; Modification. The District shall have the right to enforce, by any proceeding at law, in equity, or administrative, or any combination of these, the provisions contained in this Declaration which relate to the maintenance, operation, management and repair of the Drainage System. Any amendment to this Declaration affecting the Drainage System shall first be approved in writing by the District.

F. Water Management. Each Owner acknowledges and agrees that some or all of the water features which may be located in or adjacent to the Property are designed as

water management areas and are not designed solely as aesthetic features. Due to fluctuations in water elevations and precipitation within the immediate area, water levels will rise and fall. Each Owner further acknowledges and agrees that Declarant and/or the Association do not have, and are not obligated to exert, control over such elevations. Therefore, each Owner agrees to, and does by purchase of a Lot, release and discharge Declarant and the Association from and against any and all losses, claims, suits, causes of action, demands, damages, and/or expenses of whatever nature or kind, including, without limitation, attorneys' fees, costs and expenses, related to and/or arising out of any claim relating to such fluctuations in water elevations. Owners shall not alter, modify, expand, or fill any water features that may be located within or in the vicinity of the Property without the prior written approval of Declarant, the District and any local, state, or federal regulatory or permitting authorities as may have relevant jurisdiction over such matters.

Lots abutting stormwater or conservation tracts shall not have, or acquire, riparian rights with respect to any lake, pond, water body, drainage facility, drainage structure or aquatic landscape feature heretofore or hereafter located upon or within such contiguous tract.

DECLARANT THE ASSOCIATION, AND THE BOARD SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE BODIES OF WATER THAT MAY BE LOCATED WITHIN OR IN THE VICINITY OF THE PROPERTY. ANY INDIVIDUAL USING SUCH BODIES OF WATER SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DECLARANT AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM, LOSS, PERSONAL INJURY, DAMAGE AND/OR DEATH ARISING FROM SUCH USE.

EACH OWNER, BY THE ACCEPTANCE OF TITLE TO A LOT, ACKNOWLEDGES THAT SUCH BODIES OF WATER MAY BE DEEP AND ARE LIKELY DANGEROUS. NEITHER DECLARANT THE ASSOCIATION, NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, ATTORNEYS, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE AND/OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF AND/OR IN ANY BODY OF WATER WITHIN THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY BODY OF WATER. ALL PERSONS USING ANY BODY OF WATER WITHIN THE PROPERTY VOLUNTARILY AND KNOWINGLY DO SO AT THEIR OWN RISK. ALL OWNERS, VISITORS, GUESTS AND/OR USERS OF ANY PORTION OF THE PROPERTY SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME WILDLIFE

MAY HABITATE AND/OR ENTER INTO BODIES OF WATER WITHIN OR NEARBY THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ALLIGATORS, AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, PERSONAL INJURY AND/OR DAMAGE CAUSED BY SUCH WILDLIFE.

ARTICLE IX.
AFFIRMATIVE AND RESTRICTIVE COVENANTS

The Property shall be subject to the following covenants, conditions, restrictions and reservations which shall bind all Owners and their respective Lot, family members, tenants, occupants, agents, employees, servants, invitees and guests:

9.1 Residential Use. No Lot and/or Residence shall be used except for single family, residential purposes. No business, commercial, industrial, trade, professional or any other non-residential activity or use of any nature or kind shall be conducted on any Lot or in any Residence. There shall be only one (1) Residence per Lot, designed for single family usage. However, an Owner or occupant may conduct business activities within a Residence so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residence; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not involve persons coming onto the Property who do not reside within the Property; (d) the business activity does not involve door-to-door solicitation of other Owners and/or occupants of the Property; and (e) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, and/or threaten the security or safety of other Owners and/or occupants of the Property. No Residence or Lot may be used in any way which does not conform to City of Jacksonville, Florida zoning ordinances. Notwithstanding the foregoing, Declarant or its successors or assigns shall be permitted to use any portion of the Property, including any Lot owned by Declarant or its successors or assigns, for model homes, sales displays, parking lots, sales offices, construction offices, any other type of office, or any combination of such uses.

The terms “business” and “trade”, as used in this Section 9.1, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods and/or services to persons other than the provider’s family and for which the provider may receive a fee, compensation and/or other form of consideration, regardless of whether: such activity is engaged in full or part time; such activity is intended to or does generate a profit; or a license is required for the activity.

9.2 Obnoxious or Offensive Activity. No activity or use shall be allowed upon the Property which is a source of annoyance, embarrassment and/or discomfort to the Owners or their tenants, occupants, invitees and/or guests, or which interferes with the peaceful possession and proper use and enjoyment of the Property, nor shall any improper, unsightly, offensive and/or unlawful use be made of any Lot, any portion of the Property and/or the Common Area, and all laws, ordinances, codes, rules and regulations of all applicable governmental bodies shall

be 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 Residence: noise or sound that is objectionable because of its volume, duration, beat, frequency or shrillness; smoke; noxious, toxic or corrosive fumes, chemicals and/or gases; obnoxious odors; trash; debris; construction materials; dust, dirt or fly ash; fire or explosive hazards; vibration; or interference with normal television, radio, telephone and/or other telecommunication reception by other Owners.

9.3 Rules and Regulations. Reasonable rules and regulations may be promulgated by the Board, after proper notice as set forth in the Bylaws, as to the use and enjoyment of the Property, Common Area, Lots and Residences, and shall be observed by the Owners and all occupants, tenants, family members, visitors, contractors, subcontractors, employees, invitees, licensees, and guests on any portion of the Property. No rule or regulation of the Association shall apply to Declarant (while Declarant has Class B membership) unless and until approved in writing by Declarant.

9.4 Animals and Pets. No animals, livestock, reptiles, pets or poultry of any kind may be kept in and/or on any Lot or brought onto the Property by any Owner and/or that Owner's family members, tenants, guests, occupants, invitees, agents, and/or employees other than domesticated dogs, domesticated cats, fish and/or caged birds, all of which are usually and commonly kept as household pets (collectively "pets"). No Owner and no Lot shall have more than two (2) of each type of the permitted pets, with the exception of fish. If any Owner and/or any Lot has more than two (2) of any type of the permitted pets (other than fish), it shall be automatically considered unreasonable and that Owner shall be in violation of the Governing Documents. These pets may only be kept, maintained and/or allowed to reside in and/or on a Lot provided that such pets are: (a) in full compliance with the applicable law, ordinances and the Governing Documents; (b) under the control of the applicable Owner and/or that Owner's family members, tenants, guests, occupants, invitees, agents or employees at all times when the pet is on any Common Area and/or the pet is outside of that Owner's Residence; (c) not left unattended on any balconies, terraces, lanais, garages and/or covered patios; (d) quiet, inoffensive and generally not a nuisance and/or safety concern to any other Owners and/or occupants of another Lot; (e) not kept or raised for commercial purposes; and (f) not being boarded in exchange for compensation of any type. The Lot Owner and/or that Owner's family members, tenants, guests, occupants, invitees, agents and/or employees shall promptly pick up all solid waste material from their pet and dispose of that solid waste material appropriately. No solid waste material from any pet shall remain on any Common Area. Solid waste material from pets shall not be placed in trash containers maintained by the Association. Each Lot Owner and/or any family members, tenants, guests, occupants, invitees, agents and/or employees agree to fully pay for, and/or reimburse the Association for, all extermination costs necessitated by any pet. The Declarant, the Association, the Board and the Association's property management company shall not be liable for any personal injury, death and/or property damage resulting from a violation of the restrictions on pets and animals. Any Owner, and/or that Owner's family member, tenant, guest, occupant, invitee, agent and/or employee committing any violation of the restrictions on pets and animals shall fully indemnify and hold harmless the Declarant, the Association, the Board, each other Lot Owner and the Association's property management company in such regard. A violation of any rule or restriction on pets and animals shall entitle the Association to all of the Association's rights and remedies, including, but not limited to, the right to fine the applicable Owner and/or to require any pet or animal to be permanently removed from the Property. No

reptiles, insects, livestock, poultry, swine or wildlife of any type shall be kept anywhere in and/or on the Property, including any Lot and any garage.

No pet shall be permitted to remain on the Property if that pet disturbs the tranquility of the Property, other Owners or occupants of a Lot, if a pet is unlawful, dangerous, annoying, and/or a nuisance to or destructive of wildlife, or if that pet has been specifically excluded from the Property by the Board after notice. The Board may, in its sole discretion, have any pet removed and/or banned from the Property.

The Association may, from time to time, publish and impose additional reasonable rules and regulations regarding pets on the Property.

9.5 Garbage and Trash. No trash, debris, lumber, metals, bulk materials, garbage or other waste material or refuse shall be kept, placed, stored and/or allowed to accumulate on any part of the Property, except building materials during the course of construction of any approved Residence. If trash, debris, waste, garbage and/or any other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, it may be placed by Owners in covered or sealed containers approved by the Reviewing Entity. All such containers may be placed in the open the Owner not earlier than the evening preceding pick-up at the end of a driveway on that Owner's Lot to be accessible to persons making such pick-up. All Owners shall remove the containers from sight no later than the evening of the pick-up. At all other times, all such containers must be stored within each Residence or concealed by means of a wall, fence, landscape, hedges or other enclosure previously approved by the Reviewing Entity, so that the containers cannot be seen from the sidewalks, streets and surrounding Lots. The Board or the Reviewing Entity may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and/or type of containers permitted and/or the manner of storage of those containers.

9.6 Exterior Equipment. All exterior water treatment systems, well pumps, sprinkler pumps, pool and spa equipment and heaters, and other mechanical fixtures and equipment, all wood piles, and all exterior fuel tanks and other storage receptacles, shall be installed only within approved accessory buildings and/or screened areas so as not to be visible from any street and surrounding Lots, and they shall also comply with any additional standards established from time to time by the Reviewing Entity and applicable law. Window air conditioning units, wall-mounted air conditioning units and/or water coolers are strictly prohibited. All Plans for any exterior equipment, fixtures, pumps, tanks and/or storage of any type shall first be submitted to and approved by the Reviewing Entity.

9.7 Burial of Pipe and Tanks. No water pipe, gas pipe, sewer pipe, drainage pipe and/or storage tank shall be installed or maintained on the Property above the surface of the ground, except removable hoses and moveable pipes used on a temporary basis for irrigation purposes.

9.8 Weeds and Underbrush. No weeds, trash, refuse, garbage, debris, underbrush and/or other unsightly growths shall be permitted to grow and/or remain upon any portion of the Property and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere on the Property. If any Owner fails and/or refuses to keep his or her Lot free of weeds, trash, refuse, garbage, debris, underbrush, sight obstruction, refuse piles and/or any other

unsightly growths or objects, the Association may enter upon that Lot and remove the same at the expense of that Owner, pursuant to the provisions of Article VIII of this Declaration.

9.9 Vehicles and Parking. The Board may, from time to time, promulgate rules and regulations, in addition to the provisions contained in this Declaration, relating to parking anywhere in and/or on the Property, including rules which restrict, limit and/or prohibit the use of any driveway, parking area or streets which may be in front of, adjacent to or part of any Lot as a parking place for any and all vehicles, including, but not limited to, personal passenger vehicles, trucks, commercial vehicles, trailers, recreational vehicles, sports utility vehicles, self-propelled motor homes, motorcycles, vans, buses, scooters, mini-motos, mopeds and/or boats (collectively "vehicles"). Such rules, if and when promulgated, shall have the same force and effect as if promulgated and initially made a part of this Declaration. Notwithstanding anything herein to the contrary, this provision shall not be interpreted in a manner that conflicts with public right-of-way parking regulated by the City. In the event of any conflict, City regulation and enforcement shall control.

A. General Parking Requirements:

1. No vehicles of any Owner, tenant, lessee, occupant and/or resident may be parked on any street within the Property. The intent of the Association is to limit and control on-street parking for a more aesthetic streetscape and safer vehicle access. Notwithstanding the above, the following exceptions shall exist: (a) Guests and visitors of an Owner shall be permitted to park on the streets for no longer than seven (7) days in any thirty (30) consecutive day time period and then must park in the same fashion as is required for Owners, tenants, residents and occupants. While parking within the Property, guests and visitors shall follow all parking rules and regulations; and (b) the Board may grant temporary exceptions when it deems appropriate (for example, but not limited to, large parties, holidays, parade of homes, special events at a Residence, and special events at a Lot). Parking located adjacent to Tract B shall be designated for Public Parking only and is intended for use by guests and visitors only.

2. No vehicle shall ever be parked on any lawn, landscaped portion of any Lot, landscaped portion of the Common Area and/or any other portion of the Property which is not specifically designed and intended for the parking of vehicles. No other parking pad or driveway may be built, installed, constructed, poured and/or created on any Lot without the prior written approval of the Reviewing Entity.

3. Any signs, flags and/or banners that are prohibited under this Declaration or any rule adopted by the Board shall likewise be prohibited from being displayed in and/or on vehicles parked anywhere on and/or within the Property and/or any vehicle traveling anywhere through the Property.

4. The Declarant shall be exempt from the provisions of this Section 9.9A.

B. Permitted and Prohibited Vehicles/Exceptions:

1. The parking of personal passenger vehicles, motorcycles, sports utility vehicles (SUV's) equal to or less than two hundred sixty-five inches (265") in length and pick-up

trucks equal to or less than two hundred eighty-five inches (285") in length are subject only to the restrictions found in Section 9.9(A) of this Declaration and the restrictions set forth in Sections 9.9(B)(3), 9.9(B)(4) and 9.9(B)(5) of this Declaration.

2. Pick-up trucks and SUV's in excess of two hundred eighty-five inches (285") must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property.

3. Vehicles, no matter their size or length, with a camper top, tool box, work racks and/or any other appendages attached to it, must be parked or stored in the driveway or garage only and shall not block any part of the sidewalk.

4. Commercial vehicles (which for purposes of this provision are defined as vehicles not designed and/or used for normal personal/family transportation, vehicles with work racks, tool racks and/or visible equipment, and/or vehicles bearing lettering, graphics, contact information, logos, advertising and/or any other commercial insignia) must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property. Even a vehicle used for normal personal/family transportation shall be considered a commercial vehicle for purposes of this provision and must be parked or stored completely out of sight if it has any lettering, graphics, contact information, logos, advertising and/or any other commercial insignia. Such lettering, graphics, contact information, logos, advertising and/or any other commercial insignia may also be completely covered with a magnetic or other type of covering of the same color of the vehicle, so that no portion of the lettering, graphics, contact information, logos, advertising and/or other commercial insignia is visible from the street and/or visible from any other Lot within the Property.

5. Unregistered, derelict and/or inoperable vehicles or trailers of any kind must be parked or stored so that they will not be visible from any street and not be visible from any other Lot within the Property. For purposes of this provision, derelict or inoperable vehicles, include but are not limited to, vehicles with no current license plate, vehicles with no current registration, and a vehicle incapable of self-propulsion.

6. Recreational vehicles (RV's), including without limitation, a camper, mobile home, and a motor home, no matter their size, all-terrain vehicles (ATV's or ATC's), dune buggies, scooters, go-carts, mini-motorcycles, boats and trailers of all types, must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property. Notwithstanding anything to the contrary in this Declaration, an Owner may temporarily park a recreational vehicle on the driveway of that Owner's Lot for the purpose of loading, unloading and/or cleaning that recreational vehicle. No such recreational vehicle shall remain visibly parked and/or stored on that Owner's Lot for longer than forty-eight (48) consecutive hours in any seven (7) consecutive day time period. Notwithstanding anything to the contrary in this Declaration, an Owner may temporarily park a boat on the driveway of that Owner's Lot, if the boat is on a boat trailer, for the purpose of loading, unloading and/or cleaning that boat. No such boat and/or boat trailer shall remain visibly parked and/or stored on that Owner's Lot for longer than forty-eight (48) consecutive hours in any seven (7) consecutive day time period.

7. Delivery vans, service vans and buses, no matter their size, must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property.

8. Motorized scooters, dune buggies, mini-motorcycles, mopeds, motorized skateboards, go-carts and all-terrain vehicles shall not be operated and/or used on any sidewalk or street or landscaped portions of any Common Areas.

9. Notwithstanding the restrictions contained in this Section 9.9(B), all commercial and public service vehicles (including construction vehicles and vehicles owned by construction workers) present on and/or within the Property while performing work and/or services for or on behalf of Owners will be permitted on a temporary basis during the period of time that the work is being actually performed. However, this does not permit any overnight parking of any of these vehicles.

C. In addition to all other enforcement tools available to the Association, in accordance with Section 715.07 of the Florida Statutes, the Association and Declarant shall have the right and authority to tow violating vehicles at the vehicle owner's sole and absolute cost and expense.

9.10 Visibility of Intersections. No obstruction to visibility at street intersections shall be permitted; provided that the Association shall not be liable in any manner to any person or entity, including but not limited to any Owner, family member, tenant, occupant, servant, employee, agent, invitee and/or guest, for any loss or damage to property or personal injury arising from any violation of this section.

9.11 Flagpoles and Antennas. Without the prior written approval of the Reviewing Entity, no unscreened exterior radio, television, dish antenna, satellite television receiver, citizens band (CB) or amateur (ham) radio antenna, pole, mast, tower or any other antenna or device for sending or receiving electromagnetic or telecommunication signals may be built, placed, installed, located, erected, constructed and/or maintained on any Lot. Notwithstanding the foregoing, Declarant and the Association shall be permitted to construct and/or maintain a master antenna system or systems within the Property without first receiving approval in writing by the Reviewing Entity.

