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DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR BRANDYWINE

THIS DECLARATION, is made this 28th day of December, 2000, by SOUTH BEACH AT PONTE VEDRA, INC., a Florida corporation, hereinafter referred to as "Developer," who recites and provides:

R E C I T A L S:

A. Developer is the owner of certain land located in Duval County, Florida, being all of that real property platted as BRANDYWINE in Plat Book 53, pages 86, 86A through 86I, inclusive, of the current public records of Duval County, Florida, which is commonly referred to as "Brandywine" (the "Property"). Developer desires to maintain the beauty of the Property to assure high quality standards for the enjoyment of the Property.

B. Developer is now or may become the owner of certain other real property adjacent or contiguous to the Property (hereinafter referred to as the "Future Development Property") and Developer desires to reserve the right to develop all or a portion of the Future Development Property in a manner consistent with this Declaration of Covenants, Conditions and Restrictions of BRANDYWINE (hereinafter referred to as the "Declaration") and to annex all or a portion of the Future Development Property to the terms of this Declaration and require that the owners of lots in such Future Development Property be members of the Association created herein.

C. Developer intends to develop the Property for the purpose of constructing single family dwellings thereon, which dwellings will share certain Common Property (as hereinafter defined), and which will be occupied and maintained as a residential development for the mutual and common advantage of all Owners (as hereinafter defined) and occupants thereof, who shall own and occupy the Property, subject to the provisions of this Declaration and all other rules and regulations applicable to the Property.

D. Developer desires to provide for the preservation and enhancement of the Property, and for the maintenance of the Property and the improvements thereon, Developer desires to subject the Property to the covenants, restrictions, easements, charges and liens of this Declaration, each and all of which is and are for the benefit of the Property and each Owner of a portion thereof.

E. Developer desires to provide for the efficient management of the Property, in connection therewith Developer deems it desirable to create a non-profit corporation with the power and duty of administering and enforcing the protective covenants, conditions, restrictions, easements and limitations hereinafter set forth, including, without limitation, the maintaining and administering of the Common Property and collecting and disbursing the Assessments hereinafter created. To this end, Developer has created or will create Brandywine Homeowners Association, Inc., a Florida not-for-profit corporation ("Association"), whose membership shall include the Owners of all or any part of the Property.

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DECLARATION

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

ARTICLE I

DEFINITIONS

Section 1.1 Defined Terms. The following definitions shall apply wherever these capitalized terms appear in this Declaration:

(a) "ARB" means the Architectural Review Board of the Association.

(b) "Annexation" shall mean and refer to the addition of the Future Development Property and/or any other lands contiguous to the property or contiguous to the Future Development property, at the option of Developer, to the Property and the subjection of such property to the terms and conditions set forth in this Declaration. Annexation shall be accomplished by Developer recording an amendment to this Declaration in the current public records of Duval County, Florida, describing the property to be annexed and stating that such property is subject to all the terms, covenants, conditions and restrictions of this Declaration.

(c) "Articles" means the Articles of Incorporation for the Association, as amended from time to time.

(d) "Assessment"" means and include all types of charges to which a Lot is subject, including, without limitation, Annual Assessments, Special Assessments, Emergency Assessments, and Lot Assessments (as hereinafter defined).

(e) "Association" means Brandywine Homeowners Association, Inc., a Florida non-profit corporation, its successors and assigns, which is responsible for the management and operation of the Property.

(f) "Board of Directors" means the Board of Directors of the Association.

(g) "Bylaws" means the Bylaws of the Association as amended from time to time.

(h) "Common Property" means all of the Property, except the Lots, together with any improvements thereon, and all personal property intended for the common use and enjoyment of the Owners, and any area within the Property which the Association is obligated to maintain, notwithstanding that it may not own the underlying fee simple title to such areas. The Common Property is not dedicated for use by the general public. The Common Property shall specifically include, without limitation, sign and landscape easements (including, but not limited to, those shown on the plat of the Property), common roads, traffic control signs, entry features (including easement, sign, landscaping, lighting, and entry wall), any perimeter fencing or walls, all landscaping not located within a Lot, the Stormwater Management System (defined below), and Tracts A, B, C and D as shown on the Plat of the Property.