Without the prior written approval of the Reviewing Entity, no flagpole will be permitted on any Lot; provided, however, an Owner may display on any given day only one (1) portable, removable United States flag or one (1) portable, removable official flag of the State of Florida in a respectful manner on his or her Lot. An Owner may also display on that Owner's Lot portable, removable official flags, no larger than four and one-half feet (4 1/2') by six feet (6'), which represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard in a respectful manner on only the following days: Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day.

9.12 Clothes Drying Area. No portion of the Property shall be used as a drying or hanging area for laundry of any kind unless that area is fully screened from view by fencing

and/or landscaping. No drying or hanging area for laundry shall be permitted to be visible from the streets or from any other Lot within the Property.

9.13 Temporary Structures. No tents, trailers, vans, shacks, sheds, storage sheds, storage crates, portable storage devices, tanks, buildings, improvements, and/or structures of a temporary and/or portable character shall be permitted in and/or on the Property. This prohibition is subject to the qualification that Declarant and any residential builder or development contractor authorized by Declarant may erect and maintain temporary structures, staging and storage areas, trailers and mobile vehicles in the Property for the purpose of facilitating development, construction and sale of the Property and Residences therein.

9.14 Underground Wires. No lines and/or wires for communication and/or the transmission of electrical current and/or electromagnetic pulses shall be constructed, placed, run, laid and/or permitted to be placed on any Lot unless they are underground, or unless specifically approved and permitted in advance by the Reviewing Entity.

9.15 Signs. No signs, flags (other than those in Section 9.11 of this Declaration), banners, advertisements, billboards, logos, contact information, solicitation or advertising structures or materials of any kind shall be displayed and/or placed upon any Lot; provided, however, one (1) sign of not more than nine inches by twelve inches (9" x 12") and used solely in connection with the marketing of the Lot for sale or lease shall be permitted to be displayed in a front window of the Residence located on that Lot, but only after Declarant is no longer selling any Lot within the Property in the ordinary course of business. No signs, flags, banners, advertisements, billboards, logos, contact information, solicitation or advertising structures or materials of any kind shall be displayed and/or placed on any vehicle on a Lot, other than those permitted under Section 9.9 of this Declaration. No signs, flags, banners, advertisements, billboards, logos, contact information, solicitation or advertising structures or materials of any kind (other than the one (1) sign used in connection with the marketing of the Lot for sale or lease after Declarant is no longer selling any Lot within the Property in the ordinary course of business as described in this Section 9.15) shall be displayed and/or placed in the interior of any Residence so that it is visible from the exterior of that Residence (as an illustration, but not a limitation, placing a sign in the window of the Residence so that it is visible from the sidewalks, streets or adjacent Lots within the Property). Declarant and/or the Association may enter upon any Lot and remove and destroy any object which violates this Section 9.15. This Section 9.15 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 and/or materials prior to installing any structures and/or materials, such approval to be granted or denied by Declarant in Declarant's sole discretion.

9.16 Drainage. Unless first approved by the Reviewing Entity and the District in writing, no Owner other than the Declarant (and then only to the extent first approved by the District in writing) may obstruct, alter, change, redirect or in any way modify the method and/or structures of drainage utilized and/or installed by Declarant or the Association from, on or across any Lot, Common Area, Drainage Easement and/or easement area; nor shall any structure or material be erected, placed and/or maintained which shall in any way obstruct such drainage devices or facilities, including buffer areas or swales, or impede their efficient operation. No

elevation changes shall be permitted on any Lot which materially adversely affects the drainage of or to any neighboring Lot, portion of the Property and/or portion of the Common Area.

An Owner of a Lot within which any easement for drainage or retention lines are located shall be responsible for the maintenance of such areas to permit the flow and retention of water in accordance with the drainage and retention system plan required and approved by the applicable governmental agencies. If any Owner fails and/or refuses to comply with any part or all of the restrictions contained in this Section 9.16, the Association shall notify that Owner in writing, have the right to correct such failure and/or refusal, assess and collect the costs thereof as an Individual Assessment and the Association shall have a lien upon the Lot upon which the work was performed.

9.17 Subdivision. No part of the Property, including without limitation, any Lot, shall be further subdivided.

9.18 Completion of Work. Upon commencement of any construction, improvements, repairs, replacements, modifications, structures, buildings, landscaping, alterations and/or additions on any Lot (collectively "work"), the Owner of that Lot shall diligently prosecute the work to the end so that all work shall be completed as expeditiously as is reasonable, but in no event shall last longer than twelve (12) consecutive months. If an unforeseen event occurs that would prevent such work from being completed in that twelve (12) month time period, the Owner of that Lot shall apply to the Reviewing Entity for an extension of time to complete the work. The Owner of that Lot shall provide the Reviewing Entity a good faith estimate of the time required to complete the work, but the length of any extension shall be in the sole discretion of the Reviewing Entity. There shall be no more than two (2) extensions for each approved work project. If the work remains incomplete after the second extension, the Association shall have all available rights and remedies under Florida law or the Governing Documents. The Owner of the Lot on which improvements, repairs, replacements, modifications, structures, buildings, landscaping, alterations and/or additions are being made shall keep the streets, sidewalks, drainage structures and all areas adjacent to that Lot free from damage, dirt, mud, garbage, trash, refuse, building materials and/or other debris occasioned by construction.

9.19 Cable Television. Declarant, its successors or assigns and the Association shall have the right, but not the obligation, to install, or enter into contracts for the installation of, a cable television and/or satellite television system to provide cable and/or satellite television service(s) to the Lots. In connection with the installation, maintenance and/or operation of such systems, Declarant and the Association hereby reserve access, installation and service easements over, across, on, through and/or under the Property necessary to provide such cable and/or satellite television service(s) to the Lots. Such easements shall be reasonably located, if possible, by Declarant and the Association so as to not unreasonably impair the value of use of any Lot.

9.20 Excavation. No clearing and/or excavation shall be made except incident to construction, maintenance and/or repair of any improvement, structure, building, replacement, modification, alteration and/or addition; and upon completion thereof exposed openings shall be back-filled, and disturbed ground shall be leveled, graded and covered with mature sod in accordance with the approved landscape plan. Notwithstanding the foregoing, no Lot shall be increased in size by filling in any drainage areas or other portions of the Drainage System. No

Owner shall fill, dike, rip-rap, block, divert, and/or change the established drainage area and/or the Drainage Systems that have been or may be created by easement without the prior written consent of the Association, the City and the District.

9.21 Hedges, Walls and Fences. There shall be no hedge, shrubbery, fence and/or wall constructed, built, placed, planted, erected and/or installed on any Lot or other portion of the Property unless the height, location, design, color and component materials are first submitted to and approved in writing by the Reviewing Entity in accordance with Article VII of this Declaration and subject to the terms and conditions of Section 9.18 of this Declaration. Incidental to the approval of any hedge, fence or wall, the Reviewing Entity may impose conditions and/or requirements applicable to such hedge, fence or wall, such as but not limited to a requirement for a landscape buffer on the exterior side of such hedge, fence or wall. In no event shall the ARB approve construction, placement and/or installation of any fence or wall between any street or boulevard and a straight line being the extensions of the farthest set back portion of the elevation (whether front, side or rear) of any Residence facing such street or boulevard to the boundaries of the Lot. Notwithstanding anything herein to the contrary, so long as any builders or contractors designated by Declarant maintain any staging, storage and/or parking areas within the Property, they shall be entitled to hedge, fence or wall off any such area for only the term of such use, provided that Declarant's written approval of each such hedge, fence or wall is obtained prior to construction, planting, placing and/or installation of the hedge, fence or wall. Hedges, fences and walls constructed, planted, placed and/or installed by Declarant are exempt from compliance with this Section 9.22. Notwithstanding anything to the contrary contained herein, construction of any fence or wall, whether by the Declarant or otherwise, which obstructs the surface water flow in swales shall be strictly prohibited.

9.22 Yard Accessories and Play Structures. No temporary or permanent basketball hoop or backboard, skateboard or bicycle ramp, swing set, treehouse, jungle gym, and/or other game or play structure of any type (collectively, the "Equipment") may be placed, built, located, constructed, erected and/or installed on any Lot without the prior written approval of the Reviewing Entity. All such Equipment must be not be placed, built, located, constructed, erected and/or installed on the front yard of any Lot, and all such Equipment shall be kept and maintained in a first-class manner.

9.23 Leasing. No Residence or Lot may be leased and/or rented for a term shorter than twelve (12) consecutive months. Any lease and/or rental agreement shall specifically provide that the lessee, tenant and all occupants of the leased Residence and/or Lot shall be bound by the terms of the Governing Documents. There shall be no subleasing of any kind of any Residence and/or Lot.

9.24 Pools and Spas. Swimming pools and/or spas may not be located in the front or side yard of any Lot, nor nearer than the Residence to any side street lot line. Location of any swimming pool and/or spa on any Lot must be first be submitted to and approved by the Reviewing Entity. No above-ground swimming pools are permitted within the Property. Any above-ground spa and/or hot tub must first be submitted to and approved by the Reviewing Entity. All materials, design and construction of swimming pools and/or spas shall meet standards generally accepted by the industry and shall comply with all applicable governmental regulations.

All swimming pool enclosures of any type must first be submitted to and approved by the Reviewing Entity.

9.25 Garages. No Owner may in any way diminish and/or reduce parking capacity for a garage located on that Owner's Lot. No Owner may convert and/or turn the garage located on that Owner's Lot into living space of any kind. No Owner may use, rent and/or lease the garage located on that Owner's Lot as living space of any kind.

9.26 Solar Heating Equipment. Solar heating equipment of any type may not be installed, placed, built, constructed and/or mounted without the prior written consent of the Reviewing Entity. In addition, no solar heating equipment will be permitted on the ground, and no solar heating equipment will be permitted on roof areas that constitute part of the front elevation of a Residence and/or a side elevation of a Residence that is readily visible from any adjacent street or any other Lot.

9.27 Watercraft and Boats. No watercraft of any kind, including but not limited to, motorized boats, non-motorized boats, sailboats, rafts, canoes, kayaks, inner tubes, jet skis, wave runners and flotation devices of any type, may not be used on any body of water within the Property unless the prior written approval of Declarant and the Association. Docks, davits, ramps, outbuildings and/or any structure designed for the use of any type of watercraft near or in any body of water within the Property are expressly prohibited.

9.28 Tree Removal and Landscaping. Except by Declarant, existing trees measuring four inches (4") or more in diameter at three feet (3') or more above ground level shall not be cut and/or removed without the prior written consent of the Reviewing Entity. More restrictive arbor ordinances and/or environmental laws shall control in the event of any conflict with this Declaration. There shall be no removal of trees or clearing, other than clearing of underbrush, until the Reviewing Entity has approved in writing a landscape plan that designates those existing trees to be retained and preserved on the Lot. Prior to occupancy of the Residence, all of the grounds of each Lot not covered by building improvements shall be completely sodded or covered with grass ground cover that has first been submitted to and approved by the Reviewing Entity.

9.29 Pumping or Draining. No Owner of any Lot which includes, abuts, borders, and/or is adjacent to any pond, retention pond, detention pond, drainage facility, creek, river, lake, bay head, or other body of water shall pump and/or drain any water therefrom.

9.30 Oil, Gas and Minerals. No oil, gas or mineral drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in the Property, nor shall oil, gas or mineral equipment, wells, tunnels, excavations or shafts be permitted upon or in the Property. The operations and activities of Declarant in developing the Property and of the Association in operating, maintaining, repairing and replacing the Drainage System and/or any portion of the Property are exempt from the provisions of this Section 9.30.

9.31 Compliance with Laws. Any activity which violates local, state or federal laws, ordinances, rules or regulations is prohibited on and/or in the Property; however, the Board shall have no obligation to take enforcement action in the event of any violation. The Association, the

Board and Declarant are not empowered, nor have they been created, to act as an entity which enforces or ensures compliance with the laws of the United States, the State of Florida, the county the City of Jacksonville, or any other jurisdiction, or to prevent tortious activities.

9.32 Declarant Reservation. Because of its size and dependence upon market conditions, the development of the Property may extend for several years. Incident to the development process, the quiet enjoyment of the Property by the Owners, their family members, tenants, occupants, invitees, employees, contractors, subcontractors, visitors and guests may be interfered with by construction and/or sales operations. The Owners expressly consent to such construction and sales operation and acknowledge, covenant and agree that Declarant and the Association will have no liability for any disturbance to quiet enjoyment by any Owner, family member, occupant, tenant, invitee, employee, contractor, subcontractor, visitor and/or guest of the Property due to construction and/or sales activities.

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 to the Property and/or the sale of the Lots. Declarant may make such lawful use of the unsold Lots and/or of the Common Area, 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. Notwithstanding anything in this Declaration to the contrary, the Declarant hereby reserves and/or retains the right and/or a license to use the Common Area at no charge to Declarant for any purpose, including without limitation, display of signage, sales activities, sales events, marketing activities, promotional activities and promotional events, for so long as Declarant owns any portion of the Property. Without limiting the generality of the foregoing, nothing in this Declaration shall be understood, interpreted and/or construed to prevent or prohibit Declarant from any of the following:

A. Doing on any property owned by Declarant whatever Declarant determines to be necessary and/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, plans or sketches showing plans for future development of the Property, as same may be expanded, may be modified by 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 development of the Property 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 and/or the sale, lease, marketing and/or operation of Lots; or

F. Filing Supplemental Declarations which add or withdraw Additional Property as provided in this Declaration; or

G. Taking any action which may be required of Declarant by the County, the City of Jacksonville or any other federal, state or local governmental or quasi-governmental agency in connection with the development and continuing operation of the Property; or

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

I. 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. Notwithstanding the foregoing, this provision does not grant Declarant or its successors or assigns the right to use any conservation easement areas in any manner other than what is provided for in a conservation easement.

9.33 Mailboxes. Before occupying a Residence in the Property, the Owner thereof shall install or have installed a mailbox of such type, design and decoration, and in such location on the Lot, as shall hereafter be designated by Declarant and/or approved by the Reviewing Entity. No other mailbox, paper box or other receptacle of any kind for use in the delivery of mail, newspapers, magazines and/or similar material(s) shall be placed, located, constructed and/or installed on any Lot. No mailbox may be altered, changed, modified, repaired and/or replaced without the prior written approval of the Reviewing Entity.

9.34 Security Bars and Hurricane Shutters. No security bar system may be installed on the interior and/or exterior of any window or door of any Residence in the Property, unless first approved in writing by the Reviewing Entity. No hurricane shutters or any similar protective covering for the windows of a Residence may be installed unless first approved in writing by the Reviewing Entity. All hurricane shutters or similar protective window coverings shall be aesthetically pleasing or harmonious with the Governing Documents, Declarant's development plan, the architectural pattern of the Property and/or the architectural scheme of the Property.

Should severe storm weather occur the following shall apply to temporary measures that may be taken by any Owner: Storm shutters, hurricane shutters, plywood, tape and/or similar protective window coverings of any type may be applied, installed and/or placed no sooner than three (3) days before the arrival of a named storm based on the projected arrival time of that named storm by the National Weather Service and/or the National Hurricane Center. All storm shutters, hurricane shutters, plywood, tape and/or similar protective window coverings of any type must be removed, taken down and/or taken off no later than five (5) days after the specific named storm and/or threat of that named storm has passed the Property.

9.35 Window Treatments. Any window treatments of any kind that are visible from the exterior of a Residence shall be compatible with the exterior design and color of that Residence. The following shall not be used as window treatments and/or window coverings: sheets, towels, flags, aluminum foil and/or any material not specifically designed to be a window treatment, which shall be determined by the Reviewing Entity in their respective sole and absolute discretions.

9.36 Lighting. No exterior lighting fixtures of any kind shall be installed on any Lot without adequate and proper shielding of those fixtures. No lighting fixture shall be installed that may be and/or may become an annoyance and/or a nuisance to the Owners and/or occupants of adjacent Lots. All exterior lighting, excluding that which may be installed initially by Declarant, must first be submitted to and approved by the Reviewing Entity. No colored light source of any kind shall be permitted, except for holiday lighting which must comply with any rules, regulations and/or Design Guidelines regarding such lighting that may be adopted by the Association and/or the ARB, including but not limited to, length of time to be displayed on any Lot and/or Residence.

9.37 Firearms. Discharge of firearms of any type is prohibited on and/or in the Property; provided, the Association, the Board, the Association's Directors, officers, employees and agents shall not have any duty to become physically involved to stop any such discharge. For purposes of this Section 9.37, "Firearms" shall include, but are not limited to the following: handguns, rifles, shotguns, BB guns, crossbow, paintball guns and any other type of weapon that expels a projectile of any type.

9.38 Wildlife. There shall be no capturing, trapping, and/or killing of any wildlife within the Property (other than by or on behalf of the Association or Declarant, or by a representative or designee of a governmental agency), except in circumstances posing an imminent threat to the safety of any person or entity within the Property.

Any activities by any Person other than Declarant or its designees which materially disturb and/or destroy the vegetation, wildlife and/or air quality within the Property shall be prohibited within the Property (except as approved pursuant to this Declaration). Any activity which uses excessive amounts of water and/or which results in unreasonable levels of sound or light pollution is prohibited within the Property.

9.39 Timeshares. No Lot and/or Residence shall be owned and/or used in multiple, interval and/or timeshare ownership requiring registration pursuant to the provisions of Florida law.

9.40 Holiday Displays. Owners shall be permitted to display religious and/or holiday signs, symbols and decorations on their Lots of the kinds normally displayed inside or outside of residences located in a single family residential community. However, the Association may adopt reasonable time, place and manner restrictions, including but not limited to design criteria and length of time the display is visible, for the purpose of minimizing damage, preventing an unsightly appearance and/or minimizing disturbance to other Owners and/or occupants.

9.41 Ornamentation and Statuaries. Ornaments, statuary and lawn decorations of any size or type, including but not limited to bird feeders, statues, fountains, gazing balls, gnomes, planters and signs may not be installed without first obtaining the approval of the Reviewing Entity. Because ornaments, statuary and/or lawn decorations become an integral part of the overall landscape aesthetics of the community, no such items may be installed, placed, planted and/or located on a Lot without first obtaining the approval of the Reviewing Entity. To implement this requirement, the Reviewing Entity may adopt and amend, from time to time, standards for such ornaments, statuary, and/or lawn decorations.

9.42 Protection of Environmentally Sensitive Lands. No Owner of any Lot may construct, install, erect, build, place and/or maintain any building, structure, Residence, dwelling and/or improvement of any kind and/or undertake or perform any activity in the buffer areas, upland conservation areas and Drainage Easements described in the District Permit and/or any plat of the Property recorded in the Public Records of the County, unless prior written approval is obtained from the Declarant and the District. No Owner shall remove any native vegetation (including, but not limited to, cattails) that becomes or has already become established within any wet detention pond. For purposes of this Declaration, "removal" shall mean and include dredging, the application of herbicide, cutting and the introduction of grass carp.

No Owner shall: dump or place silt or any other substance and/or material such as landfill, trash, garbage, waste, household chemicals, fuel, motor oil, refuse and/or any unsightly or offensive materials; remove, cut and/or destroy trees, shrubs and/or any other vegetation; excavate, dredge and/or remove loam, peat, gravel, soil, rock and/or any other material in such a manner that would affect the surface area; make any use of the surface that does not allow it or any water or conservation area within the Property to remain predominantly in its natural condition or make any use that is detrimental to drainage, flood control, water conservation, erosion control, soil conservation, fish preservation, wildlife preservation and/or to any aspects of any portion of the Property having historical, environmental, archaeological and/or cultural significance.

9.43 Use of the Words "Hillcrest Bluff". No Person or entity may use the words "Hillcrest Bluff" or any derivative in any printed or promotional material without Declarant's prior written consent, as long as Declarant has Class B membership in the Association. However, Owners may use the words "Hillcrest Bluff" in printed or promotional matter where such terms are used solely to specify that particular property which is located within "Hillcrest Bluff" and the Association will be entitled to use the words "Hillcrest Bluff" in its name.

9.44 Waiver. No delay in enforcing any of the terms, conditions, restrictions and provisions of this Declaration or any of the Governing Documents as to any breach and/or violation thereof shall impair, damage or waive the right of Declarant and/or the Association to enforce this Declaration and/or any of the Governing Documents. No delay will impair, damage or waive the right of Declarant and/or the Association to obtain relief against or recovery for continuation and/or repetition of any such breach and/or violation or of any similar breach and/or violation of this Declaration and/or any of the Governing Documents at a later time or times.

9.45 Variations. The Board shall have the right and power to grant variations from the provisions of this Article IX and from the Association's rules and regulations that have been

adopted 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 in any instance in which such variance is not granted.

ARTICLE X.
ADDITIONAL COVENANTS AND RESTRICTIONS

No Owner may impose any additional covenants, conditions and/or restrictions on any part of the Property without the prior written approval of Declarant, for so long as Declarant has Class B membership, and thereafter without the prior written approval of the Board and the Association, as applicable. This Article X shall not prevent any of the Governing Documents from being properly amended pursuant to Article XI of this Declaration when the proposed amendment(s) would impose additional covenants, conditions and/or restrictions on the Property.

ARTICLE XI.
AMENDMENT

11.1 By Declarant. Until termination of the Class B membership, Declarant specifically reserves for itself, its successors and assigns, the absolute and unconditional right to alter, modify, change, revoke, rescind, amend, and/or cancel any part of all of this Declaration or the restrictive covenants contained in this Declaration or hereinafter included in any subsequent Declaration. No approval or joinder in any such alteration, modification, change, revocation, rescission, amendment and/or cancellation from either the Association or any Owner will be required. No modification, change, alteration, revision, and/or amendment required by any governmental agency will be deemed to materially or adversely affect Owners or any other interested party.

11.2 By Members. This Declaration may be amended at any time by the affirmative vote or written consent, or any combination thereof, of Members Entitled To Vote representing at least two-thirds (2/3) of the total votes in the Association (without regard to class). A vote on any proposed amendment(s) may occur at any duly called and noticed meeting of the Association's membership at which a quorum is present, and the Members Entitled To Vote may vote either in person or by proxy. If any proposed amendment to this Declaration is approved by the Members Entitled To Vote, the President and Secretary of the Board shall execute a Certificate of Amendment which shall set forth the text of the amendment, the effective date of the amendment, the date of the meeting of the Association's membership at which such amendment was adopted, the date that notice of the meeting was given, the total number of Members Entitled To Vote of the Association, the number of votes necessary to adopt the amendment, the total number of votes cast for the amendment and the total number of votes cast against the amendment. The Association must record this Certificate of Amendment in the Public Records of Duval County, Florida. The Certificate of Amendment shall be conclusive as to all parties, and all parties of any nature whatsoever shall have the full right to rely upon that Certificate of Amendment.

Notwithstanding anything in this Section 11.2 to the contrary, no amendment may remove, revoke and/or modify any right and/or privilege of Declarant (while Declarant has Class

B membership) without the written consent of Declarant or the successor in interest or assignee of such right and/or privilege. No amendment may impair the validity and/or priority of the lien of any Mortgage held by a Mortgagee or impair the rights granted to Mortgagees herein without the prior written consent of such Mortgagees. Any amendment to this Declaration which alters any provision relating to any portion of the Drainage System (including any environmental conservation areas of the Common Area and the water management portions of the Common Area), beyond maintenance in its original condition, must first be submitted to and approved by the District, and if written consent from the District is not obtained, any such amendment will not be implemented.

11.3 Proposal of Amendments. A proposed amendment may be initiated and/or proposed by Declarant, the Board, or a petition signed by forty percent (40%) of the Owners. If a proposed amendment is to be adopted by Members pursuant to Section 11.2 of this Declaration, 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 where the vote on that proposed amendment will take place.

11.4 Effective Date of Amendment. If a different effective date is not specified, any amendment to this Declaration shall be effective upon the recording of the amendment (if by Declarant) or the Certificate of Amendment (if by Members) in the Public Records of Duval County, Florida. Any procedural challenge to an amendment must be made within three (3) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

ARTICLE XII.

THIRD PARTY APPROVAL RIGHTS

12.1 HUD, FHA or VA. Notwithstanding anything in this Declaration to the contrary, as long as Class B membership exists, if any one or more of HUD, FHA or VA requires approval and/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 Area, dedication to the public of any Common Area, 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 Residences 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.

12.2 District. Any amendment to this Declaration which alters any provisions relating to any portion of the Drainage System, including but not limited to, those contained in the District Permit, beyond maintenance in their respective original conditions, including the water management portions of the Common Area, must have the prior written approval of the District.

ARTICLE XIII.

ENFORCEMENT

13.1 Compliance by Owners. Every Owner and all family members, tenants, guests, agents, contractors, subcontractors, servants, employees, visitors, licensees and invitees of each Owner shall comply with the Governing Documents.

13.2 Enforcement. If any Owner, or any family member, tenant, occupant, agent, employee, invitee, contractor, subcontractor, visitor and/or guest of an Owner violates, fails to comply with and/or refuses to comply with any of the restrictions, terms, conditions, covenants, rules, regulations, and/or any provisions contained in any of the Governing Documents, as they may be amended from time to time, the Association shall be entitled to:

- A. Take any action or remedy at law;
- B. Take any action or remedy to recover damages;
- C. Take any action or remedy in equity;
- D. Seek injunctive relief;
- E. Seek or take any declaratory action;
- F. Seek arbitration;
- G. Seek mediation;
- H. Take any administrative action or remedy (including, but not limited to mediation and arbitration through the applicable agency of the State of Florida);
- I. Levy a fine pursuant to Section 13.5 of this Declaration;
- J. Impose a suspension of Common Area use rights pursuant to Section 13.5 of this Declaration;
- K. Utilize self-help, where permitted by the Governing Documents, including but not limited to towing vehicles, entering upon any Lot to perform maintenance, repair, replacement and/or cleaning and entering upon any Lot to remove any construction, improvement, modification, alteration, repair, replacement and/or addition that was not approved by the ARB; or
- L. Do any combination of Section 13.2(a) through and including Section 13.2(k).

The remedies recited in this Section 13.2 shall be cumulative of all other legal, administrative and equitable remedies now or hereafter provided by Florida law or the Governing Documents and all such remedies may be exercised and pursued singly, sequentially or in any combination. The failure of Declarant, the Association or any Owner to enforce any covenant, condition, term, provision, restriction, obligation, rule, regulation, right, power,

privilege and/or reservation contained in any of the Governing Documents, 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.

13.3 Entitlement to Attorneys' Fees. The prevailing party in any action at law, action for damages, action in equity, action for injunctive relief, administrative action, declaratory action, or any combination thereof, for any violation of any of the conditions, covenants, terms, rules, regulations and/or provisions of any of the Governing Documents shall be entitled to recover all of its Enforcement Cost, reasonable attorneys' fees, paralegal fees, legal assistant fees, costs, expenses, appellate attorneys' fees, appellate costs, and appellate expenses.

13.4 Enforcement by District. 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 Drainage System.

13.5 Fines and Suspensions. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board, a fine or fines may be imposed upon an Owner for failure and/or refusal of an Owner and/or that Owner's tenants, occupants, licensees, invitees, employees, contractors, subcontractors, visitors and/or guests to comply with any covenant, condition, term, provision, restriction, rule or regulation contained in any of the Governing Documents. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board, a suspension of the ability to use Common Area (and any facilities that may be located on the Common Area) may be imposed upon an Owner and/or any tenant, agent, guest, employee, contractor, subcontractor, visitor or invitee of that Owner for the failure and/or refusal of an Owner and/or that Owner's tenants, guests, employees, agents, contractors, subcontractors, visitors and/or invitees to comply with any covenant, condition, term, provision, restriction, rule or regulation contained in any of the Governing Documents. Fine(s) and/or suspension(s) may be imposed provided the following procedures are adhered to:

A. Notice. The Association shall notify the Owner of the alleged violation(s) and the proposed fine(s) and/or the proposed suspension(s). Included in the notice shall be the date and time of a meeting of the Association's Covenant Enforcement Committee ("CEC") at which time the Owner may present reasons why the proposed fine(s) and/or suspension(s) should not be imposed. At least fourteen (14) days' notice of such meeting shall be given to the Owner. Notice will be deemed to have been given when it is either personally delivered or deposited in the United States Mail, postage prepaid, and sent to the address of that Owner on file in the official records of the Association. The Association may provide a single notice and opportunity for a hearing to an Owner for any alleged violation(s) of a continuing nature.

B. Covenants Enforcement Committee. All hearings regarding the proposed fine(s) and/or suspension(s) shall be conducted by the Covenants Enforcement Committee ("CEC"). The CEC shall consist of at least three (3) members who are appointed by the Board. The members of the CEC serve at the pleasure of the Board and may be removed at any time with or without cause. Members of the CEC cannot neither be officers, Directors or employees of the Association, nor the spouse, parent, child, brother or sister of any officer, Director or employee of the Association.

C. Hearing. The alleged violation(s) shall be presented to the CEC by the Board and/or an agent designated by the Board after which the CEC shall hear reasons why the proposed fine(s) and/or suspension(s) should not be imposed. A written decision of the CEC shall be submitted to the Owner no later than thirty (30) days after the date of the CEC meeting. The Owner shall have a right to be represented by counsel and to cross-examine witnesses. Failure by an Owner to contest and/or object to any proposed fine(s) and/or suspension(s) in accordance with these procedures shall constitute a waiver of that Owner's rights to further contest the proposed fine(s) and/or suspension(s). The CEC, by majority vote, must approve any proposed fine(s) and/or suspension(s) in order for the fine(s) and/or suspension(s) to be imposed.

D. Amounts of Fine(s). The Board may recommend, and the CEC impose, fine(s) in the following amounts:

(1) One Hundred Dollars and no cents (\$100.00) for each violation. A fine or fines may be levied on the basis of each day of a continuing violation.

(2) No fine or fines for a continuing violation shall exceed Five Thousand Dollars and no cents (\$5,000.00) in the aggregate.

E. Payment and Collection of Fines. A fine or fines that are imposed on an Owner by the CEC shall be paid to the Association within thirty (30) days of the date of the written decision of the CEC. In any action to recover a fine or fines, the prevailing party shall be entitled to collect its reasonable attorneys' fees and costs.

F. Application of Proceeds. All monies received from a fine or fines shall be allocated and/or used as determined by the Board.

G. Non-exclusive Remedy. Any fine or fines imposed shall not be construed to be an exclusive remedy, and shall exist in addition to all other rights and remedies to which the Association may be otherwise entitled to under Florida law or the Governing Documents; provided, however, any penalty 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.

H. Length of Suspension. The Board may recommend, and the CEC impose a suspension or suspension(s) for a period of time which is the longer of sixty (60) days or during the term of a continuing violation. Any suspension or suspensions imposed shall not be construed to be an exclusive remedy, and shall exist in addition to all other rights and remedies to which the Association may be otherwise entitled to under Florida law or the Governing Documents.

I. Exceptions. This Section 13.5 shall not apply to any suspension of voting rights of a Member imposed by the Board when that Member fails to pay Assessments when they are due. This Section 13.5 shall also not apply to any to any fine or fines imposed by the Board when an Owner fails to pay Assessments or any other charges when they are due.

ARTICLE XIV.

MORTGAGEE PROTECTION

14.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage on a Lot who provides a written request to the Association (such request must state the name and address of such holder, insurer or guarantor and the Lot number, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of the following:

A. Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first Mortgage held, insured or guaranteed by such Eligible Holder;

B. Any delinquency in the payment of Assessments and/or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any Eligible Holder, upon written request, is entitled to written notice from the Association of any default in the performance of an Owner of a Lot of any obligation under the Governing Documents which is not cured within sixty (60) days;

C. Any lapse, cancellation or material modification of any insurance policy maintained by the Association; or

D. Any proposed action which would require the consent of a specific percentage of Eligible Holders.

E. The Association's failure to provide the written notice to an Eligible Holder pursuant to this Section 14.1 shall not subject the Association to damages and/or otherwise diminish the Association's rights under this Declaration.

14.2 Taxes and Other Charges. After forty-five (45) days' written notice to the Association, any holder, insurer or guarantor of a first Mortgage on a Lot shall have the right to pay, singly or jointly, taxes and/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 Area, and to receive prompt reimbursement from the Association.

14.3 Insurance Premiums. After forty-five (45) days' written notice to the Association, any holder, insurer or guarantor of a first Mortgage on a Lot shall have the right to pay, singly or jointly, any overdue premiums on any casualty insurance policy covering the Common Area and/or obtain, singly or jointly, new casualty insurance coverage on the Common Area upon the lapse of a policy and, in either case, receive prompt reimbursement from the Association.

14.4 Voting Rights of Mortgagee. For purposes of this Section 14.4, an Eligible Holder of a first Mortgage shall be entitled to one (1) vote for each first Mortgage held, insured or guaranteed.

A. Unless at least two-thirds (2/3) of the first Mortgagees or Members Entitled to Vote representing at least two-thirds (2/3) of the total votes of the Association (other than Declarant) approve, the Association shall not:

(1) By act or omission abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly. The granting of easements for public utilities and/or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this Section 14.4(A)(1);

(2) Change the method of determining the obligations, Assessments, dues and/or other charges which may be levied against an Owner. A decision by the Board, including but not limited to contracts, shall not be subject to this provision where such decision is otherwise authorized by this Declaration;

(3) By act or omission change, waive, abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Residences, Lots and the Common Area. The issuance and amendment of architectural standards, procedures, rules and regulations, and/or use restrictions shall not constitute a change, waiver, and/or abandonment within the meaning of this provision;

(4) Fail to maintain any insurance required by this Declaration

(5) Use casualty insurance proceeds for any Common Area losses for any purpose other than the repair, replacement and/or reconstruction of such Common Area. However, any surplus or net funds remaining following the repair, replacement and/or reconstruction of such Common Area may be allocated and/or used for any purpose as determined by the Board.

B. Any election to terminate the Association shall require: the approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the Association is the result of substantial destruction or a substantial taking in condemnation or eminent domain of the Property; or the approval of at least seventy-five percent (75%) of the Members Entitled To Vote representing the total votes of the Association and two-thirds (2/3) of the Eligible Holders.

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

14.5 No Priority. No provision of this Declaration or any of the Governing Documents gives and/or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of a Lot in the case of distribution to such Owner of insurance proceeds or condemnation payments or awards for losses to and/or a taking of the Common Area.

14.6 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder, insurer, or guarantor of any Mortgage encumbering such Owner's Lot(s).

14.7 Applicability of this Article 14. Nothing contained in this Article 14 shall be construed and/or interpreted to reduce the percentage vote that must be obtained under this Declaration, the Articles, the Bylaws or Florida law for any of the acts set out in this Article 14.

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

ARTICLE XV.

DURATION AND TERMINATION

This Declaration shall run with and bind the Property, 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 twenty-five (25) years from the date this Declaration is recorded in the Public Records of the County. Upon the expiration of the initial twenty-five (25) year period, this Declaration and each Supplemental Declaration shall be automatically renewed and extended for successive periods of ten (10) years. The number of ten (10) year renewal periods shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period. However, there shall be no renewal or extension of this Declaration if during the last year of any ten (10) year renewal period, Members Entitled To Vote representing at least eighty percent (80%) of the total votes of the Association vote in favor of termination this Declaration at the end of its then-current term, and both the City and the Saint Johns River Water Management District approve such termination in writing.