(i) "Common Roads" means the roads depicted on any plat of the Property which provide ingress and egress to any Lot,

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Residence, or any part of the Property. The Common Roads shall be conveyed to the Association and shall not be dedicated to the public except as herein provided. References to Common Property include the Common Roads unless specifically set forth to the contrary.

(j) "County" means Duval County, Florida.

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

(l) "Developer" means South Beach at Ponte Vedra, Inc., its successors and assigns, or any successor or assign of all or substantially all of its interests in the development of the Property. Reference in this Declaration to South Beach at Ponte Vedra, Inc. as the Developer under this Declaration is not intended and shall not be construed to impose upon South Beach at Ponte Vedra, Inc., any obligations, legal or otherwise, for the acts or omissions of third parties who purchase Lots within the Property from South Beach at Ponte Vedra, Inc. and develop and resell the same. Developer may also be an Owner for so long as Developer shall be the record owner of any Lot. Developer may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of the Property. In the event of such a partial assignment, the assignee shall not be deemed the Developer but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a nonexclusive basis. In addition, in the event that any person or entity obtains title to all of the property owned by Developer as a result of foreclosure or deed in lieu thereof, such person or entity may elect to become the Developer as a result of foreclosure or deed in lieu thereof, such person or entity may elect to become the Developer by written election recorded in the public records of the County, and regardless of the exercise of such election, such person or entity may appoint the Developer or assign any rights of Developer to any other party which acquires title to all or any portion of the Property by written appointment recorded in the public records of the County. In any event, any subsequent Developer shall not be liable for any actions, defaults, or obligations incurred by any previous Developer, except as may be expressly assumed by the subsequent Developer.

(l) "Future Development Property" shall mean and refer to that certain property adjacent or contiguous to the Property as Developer may determine from time to time.

(m) "Initial Improvements" means the initial, original construction of Residences, and related improvements and initial landscaping upon the Lots constructed by Developer or those builders specified by Developer.

(n) "Lot" means any plot of land intended as a site for a Residence and shown upon any duly recorded subdivision plat of the Property and the Future Development Property, if such property is annexed as herein set forth. References herein to "Lot" shall also include the Residence and all improvements thereon, unless specifically set forth to the contrary. In the event that Developer conveys a Lot together with all or part of an adjacent Lot (such combination of Lots being hereafter referred to as "Reconfigured Lot") to one Owner who constructs only one single family dwelling unit thereon, such reconfigured Lot shall be deemed to be a "Lot" and subject to one Assessment and entitled to one vote and except as specifically set forth herein all references to "Lots" means and include "Reconfigured Lots". Provided, however, if such a combined Reconfigured Lot is subsequently developed with an additional Residence it shall be deemed to constitute two Lots

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and be entitled to two (2) votes and be liable for payment of two Assessments.

(o) "Member" means a person entitled to membership in the Association, as provided in this Declaration.

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

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

(r) "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including the buyer under a contract for deed which is a part of the Property or the Future Development Property, if such property is developed and annexed as herein set forth, including contract sellers. Owners shall not include those having such interest merely as security for the payment or repayment of a debt obligation.

(s) "Property" means that certain real property described as such in the Recitals above.

(t) "Residences" means any single family residential dwelling constructed or to be constructed on or within any Lot.

(u) "Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution, or otherwise affect the quantity and quality of discharges.

ARTICLE II

ASSOCIATION

Section 2.1 Members. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to each Lot, and shall be transferred automatically by conveyance of the title to any Lot, whereupon the membership of the previous Owner shall automatically terminate. Persons or entities which have an interest in any Lot merely as security for the performance of an obligation shall not be Members of the Association, and in such case the beneficial Owner shall retain the membership in the Association.

Section 2.2 Voting Rights. The Association shall have two classes of voting membership:

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

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or other entity (with exception of Developer) such entity shall be subject to the applicable rules and regulations for such entities contained in the Articles and Bylaws. Provided however, if an Owner owns a Reconfigured Lot, for so long as such Reconfigured Lot contains only one single family Residence, the Owners thereof shall have only one vote in Association matters.

(b) Class B. The Class B Member shall be Developer and shall be entitled to three (3) votes for each lot owned or intended to be a part of this Association. The total number of votes of the Class B Member shall be increased at the time of annexation of Future Development Property to a number equal to the number of Lots included on the plat of the Property and the Future Development Property, plus one. The total number of votes of the Class B Member shall increase as herein set forth each time a portion of the Future Development Property is annexed as provided in this Declaration. The Class B membership shall cease and be converted to Class A membership upon the earlier of the following events:

(i) The date on which Developer (which term includes, for purposes of this provision, any builder owning a Lot for the purpose of constructing a Residence thereon for sale to an ultimate third party purchaser) no longer owns any Lots within the Property.

(ii) Ten (10) years after the recording of this Declaration.

(iii) Such earlier date as Developer, in its sole discretion, may determine.

ARTICLE III

OWNER'S RIGHTS AND RESPONSIBILITIES

Section 3.1 Easement of Enjoyment. Subject to the limitations provided in this Declaration, every Owner is hereby granted a nonexclusive right and perpetual easement of enjoyment in and to the Common Property which easements are appurtenant and shall pass with the title to every Lot, subject to the following:

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

(2) The right of Developer or the Association to grant easements and rights of way, as may be deemed appropriate for the proper development and maintenance of the Property, including, without limitation, Developer's right to reserve an easement for itself, its successors and assigns for ingress, egress, maintenance and utilities over all Common Property and including but not limited to an easement seven and one-half feet wide around all Lot borders: front, rear and sides.

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

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

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

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Section 3.2 Delegation of Use. Each Owner may delegate, subject to the Articles, Bylaws, and this Declaration, his right of enjoyment of the Common Property and facilities to the members of his family, tenants, guests, invitees, licensees, domestic servants, or contract purchasers who occupy the Lot.

Section 3.3 Damage or Destruction. In the event any Common Property, facilities or property of the Association or Developer are damaged or destroyed by an Owner or any of his guests, tenants, invitees, agents, employees or members of his family as a result of negligence or misuse, the Owner shall immediately, at Owner's expense, repair the damaged area or property in a good and workmanlike manner, in accordance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association. The cost of such repairs shall be the responsibility of that Owner. Should the Owner fail to immediately repair such damage, the Association may, but shall not be obligated to, repair the damaged area or property in a good and workmanlike manner in accordance with the proceeding provisions of this Section and the cost of such repairs shall be the responsibility of that Owner, and shall be a Lot Assessment, payable by the responsible Owner immediately upon receipt of a written invoice or statement.

Section 3.4 Maintenance. Each Owner shall keep all parts of his Lot, including the Residence, in good order and clean and free of debris, repair or replacement of roofing, repair or replacement of windows and doors (including repair or replacement of glass or screens), repair or replacement of building materials on the exterior of the Residence. Each Owner shall also maintain any portion of the Property lying between their Lot lines, the edge of the paved portion of the right-of-ways and any portion of the lake bank that may be contiguous. If an Owner fails to maintain the Lot and Residence in a good order and attractive manner, the Association, after ten (10) days' written notice to the Owner and approval by the majority of the Members of the Board of Directors, shall have the right to enter upon such Lot to correct, repair, restore, paint and maintain any part of such Lot or Residence. All costs related to such correction, repair or restoration shall be a Lot Assessment (as hereinafter defined), payable by the responsible Owner immediately upon receipt of a written invoice or statement therefor.

Section 3.5 Rules and Regulations. All Owners shall comply with the rules and regulations adopted and amended from time to time by the Board of Directors, the ARB and this Declaration. Such rules and regulations shall be for the purpose of elaboration and administration of the provisions of this Declaration and shall relate to the overall development of the Property, and shall not in any way diminish the powers of self-government of the Association.

ARTICLE IV

COMMON PROPERTY AND EASEMENTS

Section 4.1 Common Property.

(a) Title. Developer shall retain title to the Common Property until such time as it has completed any improvements thereto, and unless Developer sooner conveys such Common Property or any portion thereof to the Association by recorded instrument, all remaining Common Property not deeded to the Association shall be deemed conveyed to the Association, without further act or deed by the Developer, upon the date of termination of Class B membership. The Common Property shall be held by the Association for the benefit of the Association and its members. Developer may

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terminate the designation of land as Common Property prior to its conveyance to the Association, without the consent or joinder of any Owner or Institutional Mortgagee. No transfer of the title to any Lot, and no provision in any deed or other instrument of conveyance of any interest in any Lot, shall pass any rights in and to the Common Property, except as expressly enumerated in this Declaration.