Written notice of any meeting at which such proposal to terminate this Declaration is to be considered setting forth the fact that such a proposal will be considered, shall be given at least sixty (60) days in advance of that meeting. If the required number of Members Entitled To Vote approve the termination of this Declaration, the President and Secretary of the Board shall execute a Certificate which sets forth the resolution of termination adopted by the Association, the date of the meeting of the Association's Members at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members Entitled To Vote, the total number of votes required to constitute a quorum at a meeting of the Association's Members, the total number of votes necessary to adopt a resolution to terminate this Declaration, the total number of votes cast in favor of such a resolution and the total number of votes cast against such a resolution.

This Certificate shall be recorded in the Public Records of Duval County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the

termination of this Declaration. Termination of this Declaration shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract were meant to survive any termination.

Should the Members Entitled To Vote terminate this Declaration as provided in this Article XV, all Common Area owned by the Association at such time shall be transferred to another association or appropriate public agency having a similar purpose. If no other association or public agency will accept such property, then it will be conveyed to a Trustee appointed by the Circuit Court of Duval County, Florida, which Trustee shall sell the Common Area free and clear of the limitations imposed hereby and upon terms established by the Circuit Court of Duval County, Florida. That portion of the Property consisting of the Drainage System cannot be altered, changed and/or sold separate from the lands its serves and without the prior approval of the District. The proceeds of such a sale shall first be used for the payment of any debts and/or obligations constituting a lien on the Common Area, then for the payment of any obligations incurred by the Trustee in the operation, management, maintenance, repair, replacement, cleaning and/or upkeep of the Common Area. The excess of proceeds, if any, from the sale of Common Area shall be distributed among Owners in a proportion which is equal to the proportionate share of such Owners in the Common Expense.

In the event of termination, dissolution or final liquidation, and if the Association has the responsibility for the operation and maintenance of any portion of the Drainage System, those portions of the Drainage System must be transferred to and accepted by an entity which would comply with the District Permit and the applicable provisions of the Florida Administrative Code, and be approved by the District prior to any such termination, dissolution or liquidation. In the event that the Association ceases to exist and an alternate entity is not assigned responsibility for the operation and maintenance of the Drainage System, then the Owners shall be jointly and severally liable for the operation and maintenance of the Drainage System until such responsibilities are assigned to, and assumed by, an acceptable alternate entity.

ARTICLE XVI.

GENERAL PROVISIONS

16.1 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, postage prepaid, to the last known address of the person who appears as Member or Owner in the official records of the Association at the time of such mailing.

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

powers, discretion and/or duties hereunder to such agent or agents as it may nominate, unless prohibited by Florida law or any of the Governing Documents.

16.3 Zoning Variances. Unless the written consent of the Association is first obtained, no Owner shall file a request for zoning variances, special exceptions and/or zoning changes affecting and/or relating to any real property located within the Property.

16.4 Relationships with Other Properties. The Association may enter into contractual agreements and/or covenants to share costs with any neighboring properties, other associations and/or any other Person to contribute funds for, among other things, shared or mutually beneficial property and/or services and/or a higher level of maintenance of any portion of the Property.

16.5 Reclaimed Water. If an Owner of a Lot has an irrigation system capable of using reclaimed water for irrigation purposes, and reclaimed water becomes available to the Property, then in such events, the Association may require that Owner to use the reclaimed water for irrigation purposes. The Association may charge a reasonable uniformly applied fee for the use of such reclaimed water. Costs of connection to the Reclaimed Water Source shall be paid by Declarant, if Declarant has requested such a connection for the Property, or by the Association, if the Association has requested such a connection for the Property.

16.6 Interpretation. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions and/or for 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. The Board shall have the right, except as limited by any other provisions of the Governing Documents, to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and the Board's determination, construction and/or interpretation shall be final and binding.

16.7 Indemnification. The Association shall indemnify every officer, Director, Committee member, employee of the Association and agent of the Association pursuant to the terms of the Governing Documents.

16.8 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.

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

16.10 Conflict. This Declaration shall take precedence over conflicting provisions in the Articles and Bylaws, and said Articles shall take precedence over the Bylaws and any Rules and Regulations hereinafter promulgated. The Bylaws shall take precedence over any Rules and Regulations hereinafter promulgated.

16.11 Cooperation. Each Owner, by acceptance of a deed therefore 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.

Notwithstanding the foregoing, to the extent that said documents require the joinder of Owners, Declarant by its duly authorized officers may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents and the Owners, by virtue of their acceptance of deeds or other instrument of transfer or conveyance, irrevocably nominate, constitute and appoint Declarant, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section 16.11 shall recite that it is made pursuant to this Section 16.11.

16.12 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.

16.13 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 Area to the public and/or for any public use.

16.14 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, rule, regulation, provision, easement, reservation, condition, lien and covenant contained in this Declaration, whether or not any reference to this Declaration is contained in the deed or any other instrument by which such person or entity acquired an interest in such Lot.

ARTICLE XVII.

DISCLAIMERS

17.1 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.

17.2 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 County, the City 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 that Owner's acceptance of title to a 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 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 XVI or in this Declaration generally.

As used in this Article XVII, the words "Association" and "Declarant" shall each include within their meanings all of the respective Directors, officers, Committees and board members,

employees, agents, attorneys, contractors (including without limitation management companies), and successors and assigns of each.

17.3 No Liability For Acts of Others. Owners, their family members, tenants, guests, agents, invitees, employees and any occupants of Lots, are responsible for their own personal safety and for their property in and/or on the Property. The Association may, but is not obligated to, maintain or support certain activities within the Property which are intended to promote or enhance safety or security within the Property. However, the Association, the Board and Declarant shall not in any way be considered insurers and/or guarantors of safety or security within the Property, nor shall they be held liable for any loss, damage, personal injury and/or death by reason of failure to provide adequate security or ineffectiveness of any security measures that may be undertaken.

No representation or warranty is made that any systems or measures, including, without limitation, fire protection, burglar alarm, or other security monitoring systems, (or if there is any gate, barrier, and/or other mechanism or system for limiting access to the Property), cannot be compromised or circumvented, nor that any such systems or measures undertaken will prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, agrees and shall be responsible for informing that Owner's family members, tenants, guests, invitees, agents, employees and all occupants of that Owner's Lot that the Association, the Board and its committees and Declarant are not insurers and/or guarantors of security or safety and that each Person within the Property has voluntarily assumed all risks of personal injury, death and loss or damage to property, including Lots and the contents of Lots, resulting from acts of others. Any gate, barrier and/or other mechanism or system for limiting traffic to the Property, if any, are solely intended to regulate traffic flow, and are not intended and/or designed to be a security feature, a safety feature, provide protection to persons and/or property, a warranty of personal safety, a guarantee of personal safety, a warranty of the safety of personal property and/or a guarantee of the safety of personal property. Any gate, barrier and/or other mechanism or system for limiting traffic to the Property will be used by the general public, and is not exclusive to the Owners. In addition, any gate, barrier and/or other mechanism or system for limiting traffic to the Property may be left completely open at any time to provide access to the public streets within the Property.

17.4 View Impairment. Neither Declarant nor the Association guarantee or represent that any view over, through and/or across the Lots, any open space or any other portion of the Property within the Property will be preserved without impairment. Neither Declarant nor the Association shall be obligated to relocate, prune, or thin trees or other landscaping. The Association (with respect to any Common Area) and Declarant have the right to relocate, prune, thin, or add trees and other landscaping from time to time subject to applicable law. Any express or implied easements for view purposes and/or for the passage of light and air are hereby expressly disclaimed.

17.5 Notices and Disclaimers as to Signal Reception. In recognition of the fact that interruptions in cable television, radio and satellite television will occur from time to time, neither Declarant nor the Association shall in any manner be liable for, and no Owner shall be

entitled to refund, rebate, discount, or offset in applicable fees, for any interruption in any such services, regardless of whether or not such interruption is caused by reasons within the service provider's control. Declarant or Association shall be entitled to retain any rebate, discount, or other compensation received from the provider of any such services in connection with the installation and/or operation of such systems within the Property.

17.6 Construction Activities. All Owners, occupants, and users of Lots are hereby placed on notice that Declarant and/or its agents, contractors, subcontractors, licensees, and other designees, successors, or assigns, shall continue, from time to time, to conduct construction activities within the Property. By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest in a Lot, and/or by using any portion of a Lot or the Property generally, Owners, occupants and users of Lots acknowledge, stipulate, and agree: (a) such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise), any property within or in proximity to the Lot or any other portion of the Property where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night, a holiday or otherwise during non-working hours); (c) that Declarant and all of its agents, contractors, subcontractors, licensees, and other designees, successors, and assigns, shall not be liable for any losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from and/or relating to any breach of this covenant; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Declarant to sell, convey, lease, and/or allow the use of Lots within the Property.

17.7 Natural Conditions. The Property may contain a number of manmade, natural, and/or environmentally sensitive areas that may serve as habitats for a variety of native plants and wildlife, including, without limitation, insects, venomous and non-venomous snakes, alligators, other reptiles, raccoons, foxes, wild dogs, wild cats, and other animals, some of which may pose hazards to persons and/or pets coming in contact with them. Each Owner and occupant of any Lot, and every Person entering the Property: (a) acknowledges and agrees that such plants and wildlife are indigenous to the area and are not restrained or restricted in their movements within and/or through the Property; and (b) knowingly and voluntarily assumes all risk of property damage, personal injury and/or death arising from the presence of such plants and wildlife within the Property. Neither the Association, Declarant, nor the members, partners, affiliates, officers, directors, shareholders, attorneys, agents, and/or employees of any of the foregoing, shall have any duty to take action to control, remove, or eradicate any plant or wildlife within the Property, nor shall they have any liability for any property damage, personal injury and/or death resulting from the presence, movement, and/or propagation of any plant or wildlife within or through the Property. The areas described in this Section 17.7 may also contain ponds, lakes, retention ponds, detention ponds, dry detention areas, intermittent pools of water, muddy areas and/or buffer areas, among other things, all of which are important to the ecological balance and maintenance of the area as a wildlife habitat. No Owner or occupant of a Lot shall enter upon, or permit their guests, family members, invitees, agents, tenants, employees, contractors, subcontractors, visitors or any other Person acting on that Owner's behalf to enter upon and/or disturb any such areas in any way without the prior written approval of the Association.

ARTICLE XVIII.

INSURANCE AND CASUALTY LOSSES

18.1 Insurance. The Board shall have the authority to and may obtain blanket all-risk casualty insurance, if reasonably and commercially available, for the Common Area, including without limitation, any structures, improvements and/or facilities that may be located on the Common Area and/or any other real property owned by the Association. If blanket all-risk coverage is not reasonably available, then an insurance policy providing fire, casualty and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair and/or reconstruction in the event of damage and/or destruction from any insured hazard.

To the extent available on commercially reasonable terms and conditions, the Board may also obtain a public liability policy covering the Common Area, the Association and its Members for all damage and/or injury caused by the negligence of the Association or any of its employees, Members and/or agents.

The Board may, in its discretion, also obtain additional insurance, including without limitation, fidelity bond coverage, Worker's Compensation insurance, flood insurance and directors and officers liability insurance. The insureds, deductibles, provisions and coverage types and amounts shall be determined by the Board, in the Board's discretion. Any fidelity bond coverage obtained by the Board shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification or non-renewal. The Association may self-insure against any risk.

Premiums for any insurance coverage obtained by the Association shall be a Common Expense and shall be included in the Annual Assessment, as described in Article VI of this Declaration. Any insurance policy obtained by the Board may contain a reasonable deductible, and, in the case of casualty insurance, the amount of the deductible shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board shall be written in the name of the Association as trustee for the respective benefited parties. Such insurance shall be governed by the following provisions:

A. All insurance policies shall be written with a company licensed to do business in the State of Florida;

B. All insurance policies on the Common Area shall be for the benefit of the Association, its Members and Mortgagees providing construction financing on the Common Area.

C. Exclusive authority to adjust losses under policies obtained by the Association on the Property shall be vested in the Board. However, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

D. In no event shall the insurance coverage obtained and maintained by the Board be brought into contribution with insurance purchased by individual Owners, occupants, tenants, or their Mortgagees.

E. All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons.

F. The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(1) a waiver of subrogation by the insurer as to any claims against the Board, its manager, its agent, the Owners, and their respective tenants, servants, agents, invitees and guests;

(2) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(3) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of any one or more individual Owners;

(4) a statement that no insurance policy may be canceled, invalidated, suspended and/or subject to non-renewal on account of the conduct of any Director, officer, employee of the Association, agent of the Association and/or the Association's duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its agent, its manager, any Owner or Mortgagee;

(5) that any "other insurance" clause in any policy exclude the policies obtained by individual Owners from consideration; and

(6) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification or non-renewal.

18.2 Insurance Obtained by Owners. By virtue of taking title to a Lot, each Owner agrees to carry blanket all-risk casualty insurance on that Owner's Lot and any building, Residence, structure, improvement and/or landscaping constructed, placed, installed, built and/or located on that Lot. The insurance to be obtained by each and every Owner shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair and/or reconstruction in the event of damage or destruction from any insured hazard. Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of the buildings, structures, Residence, improvements, and/or landscaping on that Owner's Lot, the Owner shall proceed promptly to repair and/or to reconstruct the

damaged structure in a manner consistent with the original construction or such other plans and specifications as are or may be approved in accordance with this Declaration. The Owner shall pay any costs of repair and/or reconstruction which are not covered by insurance proceeds. If the Residence is totally destroyed, the Owner may decide not to rebuild and/or to reconstruct, in which case the Owner shall clear the Lot of all debris and return that Lot to substantially the natural state in which it existed prior to the beginning of construction, and thereafter that Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the terms, conditions and provisions of this Declaration.

18.3 Damage and Destruction.

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

B. Any damage and/or destruction to the Common Area shall be promptly repaired and/or reconstructed unless the Members Entitled To Vote representing at least seventy-five percent (75%) of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair and/or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage and/or destruction, and/or reliable and detailed estimates of the costs of repair and/or reconstruction are not made available to the Association within the sixty (60) day time period, then the period shall be extended until such information is made available to the Members. However, such extension shall not exceed one hundred twenty (120) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage and/or destruction to Common Area shall be repaired and/or reconstructed. This provision shall not apply to construction Mortgagees providing construction financing for such damaged property.

C. If determined in the manner described above that the damage and/or destruction to the Common Area shall not be repaired and/or reconstructed, and no alternative improvements are authorized, then and in that event the affect portion of the Property shall be restored to their natural state that existed prior to the development and shall be maintained by the Association in a neat and attractive condition consistent with the terms, conditions and provisions of this Declaration.

18.4 Disbursement of Proceeds. If the damage and/or destruction for which the proceeds of insurance policies are paid is to be repaired and/or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs and/or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair and/or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in the Association's general operating account or any reserve account that has been established by the Association. If no repair and/or reconstruction

is made, any proceeds remaining after making settlements necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) shall be retained by and for the benefit of the Association and placed in either the Association's general operating account or any reserve account that has been established by the Association. This is a covenant for the benefit of any Mortgagee of Lot and may be enforced by such Mortgagee.

18.5 Repair and/or Reconstruction. If the damage and/or destruction to the Common Area for which insurance proceeds are paid is to be repaired and/or reconstructed, and such insurance proceeds are not sufficient to defray the cost of such repair and/or reconstruction, the Board shall, without the necessity of a vote of the Members Entitled To Vote, levy a Special Assessment against all Owners calculated in the same manner as the Annual Assessments. The damaged and/or destroyed portions of the Common Area shall be repaired and/or reconstructed to substantially the same condition in which that Common Area existed prior to the damage and/or destruction, allowing for any changes and/or improvements necessitated by changes in the then-applicable building codes.

18.6 Negligence or Willful Misconduct. Each Owner shall be liable to the Association for the costs to repair, replace and/or reconstruct any portions of the Common Area damaged by reason of the negligence or willful misconduct of any Owner or that Owner's tenants, guests, invitees, agents and/or servants. In this situation, the Owner shall be liable to the Association for any amount not fully covered by any insurance policy of the Association, including but not limited to any deductible. 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, invitees, agents and/or servants. The sums due from an Owner under this Section 18.6 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.

18.7 Condemnation of Common Area. Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation) by any authority having the power of condemnation and/or eminent domain, each Owner shall be entitled to notice thereof. The award, payment and/or settlement made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as herein provided:

If the taking involves a portion of the Common Area on which improvements have been constructed, then unless within ninety (90) days after such taking Declarant (so long as Declarant has Class B membership) and Members Entitled To Vote representing at least two-thirds (2/3) of the total vote of the Association otherwise agree not to restore, repair and/or replace such improvements, the Association shall restore, repair and/or replace such improvements taken on the remaining land included in the Common Area to the extent lands are available therefore. If such improvements are to be repaired, restored and/or replaced, the provisions of Article XVIII of this Declaration regarding the disbursement of funds in respect to casualty damage and/or destruction which is to be repaired, replaced and/or restored shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made by not to repair, replace and/or restore, or if there are net funds or surplus remaining after any such restoration, repair and/or replacement is completed, then such award, settlement, payment, surplus and/or net

funds shall be disbursed to the Association and used for any purposes as the Board shall determine.

18.8 No Partition. Except as is permitted in this Declaration or any amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person, Owner or entity acquiring any interest in the Property or any part thereof seek any judicial partition unless the Property has been removed from the provisions of this Declaration. This Section 18.8 shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property or from acquiring title to real property which may or may not be subject to this Declaration.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Declaration of Conditions, Covenants, Easements and Restrictions has been executed as of the date first set forth above.

Signed, sealed, and delivered
In the presence of:

KB HOME JACKSONVILLE LLC, a
Delaware limited liability company

Nora Lussier
Print Name: Nora Lussier

By: Mason Crapps
Name: Mason Crapps

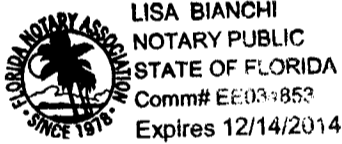
Lisa Bianchi
Print Name: Lisa Bianchi

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 4th day of March, 2014, by Mason Crapps as Dir. Land Acquisition of KB HOME JACKSONVILLE LLC, a Delaware limited liability company, on behalf of said company. He is personally known to me or has produced _____ as identification.

(NOTARY SEAL)



Lisa Bianchi
Notary Public

Printed Name: Lisa Bianchi
Commission Number: EE034853
My Commission Expires: 12-14-14

EXHIBIT "A"

Legal Description

Lots 3, 4, 5, 6, 7, 8, 9, 10 and 11 of TISONIA, according to the Plat thereof as recorded in Plat Book 18, Page(s) 63, of the Public Records of Duval County, Florida.

Exhibit "B"

Articles of Incorporation

**ARTICLES OF INCORPORATION
OF
HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC.
(A CORPORATION NOT FOR PROFIT)**

In compliance with the requirements of the laws of the State of Florida, and for the purpose of forming a corporation not for profit, the undersigned does hereby acknowledge:

1. **Name of Corporation.** The name of the corporation is HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC. (the "Association")
2. **Principal Office.** The principal office of the Association is 10475 Fortune Parkway, Suite 100, Jacksonville, Florida 32256.
3. **Registered Office – Registered Agent.** The street address of the Registered Office of Association is 461 A1A Beach Blvd., St. Augustine, FL 32080. The name of the Registered Agent of Association is Sovereign & Jacobs Property Management Companies.
4. **Definitions.** A declaration entitled Declaration of Conditions, Covenants, Easements and Restrictions for Hillcrest Bluff (the "Declaration") will be recorded in the Public Records of Duval County, Florida, and shall govern all of the operations of a community to be known as Hillcrest Bluff. All initially capitalized terms not defined herein shall have the meanings set forth in the Declaration.
5. **Purpose of Association.** Association is formed to: (a) provide for ownership, operation, maintenance and preservation of the Common Areas, and improvements thereon; (b) perform the duties delegated to it in the Declaration; (c) administer the interests of the Association and the Owners; (d) promote the health, safety and welfare of the Owners.
6. **Not for Profit.** Association is a not-for-profit Florida corporation and does not contemplate pecuniary gain to, or profit for, its members.
7. **Powers of Association.** Association shall, subject to the limitations and reservations set forth in the Declaration, have all the powers, privileges and duties reasonably necessary to discharge its obligations , including, but not limited to, the following:

7.1 To perform all the duties and obligations of Association set forth in the Declaration and By-Laws, as herein provided.

7.2 To enforce, by legal action or otherwise, the provisions of the Declaration and By-Laws and all of the rules, regulations, covenants, restrictions and agreements governing or binding Association and Hillcrest Bluff.

7.3 To fix, levy, collect and enforce payment, by any lawful means, of all Assessments pursuant to the terms of the Declaration, these Articles and By-laws.

7.4 To pay all Operating Costs, including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

7.5 To acquire (by gift, purchase or otherwise), annex, own, hold, improve, build upon, operate, maintain, convey, grant rights and easements, sell, dedicate, lease, transfer or otherwise dispose of real property (including the Common Areas) in connection with the functions of Association except as limited by the Declaration.

7.6 To borrow money, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money or debts incurred.

7.7 To dedicate, grant, license, lease, concession, create easements upon, sell or transfer all or any part of Hillcrest Bluff to any public agency, entity, authority, utility or other person or entity for such purpose and subject to such conditions as it determines and as provided in the Declaration.

7.8 To participate in mergers and consolidations with other non-profit corporations organized for the same purposes.

7.9 To adopt, publish, promulgate or enforce rules, regulations, covenants, restrictions or agreements governing Association, Hillcrest Bluff, the Common Areas, Lots and, as provided in the Declaration, to effectuate all of the purposes for which Association is organized.

7.10 To have and to exercise any and all powers, rights and privileges which a not-for-profit corporation organized under the laws of the State of Florida may now, or hereafter, have or exercise.

7.11 To employ, personnel and retain independent contractors to contract for management of Association, Hillcrest Bluff, and the Common Areas as provide in the Declaration and to delegate in such contract all or any part of the powers and duties of Association.

7.12 To contract for services to be provided to, or for the benefit of, Association, Owners, the Common Areas, and Hillcrest Bluff as provided in the Declaration, such as, but not limited to, Telecommunications Services, maintenance, garbage pick-up, and utility services.

7.13 To establish committees and delegate certain of its functions to those committees.

7.14 The Association shall operate, maintain, and manage the surface water or stormwater management system(s) in a manner consistent with the St. Johns Water Management District permit no. 4-117-22112-15 requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Conditions, Covenants, Easements, and Restrictions which relate to the surface water or stormwater management system.

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

8. Surface Water Management System. With respect to the Surface Water Management System within Hillcrest Bluff, the Association shall have the following duties:

8.1 Each Owner shall be responsible for his or her pro rata share of the maintenance, operation and repair of the Surface Water Management System.

8.2 The Association shall be responsible for the maintenance, operation and repair of the Surface Water Management System within Hillcrest Bluff. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the Surface Water Management System shall be as permitted, or if modified, as approved by the District.

8.3 Any amendment to the Declaration which alters the Surface Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Areas, must have the prior approval of the District.

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

8.5 To the extent it is impractical for an Owner to maintain, operate and repair the portion of the Surface Water Management System within such Owner's Lot, or in any circumstance wherein the Association determines it to be in the best interest of the Association, the Association shall have all responsibility for maintenance, repair and operation of the Surface Water Management System.

9. Voting Rights. Owners and Declarant shall have the voting rights set forth in the By-Laws.

10. Board of Directors. The affairs of Association shall be managed by a Board of odd number with not less than three (3) nor more than nine (9) members. The initial number of directors shall be three (3). Board members shall be appointed and/or elected as stated in the By-Laws. The election of Directors shall be held at the annual meeting. Directors shall be elected for a term expiring on the

date of the next annual meeting. The names and addresses of the members of the first Board who shall hold office until their successors are appointed or elected, or until removed, are as follows:

NAME	ADDRESS
Maston Crapps	10475 Fortune Parkway, Suite 100 Jacksonville, Florida 32256
Brian Small	10475 Fortune Parkway, Suite 100 Jacksonville, Florida 32256
Darren Gowens	10475 Fortune Parkway, Suite 100 Jacksonville, Florida 32256

11. **Dissolution.** In the event of the dissolution of Association other than incident to a merger or consolidation, any member may petition the Circuit Court having jurisdiction of the Judicial Circuit Court of the State of Florida for the appointment of a receiver to manage its affairs of the dissolved Association and to manage the Common Areas, in the place and stead of Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties. In addition, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or storm water 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 South Florida Water Management District prior to such termination, dissolution or liquidation.

12. **Duration.** Association shall have perpetual existence.

13. **Amendments.**

13.1 **General Restrictions on Amendments.** Notwithstanding any other provision herein the contrary, no amendment to these Articles shall affect the rights of Declarant unless such amendment receives the prior written consent of Declarant, as applicable, which may be withheld for any reason whatsoever. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to these Articles, then the prior written consent of such entity or agency must also be obtained. No amendment shall be effective until it is recorded in the Public Records.

13.2 **Amendments Prior to and Including the Turnover Date.** Prior to and including the Turnover Date, Declarant shall have the right to amend these Articles, as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Declarant's right to amend under this Section is to be construed as broadly as possible. In the event that Association shall desire to amend these Articles prior to and including the Turnover Date, Association must first obtain Declarant's prior written consent to any proposed amendment. Thereafter, an amendment identical to

that approved by Declarant may be adopted by Association pursuant to the requirements for amendments after the Turnover Date. Thereafter, Declarant shall join in such identical amendments so that its consent to the same will be reflected in the Public Records.

13.3 Amendments after the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, these Articles may be amended with the approval of (i) sixty-six and two thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present, in person or by proxy, at a duly noticed meeting of the members of Association at which there is a quorum.

14. Limitations.

14.1 Declaration is Paramount. No amendment may be made to these Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

14.2 Rights of Declarant. There shall be no amendment to these Articles which shall abridge, reduce, amend, effect or modify the rights of Declarant.

14.3 By-Laws. These Articles shall not be amended in a manner that conflicts with the By-Laws.

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

Maston Crapps
KB Home Jacksonville LLC
10475 Fortune Parkway, Suite 100
Jacksonville, Florida 32256

16. Officers. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine. The names and addresses of the Officers who shall serve until their successors are elected by the Board are as follows:

President	Maston Crapps 10475 Fortune Parkway, Suite 100 Jacksonville, Florida 32256
Vice President	Darren Gowens 10475 Fortune Parkway, Suite 100 Jacksonville, Florida 32256
Secretary/Treasurer	Brian Small 10475 Fortune Parkway, Suite 100

Jacksonville, Florida 32256

17. **Indemnification of Officers and Directors.** Association shall and does hereby indemnify and hold harmless every Director and every Officer, their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which such Director or Officer may be made a party by reason of being or having been a Director or Officer of Association, including reasonable counsel fees and paraprofessional fees at all levels of proceeding. This indemnification shall not apply to matters wherein the Director or Officer shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Director or Officers may be entitled.

18. **Transactions in Which Directors or Officers are Interested.** No contract or transaction between Association and one (1) or more of its Directors or Officers or Declarant, or between Association and any other corporation, partnership, association, or other organization in which one (1) or more of its Officers or Directors are officers, directors, or employees or otherwise interested shall be invalid, void or voidable solely for this reason, or solely because the Officer or Director is present at, or participates in, meetings of the Board thereof which authorized the contract or transaction, or solely because said Officer of Association shall incur liability by reason of the fact that such Director or Officer may be interested in any such contract or transaction. Interested Directors shall disclose the general nature of their interest and may be counted in determining the presence of a quorum at a meeting of the Board which authorized the contract or transaction.

SIGNATURES TO FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, being the Incorporator of this Association, has executed these Articles of Incorporation as of this 4th day of March, 2014.

WITNESSES:

Nora Lussier
Print name: Nora Lussier

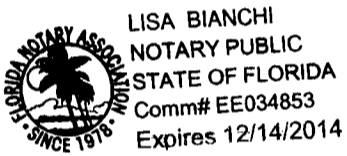
Lisa Bianchi
Print name: Lisa Bianchi

Maston Cropps
Name: Maston Cropps
Title: Director, Land Acquisition
Incorporator

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 4th day of March, 2014 by Maston Cropps, who is personally known to me.

My commission expires: 12/14/14



Lisa Bianchi
NOTARY PUBLIC
State of Florida
Print name: Lisa Bianchi

ACCEPTANCE BY REGISTERED AGENT

The undersigned, having been named to accept service of process for the above-stated corporation at the place designated in this certificate, hereby agrees to act in this capacity, and is familiar with, and accepts, the obligations of this position and further agrees to comply with the provisions of all statutes relative to the proper and complete performance of its duties.

Dated this 4th day of March, 2014.

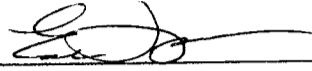

Ellen Lumpkin ~~Steven Sheremeta~~ on behalf of
Sovereign & Jacobs Property Management
Companies

Exhibit "C"

Bylaws

**BYLAWS
OF
HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

IDENTITY AND LOCATION

These are the Bylaws of HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC. (hereinafter called the "Association"), a corporation not for profit organized and existing under the applicable provisions of the Florida Statutes, for the purpose of administering the Property and the Common Area, in accordance with the Declaration of Conditions, Covenants, Easements and Restrictions for Hillcrest Bluff (the "Declaration") recorded or to be recorded in the Public Records of Duval County, Florida. The principal office of the Association shall be located at 10475 Fortune Parkway, Suite 100, Jacksonville, Florida 32256, but meetings of the Association's Board of Directors may be held at such places within the State of Florida as may be designated from time to time by the Board of Directors.

ARTICLE II

GENERAL

Section 1. Incorporation of Declaration. As supplemented herein, the regulation of the business, operation, powers, duties and affairs of the Association shall be governed by the Declaration, as it may be amended and/or supplemented from time to time, the terms and provisions of which are incorporated herein by reference as though it had been set forth in its entirety.

Section 2. Fiscal Year. The Fiscal Year of the Association shall be the time period beginning on January 1 though and including December 31 of each calendar year, or such other period of time as may subsequently be determined by the Board.

Section 3. Corporate Seal. The corporate seal of the Association shall include the following: "HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC.", "Florida" and "corporation not for profit".

Section 4. Definitions. Unless otherwise specifically provided in these Bylaws, all terms used in these Bylaws shall have the same definitions and meanings as those set forth in the Declaration, as it may be amended and/or supplemented from time to time.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

Section 1. Purpose. The purposes for which the Association is organized are as follows:

(a) To operate as a corporation not for profit pursuant to Chapter 617 and any other applicable provisions of the Florida Statutes, as they may be amended and/or renumbered from time to time. The Association does not contemplate pecuniary gain or profit. The Association shall not pay dividends and no part of any income of the Association shall be distributed to its Members, Directors or officers.

(b) To operate as a homeowners' association pursuant to Chapter 720 and any other applicable provisions of the Florida Statutes, as they may be amended and/or renumbered from time to time, and to administer, enforce and carry out the terms, conditions, restrictions and provisions of the Declaration as it may be amended and/or supplemented from time to time.

(c) To administer, enforce and carry out the terms and provisions of any other Declaration of Covenants, Conditions and Restrictions or similar document, submitting property to the jurisdiction of or assigning responsibilities, rights or duties to the Association.

Section 2. Powers. The Association shall have the following powers:

(a) All of the common law and statutory powers of a not for profit corporation organized under the laws of the State of Florida, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles of Incorporation, these Bylaws or the Declaration.

(b) To enter into, make, establish, amend and enforce, rules, regulations, Bylaws, covenants, restrictions and agreements to carry out the purposes of the Association. The Association may use any enforcement method authorized by the Declaration and/or Florida law, including but not limited to, fines, suspensions of use rights to the Common Area, actions for damages, equitable actions, injunctive relief, administrative actions, self-help, or any combination of those. The prevailing party in any action at law, action for damages, equitable action, action for injunctive relief and/or administrative action shall be entitled to recover all of its attorneys' fees, paralegal fees, costs, expenses, appellate attorneys' fees and appellate costs.

(c) To fix, levy and collect Assessments (Annual Assessments, Special Assessments, Initiation Assessments and/or Individual Assessments) for the Common Expense from Members to defray the costs, expenses, reserves and losses incurred or to be incurred by the Association and to use the proceeds thereof in the exercise of the Association's powers and duties, including without limitation, the maintenance, repair and operation of the Drainage System.

(d) To fix, levy and collect Special Assessments for Common Expense from Members to defray the costs, expenses, reserves, losses, damages and budget shortfalls incurred or to be incurred by the Association and to use the proceeds thereof in the exercise of the Association's powers and duties.

(e) To make, adopt, establish, amend and enforce rules and regulations regarding the use, appearance and/or condition of any portion of the Property bound by the terms, covenants, conditions and restrictions of the Declaration, including but not limited to, Common Area, Lots, Members, structures, improvements, Residences, landscaping and maintenance.

(f) To own, purchase, sell, mortgage, lease, administer, manage, operate, maintain, improve, repair and/or replace real property and personal property.

(g) To borrow and to hold funds, select depositories, administer bank accounts of the Association, and to pay all expenses, including licenses, public assessments, taxes or government charges, incident to the purposes and powers of the Association, as set forth in the Articles of Incorporation and as may be provided in the Declaration and these Bylaws.

(h) To purchase insurance for the protection of the Association, its officers, Directors, Members and such other parties as the Association may determine to be in the best interests of the Association. To require Members to purchase insurance for the protection of their Lots and any structures, landscaping, Residences and/or any other improvements on that Member's Lot.

(i) To operate, maintain, manage, repair, control, regulate, replace and/or improve the Common Area and such other portions of the Property as may be determined by the Association from time to time.

(j) To enter into contracts and agreements between third parties and the Association.

(k) To exercise architectural control, either directly or through appointed committees, over all buildings, structures, Residences, landscaping and/or improvements of any type to be placed, built, erected, installed and/or constructed upon any portion of the Property. Such architectural control shall be exercised pursuant to the Declaration.

(l) To provide for any functions and services within the Property as the Board of Directors in its sole discretion determines necessary or appropriate.

(m) To provide, purchase, sell, lease, acquire, replace, improve, maintain and/or repair such buildings, structures, pathways, landscaping, paving, equipment and property, both real and personal, as the Association, through its Board of Directors, in its discretion determines necessary or appropriate.

(n) To employ any personnel necessary to perform the obligations, services and/or duties required of or to be performed by the Association and/or to contract with others for the performance of such obligations, services and/or duties and to pay the costs thereof in accordance with whatever contractual arrangement the Board of Directors of the Association shall enter in its sole discretion.

(o) To establish, maintain, operate and use reserve funds for capital improvements, repairs and replacements. To establish, maintain, operate and use reserve funds for items, services, property and/or any other purpose as the Board of Directors of the Association may determine in its sole discretion to be in the best interest of the Association.