(b) Maintenance. It shall be the duty of the Association to manage and maintain the Common Property in a clean, attractive, sanitary and serviceable condition, and in good order and repair for the benefit of all Owners. The Association's duties shall commence upon the completion of any improvements upon the Common Property, irrespective of which entity holds title thereto, and shall include the management, operation, maintenance, repair, servicing, replacement, and renewal of all improvements, equipment, and tangible personal property installed by Developer as a part of the Common Property. Without limiting the foregoing and upon the approval of the St. Johns River Water Management District to transfer the stormwater management system permit pursuant to 40C-1.612, Fla. Admin. Code, the Association assumes and agrees to be responsible for the maintenance and operation of the Stormwater Management System and shall be obligated to accept an assignment of any and all Stormwater Management System permits. The Association shall keep the improvements located on the Common Property, including fixtures and personal property of the Association, insured for the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors. The Association shall also maintain all landscaping on the Common Property, provided that neither Developer nor the Association shall be deemed to be a guarantor of such landscaping. The cost of landscaping shall be a part of the Annual Assessments. Any pedestrian easements granted to the Developer or Association shall be maintained in accordance with any obligations contained in the grant of such easement or conditions of any plat dedication of such easement.

Section 4.2 Utility Easements.

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

(b) Lot Easements. Developer reserves for itself, its successors and assigns, perpetual, nonexclusive easement over, under and across a ten foot (10') strip at the front and rear of each Lot, and a seven and one-half foot (7.5') strip at the side of each Lot for the installation, repair and maintenance of all utilities, including without limitation water, sewer, electrical, cable, telephone, drainage and irrigation lines.

(c) Cable Easements. Developer reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, exclusive easement for the installation, maintenance, and supply of radio and television cables over, under

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and across the rights of way and easement areas on any recorded plat of the Property.

Section 4.3 Stormwater Management System.

(a) Blanket Easement. Developer reserves for itself, its successors and assigns, and conveys to the Association, its designees and agents, a perpetual nonexclusive easement over all areas of the Stormwater Management System for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any Lot which is a part of the Stormwater Management System, at a reasonable time and in reasonable manner, to operate, maintain or repair the Stormwater Management System as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Stormwater Management System. No person shall alter the drainage flow of the Stormwater Management System, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

(b) Conservation Easement. Developer hereby creates and by separate document has granted to the St. Johns River Water Management District a Conservation Easement over, under and across that portion of the Property lying westerly of the Corps of Engineers, St. Johns River Water Management District and Department of Environmental Regulations Wetlands Jurisdictional Lines, as shown on the Plat of the Property and as may be modified from time to time by these governing authorities.

(c) Maintenance Easement. The Association is granted a perpetual, nonexclusive easement for ingress and egress over and across the Stormwater Management System and over a parcel of land extending landward five feet (5') from any water's edge and from the retention areas as shown on the Plat of the Property for the purpose of providing the maintenance required herein. The Association is granted a perpetual non-exclusive easement for ingress and egress over and across the Stormwater Management System for the purpose of providing maintenance and erosion control to the embankments of such retention areas.

(d) Maintenance. Except as specifically set forth herein to the contrary, the Association is responsible for the maintenance, operation, and repair of the Stormwater Management System. Such maintenance shall include the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance, or other capabilities in accordance with all the permits, statutes, rules, and regulations pertaining to surface water management, drainage, and water quality promulgated by the St. Johns River Water Management District, Florida Department of Environmental Protection, and all other local, state and federal authorities having jurisdiction. The Association shall be responsible for the routine removal and disposal of trash which may accumulate within the Stormwater Management System. The Association shall maintain and control the water level and quality of the Stormwater Management System and the bottoms of any retention lakes or drainage easements which retain or hold stormwater on a regular basis. The Association shall have the power, right, obligation and responsibility, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish, and fungi in and on any portion of the retention lakes or drainage easements. The Association shall maintain all shoreline vegetation and the grade and contour of all embankments to the water's edge (as it may rise and fall from time to time), to keep the grass, plantings, and other lateral support of the embankments in a clean and safe manner and to prevent erosion; and to maintain grass at 3" height at all

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times. Upon the approval of the St. Johns River Water Management District to transfer the stormwater management system permit pursuant to 40C-1.612, Fla. Admin. Code, the Association shall be obligated to accept an assignment of any and all Stormwater Management System permits and the Association shall execute any minutes or other documents required to cause the permits to be transferred to the Association from the Developer, and accepting complete responsibility for any and all Stormwater Management System permits for the Property. The Association shall be responsible for the maintenance, operation and repair of the surface water or Stormwater Management System. Maintenance of the surface water or Stormwater Management System(s) 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 St. Johns River Water Management District. Any repair or reconstruction of the surface water or Stormwater Management System shall be as permitted or, if modified, as approved by the St. Johns River Water Management District.