(p) To enter into a management contract with a third party for the maintenance and repair of any Common Area and for the operation of the Association. The Board of Directors will carry out this power on behalf of the Association. The management contract may provide a management fee to the management agent and the delegation of certain duties, as may be determined by the Board of Directors of the Association.

(q) To enter into agreements and/or contracts with professionals, including but not limited to attorneys, engineers, architects and accountants, to assist the Association in its performance of the obligations, services and duties required of or to be performed by the Association. The Board of Directors will carry out this power on behalf of the Association.

(r) To create, appoint, remove and/or dissolve any committees that the Board of Directors of the Association may deem appropriate.

(s) To collect delinquent Assessments by fine, claim of lien, suit or otherwise and to file and defend any suit or other proceeding in pursuit of all legal, equitable and/or administrative remedies or defense of all claims relating to the Declaration, these Bylaws, the Articles of Incorporation and/or Florida law.

(t) To adopt, change, repeal and/or amend the Bylaws.

(u) To adopt, change, repeal and/or amend Bylaws that would be effective only in an emergency.

Section 3. Power to be Exercised by Board of Directors. Except where approval by the Association's membership is specifically required by Florida law, the Declaration, the Articles of Incorporation and/or these Bylaws, all powers, duties, affairs, authority, and/or purposes of the Association shall be exercised and/or carried out exclusively by the Association's Board of Directors.

ARTICLE IV

OFFICIAL RECORDS OF THE ASSOCIATION

The Association shall maintain each of the following items, if applicable, which shall constitute the official records of the Association:

- (1) Copies of any plans, specifications, permits and warranties related to improvements constructed on the Common Area or any other property that the Association is obligated to maintain, repair and/or replace.
- (2) A copy of the Bylaws of the Association and a copy of each amendment to the Bylaws.
- (3) A copy of the Articles of Incorporation of the Association and a copy of each amendment to the Articles of Incorporation.
- (4) A copy of the Declaration and a copy of each amendment to the Declaration.
- (5) A copy of the current Rules and Regulations of the Association.
- (6) The minutes of all meetings of the Board of Directors, and the minutes must be retained for a minimum of seven (7) years.
- (7) The minutes of all Annual Meetings of the Association's membership, and the minutes must be retained for a minimum of seven (7) years.
- (8) The minutes of all Special Meetings of the Association's membership, and the minutes must be retained for a minimum of seven (7) years.
- (9) A current roster of all Owners and their mailing addresses and parcel identifications. The Association shall not be obligated to recognize a transfer or conveyance of ownership of any Lot until such time as the Association receives a true copy of the recorded deed or other written instrument establishing the transfer or conveyance of ownership of the Lot, and it shall be the responsibility and obligation of the new Owner(s) of the Lot to provide such true copy of said recorded instrument to the Association.
- (10) For those Owners consenting to receive notice by electronic transmission, the Association shall maintain the electronic mailing addresses and the numbers designated by those Owners. The electronic mailing address and number provided by an Owner to receive notice by electronic transmission shall be removed from the Association's records when consent to receive notice by electronic transmission has been revoked by that Owner. The Association shall not be liable for an erroneous disclosure of an Owner's electronic mail address or the number for receiving electronic transmission of notices.
- (11) All of the Association's insurance policies or a copy of those insurance policies. These must be retained for a minimum of seven years (7) from the effective date of each policy.

(12) A current copy of all contracts to which the Association is a party, including any management agreement, lease or other contract under which the Association has any obligation or responsibility.

(13) Any bids received by the Association for work to be performed, and these must be retained for a minimum of one (1) year.

(14) The financial and accounting records of the Association, kept according to good accounting practices, including the following:

(a) Accurate, itemized and detailed records of all receipts and expenditures.

(b) A current account and a periodic statement of the account of each Owner, designated the name and current address of each Owner who is obligated to pay assessments, the due date and amount of each assessment or other charge against the Owner, the date and amount of each payment on the account, and any balance due.

(c) All tax returns, financial statements and financial reports of the Association.

(d) Any other records that identify, measure, record or communicate financial information of the Association.

All financial and accounting records of the Association must be retained for a minimum of seven (7) years.

(15) A copy of the disclosure summary currently described in Section 720.401(1) of the Florida Statutes, as it may be amended and/or renumbered from time to time.

(16) All other written records of the Association which are related to the operation of the Association.

ARTICLE V

ACCESS TO OFFICIAL RECORDS OF THE ASSOCIATION

Section 1. Access to Records Generally. The official records of the Association shall be maintained at a location within the State of Florida. The official records of the Association shall be open to inspection and available for photocopying by Members or an authorized agent of a Member, except for the official records contained in Article V, Section 2 of these Bylaws. In order to inspect and/or photocopy the official records of the Association, a Member or a Member's authorized agent must first provide a written request to the Association or any person or entity designated by the Association to receive such written requests. The Association shall then make available the requested records for inspection and/or photocopying no later than ten (10) business days following receipt of the written request. Notwithstanding the foregoing, a Member and/or any authorized agent of that Member shall not be permitted to inspect the official

records of the Association for more than eight (8) hours per month. The Association, through the Board of Directors, has the right to adopt additional reasonable rules in writing governing the frequency, time, location, notice, records to be inspected and manner of the inspections. However, the Association and/or the Association's agent shall not at any time impose a requirement that a Member or an authorized agent of a Member specify a purpose for the inspection of the Association's official records or provide a reason for the inspection of the Association's official records.

The Association and/or its authorized agent are not required to provide a prospective purchaser and/or a lienholder with information about the Property, including without limitation, any Lot and the Association, other than the information and/or documents under Florida law required to be made available and/or disclosed. The Association and/or its authorized agent may charge a reasonable fee of up to One Hundred Fifty and No/100 Dollars (\$150.00) plus the reasonable cost of photocopying and any attorneys' fees incurred by the Association in connection with the response to the prospective purchaser, a lienholder, the current Member and/or the current Owner of the Lot for providing good faith responses to requests for information by and/or on behalf of a prospective purchaser and/or a lienholder, other than that required by law.

Section 2. Records Not Open for Inspection. The following official records of the Association shall not be accessible, open for inspection and/or photocopied by any Member or any authorized agent of any Member:

- (a) Any record of the Association protected by the attorney-client privilege.
- (b) Any record of the Association protected by the work-product privilege.
- (c) Any record of the Association prepared by an attorney for the Association or prepared at that attorney's express direction which reflects a mental impression, conclusion, litigation strategy and/or legal theory of that attorney or the Association, and the record was prepared exclusively for civil litigation, criminal litigation and/or adversarial administrative proceedings, or the record was prepared in anticipation of imminent civil litigation, criminal litigation and/or adversarial administrative proceedings. Once the civil litigation, criminal litigation and/or adversarial administrative proceedings completely conclude, including any and all appeals, enforcement and/or contempt proceedings, the records shall be open to, accessible to, and available for photocopying by any Member or any authorized agent of any Member.
- (d) Any information and record obtained by the Association in connection with the approval of a lease, sale and/or any other transfer of a Lot.
- (e) Any and all disciplinary records of the Association's employees.
- (f) Any and all health records of the Association's employees.
- (g) Any and all insurance records of the Association's employees.

- (h) Any and all personnel records of the Association's employees.
- (i) Any and all medical records of Members and/or residents of the Property.

Section 3. Cost of Photocopies. If the Association or the Association's agent have a photocopy machine available at the location where the Association's official records are maintained, the Association must provide Members or a Member's authorized agent with photocopies of requested documents during the inspection by those Members or authorized agents, if the entire photocopy request is limited to no more than twenty-five (25) pages. The Association may impose fees to cover the costs of providing any copies of the official records, including, without limitation, the costs of photocopying. The Association may charge a maximum of Fifty Cents (\$0.50) per page for any copies of the official records made on the Association's or the agent of the Association's photocopy machine.

If the Association or the Association's agent do not have a photocopy machine available at the location where the official records of the Association are kept, or if the records requested to be copied exceed a total of twenty-five (25) pages, the Association may have the requested copies made by an outside vendor and the Association may charge the Member requesting the copies the actual cost of the copying by the outside vendor.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Members of the Association. Each Owner (including Declarant) shall be a Member of the Association. Membership in the Association shall be appurtenant to and inseparable from the Lot giving rise to such membership, and any transfer of record title to a Lot shall operate automatically to transfer to the new Owner the membership in the Association appurtenant to that Lot. The interest, if any, of an Owner in the funds and assets of the Association may not be assigned, hypothecated or transferred in any manner, except as an appurtenance to that Owner's Lot. Membership in the Association is mandatory for all Owners and membership shall continue, as to each Owner, until such time as that Owner transfers or conveys that Owner's fee simple interest in the Lot upon which that Owner's membership is based or until such fee simple interest is transferred or conveyed by operation of law, at which time the membership in the Association will automatically pass to the grantee or transferee. Notwithstanding the foregoing, the Association shall not be obligated to recognize such a transfer or conveyance of membership until such time as the Association receives a true copy of the recorded deed or other written instrument establishing the transfer or conveyance of ownership of the Lot, and it shall be the responsibility and obligation of the new Owner(s) of the Lot to provide such true copy of said recorded instrument to the Association.

Section 2. Annual Meetings. An Annual Meeting of the Members of the Association shall be held during the calendar year at a date, time and location as determined by the Board of Directors. The election of Directors, if such an election is required to take place, shall take place at the Annual Meeting of the Members, except for the first election of Directors by Class A

Members which shall take place at a Special Meeting of the Members called when the Class B membership terminates and is automatically converted to Class A membership.

Section 3. Special Meetings. A Special Meeting of the Members of the Association may be called at any time by the President or the Board of Directors. A Special Meeting of the Members may also be called upon written request of at least sixty percent (60%) of the Association's Members. A Special Meeting of the Members may be called upon written request of the Declarant for so long as Declarant owns any Lot. Business conducted at any Special Meeting of the Members is limited to the specific purposes and issues described in the notice of the Special Meeting.

A Special Meeting of the Members shall be called and properly noticed when the Class B membership terminates pursuant to the Declaration for the purpose of the Class A Members electing Directors and any additional business that the Association will consider at that Special Meeting.

Section 4. Notice of Meetings. Notice of Meetings shall be as follows:

(a) Annual Meetings. The notice of the Annual Meeting shall include the time, date and location of the Annual Meeting. The notice of the Annual Meeting of the Members does not need to include a description of the purpose, business and/or items to be discussed or for which the Annual Meeting is called. The notice of the Annual Meeting of the Members shall be mailed, hand delivered or electronically transmitted to all Members at least fourteen (14) days prior to the date of the Annual Meeting and no more than sixty (60) days prior to the date of the Annual Meeting. Proof of compliance with this notice requirement shall be made by an affidavit executed by the person providing the notice, and this affidavit shall immediately be filed in the official records of the Association after it is executed.

The notice of the Annual Meeting of the Members shall also be posted in a conspicuous place within the community at least fourteen (14) days prior to the date of the Annual Meeting.

(b) Special Meetings. The notice for any Special Meeting of the Members shall include the time, date and location of that Special Meeting. In addition, the notice must contain a description of the purpose, business and/or items to be discussed or for which the Special Meeting is called. The notice for any Special Meeting of the Members shall be mailed, hand delivered or electronically transmitted to all Members at least fourteen (14) days prior to the date of that Special Meeting and no more than sixty (60) days prior to the date of that Special Meeting. Proof of compliance with this notice requirement shall be made by an affidavit executed by the person providing the notice, and this affidavit shall immediately be filed in the official records of the Association after it is executed.

The notice for any Special Meeting of the Members shall also be posted in a conspicuous place within the community at least fourteen (14) days prior to the date of that Special Meeting.

(c) Notice by Electronic Transmission. The Association shall not send any notice of the Annual Meeting or a Special Meeting of the Members by electronic transmission to

a Member, unless that Member has first consented to receive notice by electronic transmission. A Member may revoke his or her consent to receive notice by electronic transmission at any time, but must provide that revocation in writing to the Association or any person designated by the Association to receive such revocations.

(d) Notice Timing. Any notice required to be sent to any Member under these Bylaws shall be deemed to have been properly sent when personally delivered or mailed, postage prepaid, to the last known address of the person who appears as a Member in the official records of the Association at the time of such delivery or mailing. If any Member has consented to receive notice by electronic transmission, any notice required to be sent to that Member or Owner shall be deemed to have been properly given when sent and/or forwarded to the electronic mailing address(es) designated by that Member.

Section 5. Attendance at Meetings. All Members of the Association shall have a right to attend each Annual Meeting and any Special Meeting of the Members. In addition, all Members of the Association shall have the right to speak for at three (3) minutes on any item opened for discussion or included on the agenda of the Annual Meeting or any Special Meeting. However, if a Member wishes to exercise this right to speak, that Member must submit a written request to speak at least one (1) hour prior to the start of the Annual Meeting or Special Meeting at which that Member wishes to speak. This written request to speak must be submitted to the Association or any person designated by the Association to receive such written requests. The Board of Directors may adopt additional reasonable rules regarding the frequency, duration and manner Members are permitted to speak at the Annual Meeting and any Special Meeting.

Section 6. Adjournment of Meetings.

(a) Annual Meetings. The Annual Meeting of the Members may be adjourned to a different date, time and/or place. Notice of the new date, time and/or place shall be mailed, hand delivered or electronically transmitted to all Members at least fourteen (14) days prior to the new date of the adjourned Annual Meeting. Proof of compliance with this notice requirement shall be made by an affidavit executed by the person providing the notice, and this affidavit shall immediately be filed in the official records of the Association after it is executed.

The notice of the new date, time and/or place shall also be posted in a conspicuous place within the community at least fourteen (14) days prior to the new date of the adjourned Annual Meeting.

(b) Special Meetings. A Special Meeting of the Members may be adjourned to a different date, time and/or place. Notice of the new date, time and/or place shall be mailed, hand delivered or electronically transmitted to all Members at least fourteen (14) days prior to the new date of the adjourned Special Meeting. Proof of compliance with this notice requirement shall be made by an affidavit executed by the person providing the notice, and this affidavit shall immediately be filed in the official records of the Association after it is executed.

The notice for the new date, time and/or place shall also be posted in a conspicuous place within the community at least fourteen (14) days prior to the new date of the adjourned Special Meeting.

Section 7. Minutes of Meetings. Minutes of all Annual Meetings and all Special Meetings of the Members must be maintained in written form or in another form that can be converted into written form within a reasonable time. These minutes must be retained by the Association for a period of not less than seven (7) years.

Section 8. Quorum for Meetings. The presence, either in person or by proxy, at any Meeting of the Members of the Association, whether it is an Annual Meeting or a Special Meeting, of at least thirty percent (30%) of the Association's Members shall constitute a quorum for that Meeting. If a quorum is not attained at any Meeting of the Members of the Association, that Meeting may be adjourned from time to time pursuant to Article VI, Section 6 of these Bylaws until such time as a quorum is attained.

Section 9. Voting. If a quorum has been attained at any Meeting of the Members of the Association and unless otherwise provided by Florida law, the Declaration, the Articles of Incorporation or these Bylaws, any decisions or matters that require a vote of the Members must be approved by at least a majority of the Members present at that Meeting, either in person or by proxy.

The Association shall have two (2) classes of membership with the voting rights as follows:

(a) Class A. Class A Members shall be all the Owners of Lots, with the exception of Declarant for so long as Declarant retains Class B membership. Each Class A Member shall have one (1) vote for each Lot owned by that Member. When more than one person or entity is an Owner of any Lot, all such persons or entities shall be Members, but the vote for that Lot shall be exercised only by that one (1) Member Entitled To Vote. In no event shall there be more than one (1) Class A vote cast for each Lot.

(b) Class B. The Class B Member shall be the Declarant or Declarant's express assigns or successors in interest. Until conversion of the Class B membership to Class A membership as set forth in Article VI, Section 9(c) of these Bylaws, Declarant shall have fifteen (15) votes for each Lot owned by Declarant. As each Lot in the Property is conveyed by Declarant to a Class A Member, Declarant's votes for that Lot shall automatically terminate.

(c) Conversion of Class B Membership. Declarant's Class B membership shall continue in effect during the period from the date of the Declaration until the earlier of the following events:

(1) Three (3) months after ninety percent (90%) of all Lots in the Property have been conveyed or transferred to Owners other than Declarant, excluding conveyances and/or transfers to builders, contractors, and/or any others who purchase a Lot for the purpose of constructing improvements thereon for resale; or

(2) Ten (10) years after the date on which the Declaration is recorded in the Public Records of Duval County, Florida; or

(3) At such earlier time as Declarant, in its sole discretion, may so elect by recording a notice of such election in the Public Records of Duval County, Florida.

When the earlier of the preceding events occurs, the Class B Members shall call a Special Meeting of the Association's membership to advise of the termination of Class B membership. When Declarant's Class B membership terminates, Declarant will automatically be converted to Class A membership. Declarant shall then retain one (1) vote for each Lot still owned by Declarant. When the Class B membership converts to Class A membership in the Association, Declarant may exercise the right to vote any Lot(s) still owned by Declarant in the same manner as any other Class A Member, except Declarant cannot exercise its respective vote(s) for the purposes of reacquiring control of the Association or selecting a majority of the members of the Board of Directors.

(d) No Split Votes. The vote for each Lot must be cast as a single vote, and fractional votes shall not be allowed. If a Lot is owned by more than one (1) Owner, and the Owners of that Lot are unable to agree among themselves as to how the vote is to be cast, or if more than one (1) Class A vote is cast for any Lot, the vote for that Lot shall not be counted for any purpose except for establishing a quorum. 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.

(e) No Cumulative Voting. There shall be no cumulative voting on any issue, matter or candidate that is the subject of a vote by the Association's membership.

(f) Percentage of Members. When any reference is made in these Bylaws to a majority, specific percentage or fraction of Members, such reference shall be deemed to be a reference to a majority, specific percentage or fraction of the Members Entitled To Vote and not of the Members themselves. As an illustration, but not as a limitation, if there are twenty-four (24) Lots and all the Lots are owned by Class A Members, then there is a total of twenty-four (24) Members Entitled To Vote.

(g) Voting Qualifications. To be qualified to vote, a Class A Member must be current in payment of all Assessments and any liens which may have been levied against that Member and/or any Lot owned by that Member as of the date of the Meeting where the vote is to take place. Any person designated in writing by the Class B Member shall be qualified to cast the votes for each respective Lot owned by the Class B Member.

Section 10. Proxies. All Members entitled to vote by do so either in person or by proxy at any Meeting of the Members of the Association, whether it is an Annual Meeting or a Special Meeting. The proxy must be mailed or hand delivered to the Secretary of the Association's Board of Directors or another authorized person so designated to receive the proxy by the Board of Directors, so that the proxy is received prior to the date of the Meeting for which the proxy is

being given. All proxies must contain the date, time and place of the Meeting of the Members for which the proxy is being given. The proxy must be signed and dated by the authorized Member who executed the proxy. Any proxy will be effective only for the specific Meeting for which that proxy was originally given, and any reconvening of that Meeting that may have been adjourned. Notwithstanding the foregoing, a proxy shall automatically expire ninety (90) days after the date of the Meeting for which it was originally given, even if that Meeting is adjourned and reconvened at a later date, time and/or place. A proxy is revocable at any time at the pleasure of the Member who executes that proxy. If a proxy submitted by a Member does not provide a name of a proxy holder, the Secretary of the Board of Directors of the Association or another person designated by the Board of Directors, shall automatically become the proxy holder of that proxy.

Section 11. Recording of Meetings. Any Member may tape record and/or videotape any Meetings of the Members of the Association, whether it is an Annual Meeting or a Special Meeting, subject to the following and such further reasonable rules and restrictions that the Board of Directors may adopt from time to time:

- (a) The only audio equipment, video equipment and/or other devices which Members are authorized to utilize at any such Meeting is equipment which does not produce distracting sound, light and/or heat emissions;
- (b) All audio equipment and/or video equipment shall be assembled and placed in position in advance of the scheduled time for the start of the meeting;
- (c) Any Member videotaping, audiotaping and/or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the videotaping, audiotaping and/or recording; and
- (d) At least twenty-four (24) hours prior written notice shall be given to the Secretary of the Association's Board of Directors by any Member desiring to audiotape, record and/or videotape the Meeting.

Section 12. Conduct of Meetings. The President of the Board of Directors shall preside at all Meetings of the Members of the Association. If the President is unable to preside at a Meeting, or if the office of President is vacant when that Meeting occurs, the Board of Directors may designate another person to preside at that Meeting of the Members.

ARTICLE VII

BOARD OF DIRECTORS

Section 1. Board of Directors; Selection; Terms of Office. The affairs of the Association shall be managed and administered by a Board of Directors consisting of three (3), five (5) or seven (7) members, as may be determined from time to time by the Association's membership. While Declarant's Class B membership exists and until changed by a vote of the

Association's membership, the Board of Directors shall consist of three (3) members. Each member of the Board of Directors shall have one (1) equal vote.

All Directors, except those designated or appointed by the Declarant, shall be Members of the Association. A Member must be current in the payment of all Association Assessments to be eligible to run for and hold the position of Director. Directors must be natural persons who are eighteen (18) years of age or older.

In the event a Member is not a natural person (including but not limited to, corporations, partnerships, limited liability companies, limited liability partnerships and trusts), any person appointed by or who is an officer, director, partner, manager or trust officer of that Member shall be eligible to serve as a Director of the Association unless specific written notice to the contrary is signed and provided to the Association by that Member.

The Declarant shall have the sole right to appoint and remove any member(s) of the Board of Directors of the Association while Class B membership exists. When Class B membership terminates, the Class A Members shall elect Directors by written ballot at a Special Meeting of the Association's membership. Each Member shall be entitled to cast that Member's vote(s) for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting for any Director(s). All Directors elected by the Class A Members at this Special Meeting shall serve until the first Annual Meeting of the Association to be held after that Special Meeting, unless the Director resigns, dies, is recalled or is otherwise removed prior to the Annual Meeting of the Association, in which case the vacancy will be filled pursuant to these Bylaws.

All subsequent elections of Directors shall occur at the Annual Meeting of the Association's Members. Each Member shall be entitled to cast that Member's vote(s) for each of an many nominees as there are vacancies to be filled on the Board of Directors at the Annual Meeting. There shall be no cumulative voting for any Director(s). All Directors elected by the Class A Members at an Annual Meeting of the Association shall serve until the date of the next Annual Meeting of the Association, unless the Director resigns, dies, is recalled or is otherwise removed prior to the next Annual Meeting of the Association, in which case the vacancy will be filled pursuant to these Bylaws.

Section 2. Vacancies in the Board of Directors. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members ("recall") shall be filled by a majority vote of the remaining Directors, even though they may constitute less than a quorum of the Board. Each person elected to fill a vacancy on the Board of Directors shall serve until a successor is elected at the next Annual Meeting of the Association. A vacancy or vacancies shall be deemed to exist in the case of death, resignation, removal of any Director, judicial adjudication of mental incompetence of any Director, increases in the size of the Board, or in the event the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place.

Section 3. Recall of Directors. Any one (1) or more of the Directors (other than those appointed by Declarant) may be recalled with or without cause by a majority vote of the Members, provided the following procedures are followed:

(a) Directors may be recalled by an agreement in writing or by written ballot without a meeting of the Association's membership. The agreement in writing, the written ballots, a copy of the agreement in writing or a copy of the written ballots must be served on the Association by certified mail or by personal service by a process server. When at least a majority of the Board of Directors is sought to be recalled, the agreement in writing or written ballots shall list at least as many possible replacement Directors as there are Directors subject to the recall. The Members may vote for as many replacement candidates as there are Directors subject to the recall. When the recall of more than one (1) Director is sought, the agreement in writing or written ballots shall provide the Members a separate vote for each Director sought to be recalled. The agreement in writing and all written ballots must comply with the requirements of Florida law.

(b) The Board of Directors shall duly notice and hold a meeting of the Board no later than five (5) full business days after receipt of the agreement in writing or written ballots. At this Board meeting, the Board shall either:

- (1) Certify the written ballots or written agreement to recall a Director or Directors of the Board. If so certified, the Director or Directors shall be recalled effective immediately and the recalled Director(s) shall turn over to the Board within five (5) full business days any and all records and property of the Association in the possession of the Director(s); or
- (2) Not certify the written ballots or written agreement to recall a Director or Directors of the Board. The Board shall then, within five (5) full business days after the Board meeting, file a petition for arbitration with the appropriate agency of the State of Florida. The Members who executed the agreement in writing or written ballots shall constitute one party under the petition for arbitration. If, as a result of the arbitration, the arbitrator certifies the recall as to any Director or Directors of the Board, the recall of the Director or Directors will be effective upon mailing of the final order of arbitration to the Association. The Director or Directors so recalled shall deliver to the Board any and all records and property of the Association in the possession of the recalled Director(s) within five (5) full business days after the effective date of the recall.

(c) At the Board meeting held pursuant to Article VII, Section 3(b) of these Bylaws, minutes must be taken and those minutes must: record the date and time of the meeting; record the decision of the Board whether or not to certify the recall; and the vote count taken on each Director subject to the recall. If the Board of Directors decides not to certify the recall, in addition to the other requirements, the minutes must also identify each vote that was rejected, the parcel number of each rejected vote and the specific reason that each vote was rejected. The minutes of this Board meeting are an official record of the Association.

(d) If the Board of Directors fails to duly notice and hold a Board meeting within five (5) full business days after service of an agreement in writing or written ballots on the Association, the recall shall be deemed effective and the Director(s) so recalled shall immediately turn over to the Board all records and property of the Association in the possession of the Director(s).

(e) If it is determined by the applicable agency of the State of Florida, during the arbitration process described in Article VII, Section 3(b)(2) of these Bylaws, that a first recall effort was defective for any reason, the written agreements or written ballots used in that first recall effort which were not found to be defective may be reused in one (1) subsequent recall effort. In no event shall a written agreement or written ballot be valid for more than one hundred twenty (120) days after it has been signed by the Member.

(f) A Member can revoke or rescind that Member's written ballot or written agreement. The revocation or rescission must be in writing and delivered to the Association before the Association is served with the written agreement or written ballots.

(g) If any vacancy occurs on the Board as a result of a recall, and less than a majority of the Directors are removed, the vacancy may be filled by a majority vote of the remaining Directors. If any vacancy occurs on the Board as a result of a recall and a majority or more of the Directors are removed, those vacancies shall be filled by the Members who voted in favor of the recall. The Members may vote for replacement Directors in the written agreement or written ballots. The written agreement and all written ballots must comply with the requirements of Florida law. Any person elected to fill a vacancy on the Board that results from a recall shall serve until a successor is elected at the next Annual Meeting of the Association.

Section 4. Meetings. Meetings of the Board of Directors may be held at such times and places as shall be determined, from time to time, by a majority of the Directors. Special meetings of the Board may be called by the President of the Board, and must be called by the President or Secretary of the Board at the written request of one-third (1/3) of the Directors. Notice of all Board meetings shall be given to each Director, personally or by mail, telephone, facsimile or by electronic transmission, and shall be provided at least three (3) days prior to the meeting. Notice of Board meetings, which notice shall specifically include an identification of agenda items, shall be posted in a conspicuous place in the community at least forty-eight (48) hours preceding the date and time of the Board meeting, except in the event of an emergency as defined in Article VII, Section 15 of these Bylaws. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers to conduct Association business. Board meetings shall be open to all Members, except for: meetings between the Board and the Association's attorney with respect to proposed or pending litigation where the content of the discussion would be protected by the attorney-client privilege; and meetings between the Board and the Association's attorney held for the purpose of discussing personnel matters. The right of Members to attend Board meetings includes the right to speak for three (3) minutes at such meetings with respect to all designated agenda items. The Association may adopt additional reasonable rules governing the frequency, duration and manner of Member statements. The Board shall adopt by rule, and give notice to the Members of, a specific location in the community upon which all notices of Board and/or Committee meetings shall be posted. Directors may not vote at Board meetings by proxy or by secret ballot, except a secret ballot may be used by Directors only for the election of

officers. All meetings of the Board of Directors shall be conducted, to the extent practicable, in accordance with the latest published edition of Robert's Rules of Order (Revised). However, Robert's Rules of Order shall not be used in such a way to frustrate the proceedings or to unnecessarily delay the proceedings.

Section 5. Notice of Certain Board Meetings.

(a) Notwithstanding the notice requirement contained in Article VII, Section 4 of these Bylaws, if any meeting of the Board of Directors includes:

- (1) Consideration of Assessments (Annual Assessments, Special Assessments, Initiation Assessments or Individual Assessments); or
- (2) Levy or adoption of Assessments (Annual Assessments, Special Assessments, Initiation Assessments or Individual Assessments)

then notice of that Board meeting must be mailed or personally delivered to all Members not less than thirty (30) days before that Board meeting and no more than sixty (60) days before that Board meeting. In addition, the notice of that Board meeting must be posted in a conspicuous place in the community not less than fourteen (14) days before that Board meeting. The notice of that Board meeting must include a statement that assessments will be considered at the Board meeting and the notice must describe the nature of the assessments.

(b) Notwithstanding the notice requirement contained in Article VII, Section 4 of these Bylaws, if any meeting of the Board of Directors includes:

- (1) Adoption of, Amendments to and/or Revocations of the Governing Documents regarding use of Lots; or
- (2) Adoption of, Amendments to and/or Revocation of the Association Rules and Regulations regarding use of Lots

then notice of that Board meeting must be mailed or personally delivered to all Members not less than fourteen (14) days before that Board meeting. In addition, the notice of that Board meeting must be posted in a conspicuous place in the community not less than fourteen (14) days before that Board meeting. The notice of that Board meeting must include a statement that changes to the Governing Documents (and/or Association rules and regulations) will be considered at the Board meeting.

(c) Notwithstanding the notice requirement contained in Article VII, Section 4 of these Bylaws, if any meeting of the Board of Directors includes an item of business which is placed on the Board's agenda upon petition by Members pursuant to Article VII, Section 6 of these Bylaws, then notice of that Board meeting must be mailed or personally delivered to all Members no less than fourteen (14) days before that Board meeting. In addition, the notice of

that Board meeting must be posted in a conspicuous place in the community not less than fourteen (14) days before that Board meeting.

Section 6. Agenda Items Through Member Petition. If at least twenty percent (20%) of the Members petition the Board of Directors in writing to take up or address an item of business, the Board shall place that item of business on an agenda of the Board for the next regular meeting of the Board, but no later than sixty (60) days after the Association receives the petition with the required percentage of Members. Other than addressing the item(s) of business placed on the Board's agenda through the written petition, the Board is not obligated or required to take any other action on the item(s) at that Board meeting. Each Member of the Association shall have the right to speak for three (3) minutes on each item of business placed on the Board's agenda through written petition, and will be subject to any other reasonable rules that have been adopted by the Board governing the frequency, duration and manner of Member statements. In order to speak on any item, a Member must either sign a sign-up sheet if one is provided at the Board meeting or submit to the Association a written request to speak before that Board meeting begins.

Section 7. Waiver of Notice. Any Director may waive notice of a Board meeting before or after the Board meeting and that waiver shall be deemed equivalent to the due receipt by that Director of notice. Attendance by any Director at a Board meeting shall constitute a waiver of notice of such Board meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting has not been lawfully called or convened. The transactions at any meeting of the Board, however called and noticed or wherever held, shall be as valid as though they were made at a Board meeting duly held after regular call and notice, if a quorum is present, and if, either before or after the Board meeting, each of the Directors not present signs such written waiver of notice, a consent to holding such Board meeting, or an approval of the minutes of that Board meeting. All such waivers, consents and approvals shall be filed with the official records of the Association or made a part of the minutes of the Board meeting.

Section 8. Quorum. A quorum for any meeting of the Board of Directors shall consist of a majority of the entire Board. The acts approved by a majority of those Directors present at a Board meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is specifically required by the Governing Documents.

Section 9. Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required by Article VII, Section 4 or Article VII, Section 5 of these Bylaws. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted as long as notice of such business to be conducted at the rescheduled meeting is given.

Section 10. Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a Board meeting by signing and concurring in the minutes of that Board meeting shall constitute the approval of that Director of the business conducted at the Board meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.

Section 11. Presiding Officer. The presiding officer at any meeting of the Board of Directors shall be the President (who may, however, designate any other officer to preside). If the President is absent or if the office of President is vacant, the Vice President shall preside at that Board meeting.

Section 12. Action Without Meeting. The Directors shall have the right to take any action in the absence of a Board meeting which they could take at a Board meeting by obtaining the vote or written consent of all Directors. Any action so approved shall have the same effect as though taken at a duly constituted meeting of the Directors.

Section 13. Committees. The Board may by resolution create Committees, appoint persons to such Committees, and vest in such Committees such powers and responsibilities as the Board shall deem advisable. The resolution establishing a Committee may also appoint its members, as well as a chair, state the purposes of the Committee, and provide for reports and other administrative matters as deemed appropriate by the Board. The Board may at any time dissolve, terminate or expand any Committee that has been created. All persons appointed to serve on any Committee (including, without limitation, the Architectural Review Board) serve at the pleasure of the Board of Directors and may be removed at any time by the Board with or without cause. Meetings of any Committee established by the Board of Directors at which a quorum of the members of that Committee is present shall be open to all Members, except for: meetings between any Committee and the Association's attorney with respect to proposed or pending litigation and/or adversarial administrative proceedings where the content of the discussion would be protected by the attorney-client privilege; and meetings between any Committee and the Association's attorney held for the purpose of discussing personnel matters.

If any Committee created by the Board of Directors meets to make a final decision regarding any expenditure of Association funds, notice of that Committee meeting must be posted in a conspicuous place within the Property at least forty-eight (48) hours preceding the date and time of the Committee meeting. Any Committee created by the Board of Directors and/or the Association that will make a final decision regarding the expenditure of any funds of the Association shall have the same meeting and notice requirements as the Board of Directors set forth in these Bylaws.

Notice of any meeting of the Association's Architectural Review Board must be posted in a conspicuous place within the Property at least forty-eight (48) hours preceding the date and time of the Architectural Review Board meeting. The Association's Architectural Review Board shall have the same meeting and notice requirements as the Board of Directors set forth in these Bylaws.

Section 14. Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in written form or in another form that can be converted into written form within a reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

Section 15. Emergency Bylaws and Powers . In the event of an “emergency” as defined in Article VII, Section 15(a) of these Bylaws, the Board of Directors of the Association may exercise the emergency powers described in this Section, and any other emergency powers granted to a not for profit corporation under then-existing Florida law.

(a) An “emergency” exists for purposes of this Section 15 during the time a quorum of the Association's Directors cannot readily be assembled because of a catastrophic event, which includes without limitation, a hurricane, earthquake, act of war, civil unrest, domestic terrorism, or other similar occurrence. An “emergency” also exists during any period of time that local civil authorities have declared that a state of emergency exists in, or have ordered the mandatory evacuation of, the area in which the Property is located. A determination by any two (2) Directors that an emergency exists shall have presumptive validity.