(e) Improvements. In the event that Developer, an entity designated by Developer, or the Association shall with appropriate permits construct any bridges, docks, bulkheads or other Improvements which may extend over or onto the retention area within the Stormwater Management System or construct any similar Improvements to support or enhance the Stormwater Management System, the Association shall maintain all such Improvements in good repair and condition. No Owner, except Developer, its designee, or the Association shall be permitted to construct any Improvements, permanent or temporary, on, over or under any portion of the Stormwater Management System without the written consent of the Association and the approval of the ARB, which consent or approval may be withheld for any reason. Any improvements to the Stormwater Management System permitted by the Association and installed by the Owner shall be maintained by such Owner in accordance with the maintenance provisions of this Declaration.

(f) Compliance with Stormwater Management System Permits. Stormwater Management System Permits have been issued authorizing construction and operation of the Stormwater Management System to serve the Property. No alteration to any part of the Stormwater Management System, including but not limited to, lakes, swales and pipes, will be allowed without the written consent of Developer or the St. Johns River Water Management District. All clearing, grading and other construction activities must comply with the terms and conditions of the permits. In the event any Owner fails to comply with the terms of the permit, the Association shall have the right to enter upon the premises to bring any Lot into compliance and levy a special assessment against the Lot for cost incurred as a result thereof.

(g) Environmental Permits. The U. S. Army Corps of Engineers, the St. Johns River Water Management District, and the Florida Department of Environmental Protection have issued permits for the development of the property hereinabove described. The Permit Numbers are as follows: U. S. Army Corps of Engineers #19889201(PC-MMS), the St. Johns River Water Management District #4-031-0637 and #12-031-0289, collectively known and as herein referred to as the "Permits". For any of the Permits that delineates any wetland line, whether it be federal or state, the owner, by acceptance of the deed of conveyance hereby agrees to comply with any of such lines as delineated by any of the above referenced Permits. Any construction on any Lot subject to the terms and conditions of these Covenants shall be in compliance with the aforementioned Permits and there shall be no construction allowed waterward of any jurisdictional line unless authorized by the appropriate permit, as aforementioned, or as allowed by any

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subsequent permit. In addition to any construction being authorized by the Permits themselves, any construction waterward of any jurisdictional line shall also be authorized in writing by the Declarant. The requirement for authorization by Declarant shall only be required so long as the Declarant owns lots in the subdivision. The aforementioned Permits allow certain construction of improvements for the subdivision development. The period of time allowed for said construction is contained more particularly in the above referenced Permits. By acceptance of the deed of conveyance by the Lot Owner, the Lot Owner agrees to comply with each and every obligation, limitation and prohibition as more particularly described in said Permit. The transfer of these Permits as contemplated by the language herein contained in this paragraph and the liabilities associated with compliance with the terms and conditions shall be the liability and obligation of each and every Lot Owner upon the transfer of title to each Lot Owner.

Upon the approval of the St. Johns River Water Management District to transfer the stormwater management system permit pursuant to 40C-1.612, Fla. Admin. Code, the Permits will be transferred to the Association and the Association has the obligation to assure that all terms and conditions thereof are enforced. The Association shall have the right to bring an action, at law or in equity, against an Owner violating such Permits.

Provided, however, any Owner owning a lot which contains or is adjacent to jurisdictional wetlands or conservation areas as established by the ACOE or SJRWMD, shall, by acceptance of title to the lot, be deemed to have assumed the obligation to comply with the requirements of the foregoing Permits as such relates to its lot.

Except as required or permitted by the aforementioned Permits issued by the ACOE and SJRWMD, no Owner shall alter, fill, dredge, place sod or excavate, or perform similar activities on any portion of their respective lots, unless and until such activity is authorized by or exempt from the requirements of ACOE and SJRWMD.

In the event that an Owner violates the terms and conditions of such Permits and for any reason the Developer or the Association is cited therefor, the Owner agrees to indemnify and hold the Developer and the Association harmless from all costs arising in connection therewith, including without limitation, all costs and attorneys' fees, as well as costs of curing such violation.

Notwithstanding any other provisions contained elsewhere in this Declaration, the ACOE and SJRWMD shall have the rights and powers enumerated in this paragraph. The ACOE and SJRWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the stormwater management system and/or jurisdictional lands subject to the regulation of the ACOE or SJRWMD. Any repair or reconstruction of the stormwater management system shall be as permitted, or if modified, as approved by the SJRWMD. Any amendment to this Declaration which alters the stormwater management system, beyond maintenance in its original condition, including the water management portions of the common property, must have prior written approval of the SJRWMD. Any amendment to this Declaration which amends the responsibilities or obligations of the parties with respect to the ACOE Permit, must have prior written approval of the ACOE. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the stormwater management system and the Permits must be assigned to and accepted by an entity approved by the ACOE and SJRWMD, pursuant to 40C-42.027, Fla. Admin. Code.

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(h) Use and Access. Developer and the Association shall have the right to adopt rules and regulations from time to time in connection with the use of the surface waters of any portion of the Stormwater Management System, and shall have the right to deny such use to any person who, in the opinion of Developer or the Association, may create or participate in a disturbance or nuisance on any part of the Stormwater Management System. The use of such surface waters by the Owners shall be subject to and limited by the rules and regulations of Developer and the Association, all permits issued by governmental authorities, and any rights granted to other persons pursuant to the rules and regulations of Developer and the Association. The Owners shall have access to the Stormwater Management System only over that portion of the Common Property designated for such purpose by Developer or the Association. Only Developer and the Association shall have the right to pump or otherwise remove any water from any part of the Stormwater Management System for purposes of irrigation or any other use. No watercraft shall be operated on any portion of the Stormwater Management System, including the retention lakes, except those used by Association approved persons for lake maintenance. Swimming in the retention lakes shall be prohibited.

(i) Enforcement and Liability. In addition to the provisions of Section 12.4, the St. Johns River Water Management District shall have the right to enforce, by proceeding at law or in equity, the provisions of this Declaration which relate to the maintenance, operation and repair of the Stormwater Management System. Neither Developer, nor the Association shall have any liability whatsoever to Owners, guests, tenants, or invitees in connection with the Lakes and each Owner, for itself and its guests, tenants or invitees, hereby and by acceptance of a Deed to, or use of, any Lot releases Developer and the Association from any liability in connection therewith.

NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF SUCH PROPERTY TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FOR ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

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

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

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Section 4.4 Wetlands and Jurisdictional Land. This Declaration is subject to the rights of the State of Florida over portions of the Property which may be considered wetlands, marshes, or sovereignty lands, and every Owner shall obtain any permit necessary prior to undertaking any dredging, filling, improving, landscaping or removal of plant life existing on his Lot, including upland buffer as shown on the Plat.

Section 4.5 Developer's Rights. Developer, its successors and assigns, shall have the unrestricted right, without approval or joinder of any other person or entity: (i) to designate the use of, alienate, release, or otherwise assign the easements shown in any plat of the Property or described herein; (ii) to plat or replat all or any part of the Property owned by Developer; and (iii) to widen or extend any right-of-way shown on any plat of the Property or convert a Lot to use as a right-of-way, provided that Developer owns the lands affected by such changes. The Owners of Lots subject to easements shown on any plat of the Property shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under the easement area. The Owners of Lots subject to any easements shall not construct any improvements on the easement areas, alter the flow or drainage, or landscape such areas with hedges, trees, or other landscape items that might interfere with the exercise of the easement rights. Any Owner who constructs any improvements or landscaping on such easement areas shall remove the improvements or landscape items upon written request of the Developer, the Association, or the grantee of the easement.