(b) The Board of Directors may name as assistant officers persons who are not Directors, and these assistant officers shall have the same authority as the executive officers of whom they are the designated assistant during the period of the emergency, in the event of the incapacity of any officer of the Association.

(c) The Board of Directors may relocate the principal office during the period of the emergency, or designate alternative principal offices, or authorize the officers to do so.

(d) During any emergency the Board of Directors may hold Board meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice of that Board meeting may be given in any reasonable manner, including but not limited to, publication, radio and television. The Director or Directors in attendance at such a Board meeting shall constitute a quorum of the Board.

(e) Corporate action taken in good faith during the period of an emergency under this Section 15 to further the ordinary affairs of the Association shall bind the Association, and that corporate action shall have the rebuttable presumption of being reasonable and necessary.

(f) Any officer, Director, agent of the Association and/or employee of the Association acting with a reasonable belief that his or her actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct and/or gross negligence.

(g) The provisions of these emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of an emergency. However, all provisions of the Bylaws that do not conflict with the emergency Bylaws remain effective during the period of an emergency.

(h) The provisions of these emergency Bylaws shall cease to be effective once the reason for the emergency ends.

Section 16. Execution of Documents. The Board of Directors, except as otherwise provided in these Bylaws, hereby authorizes the President or, if the President is unavailable for a period greater than two (2) full business days, the Vice President to enter into any contract or agreement and/or to execute any instrument in the name and on behalf of the Association.

Section 17. Recording of Board Meetings. Any Member may tape record and/or videotape any meeting of the Board of Directors of the Association, subject to the following and such further reasonable rules and restrictions that the Board of Directors may adopt from time to time:

- (a) The only audio equipment, video equipment and/or other devices which Members are authorized to utilize at any such Meeting is equipment which does not produce distracting sound, light and/or heat emissions;
- (b) All audio equipment and/or video equipment shall be assembled and placed in position in advance of the scheduled time for the start of the meeting;
- (c) Anyone videotaping, audiotaping and/or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the videotaping, audiotaping and/or recording; and
- (d) At least twenty-four (24) hours prior written notice shall be given to the Secretary of the Association's Board of Directors by any Member desiring to audiotape, record and/or videotape the Board Meeting.

ARTICLE VIII

POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS

All of the duties, power and authority of the Association existing under Florida law or the Governing Documents shall be exercised exclusively by the Board of Directors, subject to approval by the Members only when specifically required. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining all Common Area and Association property.
- (b) Determining the Common Expense, Assessments, and any other financial obligations of the Association.

(c) Maintaining bank accounts on behalf of the Association and designating the signatories required therefore.

(d) Creation and maintenance of reserve accounts on behalf of the Association.

(e) Purchasing, leasing or otherwise acquiring title to, or an interest in, property in the name of the Association, or its designee, for the use and benefit of its members. The power to acquire personal property shall be exercised by the Board and the power to acquire real property shall also be exercised by the Board.

(f) Purchasing, leasing or otherwise acquiring property, including, without limitation, Lots, Residences or other property within the Property at foreclosure or other judicial sales, all in the name of the Association, or its designee.

(g) Making repairs, replacements, additions and improvements to, or alterations of, Common Area and/or Association property in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.

(h) Allocating income and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Association.

(i) Levying fines against Members, any family members, any tenants, any lessees, any guests, any licensees, any employees, any contractors, and subcontractors and/or any invitees of a Member for any violation(s) of the Governing Documents and/or the rules and regulations established by the Association to govern the conduct of Members, family members, tenants, lessees, guests, licensees, employees, contractors, subcontractors and/or invitees of a Member. No fine shall be levied except after giving reasonable notice and opportunity for a hearing to the affected Member and, if applicable, that Member's tenant(s), guest(s), lessee(s), licensee(s), family member(s), employee(s), contractor(s), subcontractor(s) and/or invitee(s).

(j) Suspending, for a reasonable period of time, the rights of any Member, any family member, any tenant, any lessee, any guest, any licensee, any employee, any contractor, any subcontractor and/or any invitee of a Member to use the Common Area, any recreational facilities and any amenities located on the Common Area for any violation(s) of the Governing Documents and/or the rules and regulations established by the Association to govern the conduct of Members, family members, tenants, lessees, guests, licensees, employees, contractors, subcontractors and/or invitees of a Member. No suspension shall be imposed except after giving reasonable notice of at least fourteen (14) days and an opportunity for a hearing to the affected Member and, if applicable, that Member's family member(s), tenant(s), guest(s), lessee(s), licensee(s), employee(s), contractor(s), subcontractor(s) and/or invitee(s).

(k) Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of Common Area and/or Association property or the acquisition of real property, and granting mortgages on and/or security interests in Association-owned property or the Association's assessment authority.

(l) Contracting and paying for the management, maintenance, repair and replacement of the Common Area and Association property (to the extent required) and authorizing a management agent (who may be an affiliate of the Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, preparation of financial records, maintenance of financial records, maintenance of the Association's official records, enforcement of the Governing Documents and maintenance, repair, and replacement of the Common Area and/or Association property with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Governing Documents, including, but not limited to, the making of any Assessments, promulgation of rules, amendment of the Governing Documents and execution of contracts on behalf of the Association.

(m) At its discretion, authorizing Members or other persons to use portions of the Common Area for private parties and gatherings and imposing reasonable charges for such private use.

(n) Exercising: (1) all powers specifically set forth in the Governing Documents; (2) all powers incidental thereto; and (3) all other powers not prohibited to a Florida not for profit corporation or a Florida "homeowners' association" as defined under Florida law.

(o) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.

(p) Selecting, appointing and removing all officers, Committee members, agents, contractors, vendors and/or employees of the Association, prescribing such powers and duties for them as may be consistent with law and the Governing Documents, and fixing their compensation, if any.

(q) Changing the principal office for the transaction of the business of the Association; designating any place for the holding of any Annual or Special Meeting of the Association's Members consistent with the provisions of the Governing Documents; and designating any place for the holding of any Board meeting consistent with the provisions of the Governing Documents.

(r) Fixing and levying from time to time Assessments upon the Owners, as provided in the Governing Documents; setting the due date for the payment of such Assessments and the date upon which the same shall become delinquent. Assessments shall be fixed and levied to provide for the payment of the expenses of the Association, for the operation, maintenance, repair and replacement of the Common Area (including, without limitation, any facilities and/or amenities constructed on the Common Area), Drainage System and Association property, to pay any service provider, for the costs of cable television that may be uniformly provided to all Lots, and for taxes and/or governmental assessments upon real or personal property owned, leased, controlled and/or occupied by the Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the

maintenance, improvement or development of such property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of its Members, all in accordance with the provisions of the Governing Documents. Should any Owner fail to pay such Assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent Assessments as provided in the Governing Documents.

(s) Enforcing the provisions of the Governing Documents and other agreements of the Association. To enforce any provision of the Governing Documents, the Board may take and/or seek any remedy at law, equitable remedy, administrative remedy, self-help, or any combination of these available to the Board.

(t) Contracting and paying for fire, casualty, errors and omissions, blanket liability, malicious mischief, vandalism, and any other insurance, insuring the Members, the Association, the Board of Directors and other interested parties, in accordance with the provisions of the Governing Documents, covering and protecting against such damages or injuries as the Board deems advisable, which may include, without limitation, medical expenses of persons injured on the Common Area and/or Association property and to bond the agents and employees of any management body, if deemed advisable by the Board. The Board of Directors shall review at least once each calendar year all insurance policies and bonds obtained by the Board on behalf of the Association.

(u) Employing personnel and/or professional services necessary for the operation of the Common Area, Association property, and the Association, including legal and accounting services, and contracting and paying for improvements to the Common Area and/or Association property.

(v) Contracting and paying for maintenance, gardening, landscaping, materials, supplies and services relating to the Common Area and/or Association property.

(w) Delegating its powers according to law and the Governing Documents.

(x) Granting easements where necessary for utilities, telecommunications, cable television, water facilities, sewer facilities and any other services or utilities over the Common Area or any other portion of the Property.

(y) Fixing, determining and naming from time to time, if necessary or advisable, the public agency, fund, foundation or not for profit corporation or association, which is then organized, to which the Assessments of this Association shall be distributed upon liquidation or dissolution, according to the Association's Governing Documents. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Association, and after distribution of all property held or acquired by the Association under the terms of a specific trust or trusts.

(z) Adopting such rules and regulations as the Board may deem necessary for the operation and/or management of the Property, Residences, Lots, Common Area and/or Association property, which rules and regulations shall become effective and binding after (1)

they are adopted by a majority of the Board at a duly noticed Board meeting held pursuant to these Bylaws, and (2) the rules and regulations are mailed or personally delivered to all Members of the Association within ten (10) business days following the adoption of the rules and regulations. Such rules and regulations shall not materially adversely affect the rights, privileges or preferences of Declarant as established by the Governing Documents without the prior written approval of Declarant. Such rules and regulations may concern, without limitation, use of the Common Area, use of Association property, signs, parking restrictions, use of Lots, maintenance of Lots, appearance of Lots, use of Residences, maintenance of Residences, appearance of Residences, and any other matter within the jurisdiction of the Association as provided in the Governing Documents. However, any rules and regulations shall be enforceable only to the extent that they are consistent with the Governing Documents.

ARTICLE IX

OFFICERS

Section 1. Designation. The principal officers of the Association may be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in the Board's judgment may be necessary. Officers must be Directors. Any two offices may be held by the same person, however the offices of President and Secretary may not be held by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the Annual Meeting, following the election of Directors. Notwithstanding the foregoing, officers shall be elected at the Special Meeting of the Association held when Directors are to be elected by the Class A Members for the first time following termination of the Class B membership. Each officer shall hold his or her office at the pleasure of the Board of Directors, until he or she has resigned, is removed, is recalled or is otherwise disqualified to serve.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, with or without cause, and his or her successor elected at any duly noticed meeting of the Board of Directors.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a corporation. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Association. The President shall be ex officio a member of all standing committees established by the Board, and he or she shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent, disabled, refuses to act or is unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members of the Association at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association and of the Board of Directors required by the Governing Documents, these Bylaws or by law to be given. The Secretary shall maintain a list of Members, listing the names and addresses of the Members as furnished to the Association, and such list shall be changed only at such time as satisfactory evidence of a change in ownership is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, financial statements, financial records, tax records and other records of business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with the Governing Documents, shall render to the President and Directors, upon request, an account of all of his or her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE X

COMPENSATION AND RESIGNATION

Section 1. Compensation. No Director or officer shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, or from contracting with a Director or officer for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

Section 2. Resignation. Any Director or officer may resign his or her post at any time by written resignation delivered to the Board, to the President of the Association, or to the Secretary of the Association. Any such resignation shall take effect upon its receipt unless a

later date is specified in the resignation, in which event the resignation shall be effective from such date unless the resignation is withdrawn prior to that later date. The acceptance of a resignation shall not be required to make it effective. The conveyance, sale or transfer of all Lots owned by any Director (other than appointees of the Declarant) shall constitute an immediate written resignation of that Director, and that Director's position on the Board may then be filled pursuant to these Bylaws.

ARTICLE XI

BUDGET AND ASSESSMENTS

Section 1. Budgeting and Allocating Common Expense. The Association's budget and Common Expense shall be determined, calculated, assessed, imposed, adopted and collected as set forth in the Declaration.

Section 2. Reserve Accounts.

The Board may establish reserve accounts which the Board, in its sole and absolute discretion, determines are necessary and/or desirable. Any reserve account established by the Board shall be part of the Common Expense and included as part of the Annual Assessment for each Fiscal Year.

Section 3. Initiation Assessment.

The Association hereby establishes an Initiation Assessment (the "Initiation Assessment") applicable to each Lot, in an amount not to exceed one-half of the Operating Budget amount determined by the Board of Directors for the year in which the Initiation Assessment is due and payable. The Initiation Assessment shall become due and payable upon first occupancy of such Lot as a place of residence by a Class A Member or upon the first conveyance of the Lot with a completed dwelling, whichever occurs first. Declarant shall not be required to pay the Initiation Assessment but the third party purchaser of any Lot from Declarant shall be liable for the Initiation Assessment. Such Initiation Assessment may be used to fund the Association's initial start up costs and other operating expenses or to help fund reserves, in the Board's discretion. The Initiation Assessment may be referred to by another name, such as Working Capital Contribution, Working Fund Contribution or some other name, in any marketing, sales, promotional and/or disclosure materials.

No further Initiation Assessment shall be due for any subsequent transfer of ownership of any Lot from one Class "A" Member to a successor Class "A" Member.

Section 4. Use and Consumption Fees; Licenses and Royalties.

The Board may charge use and consumption fees to any person and/or entity using Association services or facilities and may, in its discretion, determine the amount and method of determining such fees. Different fees may be charged to different classes of users (for example, Owners and non-Owners). Any such fees charged to Owners shall be considered an Individual Assessment against the Lots of such Owners under Article XI, Section 4(a) of these Bylaws.

As set forth in the Governing Documents, the Association may enter into license agreements with Declarant or other parties to permit the Association's use of trade names or service marks, such as the use of the name "**Hillcrest Bluff**". To the extent permitted by such license agreements, the Board may enter into sub-license agreements, under negotiated terms, which permit others within the Property to use such trade names and/or service marks. The Association may charge fees and collect royalties in connection with such sub-license agreements; provided, Declarant and any Declarant Affiliate shall retain the absolute right to use such trade names and service marks without payment of any license fees. Any such fees and royalties shall be considered an Individual Assessment under Article XI, Section 4 of these Bylaws.

Section 5. Depository. The depository of the Association shall be such bank or banks in the State of Florida as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Any and all banks utilized by the Board of Directors and the Association shall be federally insured. Withdrawal of monies from those accounts may be made by either: (a) checks signed by such person or persons as are authorized by the Board of Directors; or (b) electronic fund transfers by such person or persons as are authorized or under the direction of the Board of Directors. All reserve and operating funds collected by the Association from Assessments or otherwise shall not be commingled in a single account and shall be divided into more than one (1) account as determined by a majority of the Board of Directors. In addition, a separate reserve account may be established for the Association in such a depository for monies specifically designated as reserves for capital expenditures, deferred maintenance and/or any other item or expense in the sole discretion of the Board of Directors.

Section 6. Fidelity Bonds. Fidelity bonds may be required, in the discretion of the Board of Directors, for all persons handling or responsible for Association funds in such amounts as shall be determined by a majority of the Board, but in no event less than the greater of One Hundred Thousand Dollars (\$100,000) or the maximum amount that will be in the custody or control of the Association or any persons handling or responsible for Association funds at any one time. The premiums on such bonds shall be paid by the Association as a Common Expense.

Section 7. Accounting Records and Reports. The Association shall maintain accounting records in the State of Florida, according to accounting practices normally used by similar associations. All financial and accounting records must be kept by the Association for a period of at least seven (7) years. The records shall include, but not be limited to: (a) accurate, itemized and detailed records of all receipts and expenditures; (b) a current account and periodic statement of the account of each Member, designating the name and current mailing address of each Member, the amount of each Assessment, the dates and amounts in which the Assessments come due, the amount paid upon the account and the dates so paid, and the balance due; (c) all tax returns, financial statements and financial reports of the Association; and (d) any other Association records that identify, measure, record or communicate financial information.

Within ninety (90) days following the end of each Fiscal Year, the Association shall prepare, or contract with a third party to have prepared, a complete annual financial report. The annual financial report will consist of a complete set of financial statements that were prepared in accordance with generally accepted accounting principles, and with such other requirements

established by Florida law for a homeowners' association with total annual revenue of the Association. When the Board of Directors completes or receives this annual financial report, the Association shall within twenty-one (21) calendar days, but no later than August 1 of each calendar year either: mail or deliver a copy of the annual financial report to each Member; or mail or deliver a written notice to each Member that a copy of the annual financial report is available upon request at no charge to the Member.

ARTICLE XII

AMENDMENTS TO THE BYLAWS

These Bylaws may be amended, altered, modified, repealed and/or rescinded in the following manner:

Section 1. Notice. Notice of the subject matter of a proposed amendment, alteration, rescission, and/or modification to these Bylaws shall be included in the notice of the meeting of the Association's Board of Directors at which a proposed amendment, alteration, rescission and/or modification to these Bylaws is to be considered.

Section 2. Adoption. An amendment, alteration, modification and/or rescission of these Bylaws may be made upon the approval of a majority of the entire Board of Directors at a duly noticed meeting of the Board.

Section 3. Effective Date. The effective date for any amendment, alteration, modification and/or rescission of these Bylaws shall be when a Certificate of Amendment is signed by an officer of the Association and filed in the Public Records of Duval County, Florida along with a copy of the text of the amendment, alteration, modification and/or rescission.

ARTICLE XIII

CONFLICTING PROVISIONS

Section 1. Conflicting Provisions. In case any of these Bylaws conflict with any provisions of the laws of the State of Florida, such conflicting Bylaws shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.


Section 2. Waiver. No provision of these Bylaws or any regulation promulgated by the Board of Directors pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 3. Severability. The provisions of these Bylaws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 4. Captions. Captions and headings are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision.

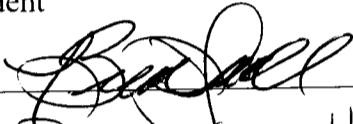
Section 5. Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and the plural shall include the singular whenever the context requires or permits.

IN WITNESS WHEREOF, the members of the Board of Directors have adopted these HOMEOWNERS' Bylaws of HILLCREST BLUFF HOMEOWNERS ASSOCIATION, INC. effective as of this 4th day of March, 2014.



Print Name: Maston Crapps

Title: President

Attested by: 

Print Name: Brian Small

Title: Secretary