Section 4.6 Vegetative Natural Buffer. There shall be set aside a permanent vegetative buffer ("Buffer"), the width of which is shown on the aforementioned Plat, over that portion of the property, as shown on the Plat as the Upland Conservation Area. This Buffer abuts Lots 11, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 180, 181, 182, 183, 184, 185, 186, 187, 193, 194, 195, 196 and 197. The Buffer is a part of the Stormwater Management System permitted by the St. Johns River Water Management District. The purpose of this Vegetative Natural Buffer is to detain and treat stormwater prior to drainage offsite; therefore, the area must be maintained with a dense vegetative cover. Filling and placement of impervious surface (other than fence posts) are prohibited within the Vegetative Natural Buffer.

ARTICLE V

UTILITIES

Section 5.1 Water System. JEA, a municipal corporation in Duval County, Florida, whose address is 220 East Bay Street, Jacksonville, Florida 32202 will provide the central water supply system for the Property which shall be used as the sole source of potable water for all water spigots and outlets located within or on all buildings and improvements located on each Lot. Each Owner shall pay water meter charges established or approved by the supplier thereof and shall maintain and repair all portions of such water lines located within the boundaries of his Lot. No individual water supply system or well for consumptive purposes shall be permitted on any Lot.

Section 5.2 Sewage System. JEA will also provide service for the sewage system serving the Property, which shall be used as the sole sewage system for each Lot. Each Owner shall maintain and repair all portions of such sewer improvements and lines located within the boundaries of his Lot and shall pay when due the periodic charges or rates for the furnishing of such sewage collection and disposal service made by the operator thereof. No

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sewage shall be discharged onto the open ground or into any marsh, lake, pond, park, ravine, drainage ditch, canal or roadway.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 6.1 Annual Assessments. For each Lot within the Property, Developer covenants, and each Owner, by acceptance of a deed or other conveyance, agrees to pay Annual Assessments levied by the Association for the improvement, maintenance and operation of the Common Property, including, without limitation, the maintenance and repair of the Stormwater Management System, including, but not limited to, work within retention areas, drainage structures and drainage easements, the management and administration of the Association, and the furnishing of services as set forth in this Declaration, at a level sufficient to meet the Association's obligations, including contingencies and reserves. The Board of Directors shall set the date or dates such Annual Assessments shall become due and may provide for collection of Assessments to be payable annually or in monthly, quarterly or semi-annual installments; provided, however, that upon default in the payment of any one or more installments, the entire balance of such Annual Assessment may be accelerated, at the option of the Board of Directors, and be declared due and payable in full. Reconfigured Lots, for so long as only one single family Residence is located thereon, shall be subject to a single Annual Assessment. The initial Annual Assessment shall be Two Hundred Twenty-Five and No/100 Dollars ($225.00).

Section 6.2 Special Assessments In addition to the Annual Assessments, the Association may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four (4) succeeding years for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto, provided any such Special Assessment shall have the consent of Owners holding two thirds of the votes, other than Developer, voting in person or by proxy at a regular meeting or special meeting called for that purpose at which a quorum of each class of membership is present.

Section 6.3 Emergency Assessments. The Association may also levy an Emergency Assessment at any time by a majority vote of the Board of Directors, for the purpose of defraying, in whole or in part, the cost of any extraordinary or emergency matters, as determined by the Board of Directors in its sole discretion, that affect all the Common Property or Members of the Association, including, after depletion of any applicable reserves of this Article, any unexpected expenditures not provided by the Budget or unanticipated increases in the amounts budgeted. Any such Emergency Assessment shall be due and payable at the time and in the manner specified by the Board of Directors.

Section 6.4 Lot Assessments. In addition to the Annual and Special Assessments authorized above, the Board of Directors, by majority vote, may from time to time levy a Lot Assessment against a particular Lot and the Owner thereof for the purpose of defraying, in whole or in part, the cost of any repair, maintenance or restoration as provided in this Declaration; any construction, reconstruction, repair or replacement of a capital improvement upon or serving the specific Lot, including any additional special services to such Lot, the cost of which is not included in the Annual Assessment; or to reimburse the Association for any costs it

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incurs as a result of the Owner's failure to comply with this Declaration or any damage to the Common Property.

Section 6.5 Commencement of Annual Assessments.

(a) Date of Commencement. The Annual Assessments provided for herein shall commence with respect to each Lot on the date of conveyance of the Lot to an Owner, other than a builder who has acquired the Lot for resale, other than Developer. The initial Annual Assessment on any Lot subject to Assessment shall be collected at the time title to such Lot is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the pro rata share of the Annual Assessments charged to each Lot prorated to the day of closing on a per diem basis. Any other Assessments shall be paid in full without proration. In the event that Assessments are not collected due to the Owner being a builder, the Assessments shall begin six (6) months after conveyance or sale to a third party, whichever first occurs.

(b) Capital Contribution. In addition, at the closing and transfer of title of each Lot to the first Owner, other than Developer or a builder constructing the Initial Improvements thereon, such Owner shall make a working capital contribution to the Association in the sum of Two Hundred Twenty-Five and 00/100 Dollars ($225.00) per Lot. These contributions to the Association shall be used for the purpose of defraying the initial and nonrecurring capital expenses of the Association, and to provide initial working capital for the Association. Such contribution shall not be considered as a prepayment of Annual Assessments.

Section 6.6 Nonpayment of Assessments and Remedies.

(a) Creation of Lien. All Assessments shall be together with any late fees, interest and costs of collection when delinquent, including reasonable attorney's fees (together, the "Assessment Charge"), a charge and continuing lien upon each Lot subject to this Declaration. The lien provided for in this Section shall be perfected by the filing of a notice of lien in the public records of the County, in favor of the Association.

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

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

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(d) Remedies. The Association may bring an action at law against the Owner or Owners personally obligated to pay such Assessment Charge or foreclose the lien against the Lot upon which the Assessment Charge is made in the manner provided below. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Lot at such foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The Board of Directors, by majority vote, shall have the right to assess fines and to suspend the voting rights and the right to the use of the Common Property by an Owner for any period during which any Assessment against his Lot that is more than thirty (30) days past due remains unpaid, and for a period not to exceed sixty (60) days for any infraction of the other provision of its rules and regulations or of this Declaration.

(e) Subordination of Lien to Mortgages. The lien of the Assessment Charge shall be inferior and subordinate to the lien of any Mortgagee, but only to the extent of the Mortgage balance outstanding as of the date the notice of an Assessment Charge is first recorded against the Lot, plus interest and reasonable costs of collection accruing thereafter. The sale or transfer of any Lot shall not affect the Assessment Charge; however, the sale or transfer of any Lot pursuant to foreclosure of a Mortgage or deed in lieu of foreclosure shall extinguish the lien of an Assessment Charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve the transferee of such Lot from liability for any Assessments thereafter becoming due or from the lien thereof, nor the Owner responsible for such payments from such Owner's personal liability as provided herein.

Section 6.7 Certificate of Payment. The Treasurer of the Association or the management company authorized by the Board of Directors, upon demand of any Owner liable for an Assessment, shall furnish to such Owner a certificate in writing setting forth whether such Assessment has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge for the services involved in preparing such certificate may be assessed by the Association or management company as applicable.

Section 6.8 Budget.

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

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

(c) Preparation and Approval of Annual Budget. Commencing December 1 of the year in which a Lot is first conveyed to an Owner who is not Developer, and on or before December 1 of each year thereafter, the Board of Directors shall adopt a budget for the coming year containing an estimate of the total amount which it considers necessary to pay the cost of all expenses to be incurred by the Association, including, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering to the Owners of all services required or permitted hereunder. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital for the Association and to provide for a general operating reserve and reserves for contingencies and replacements. The Board of Directors shall send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Annual Assessments payable by each Owner, on or before December 15 preceding the fiscal year to which the budget

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applies. Such budget shall constitute the basis for determining each Owner's Annual Assessment as provided above. The Assessments shall be determined by dividing the amount of the Budget by the number of Lots subject to the Declaration.

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

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

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

Section 6.9 Exempt Property. In the event the Common Property is taxed separately from the Lots, the Association shall include such taxes as part of the Annual Assessment. In the event the Common Property is taxed as a component of the value of the Lot owned by each Owner, it shall be the obligation of such Owner to promptly pay such taxes prior to their becoming a lien on the Property.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 7.1 Purpose. The Association through the ARB shall have the right to exercise architectural control over all improvements constructed, erected, or placed upon any part of the Property, to assist in making the Property a community of high standards and aesthetic beauty. Such architectural control may include all architectural aspects of any such improvement including, without limitation, size, height, site planning, setbacks, exterior design, materials, colors, open space, landscaping, waterscaping, and aesthetic criteria. For so long as Developer owns any Lot (and irrespective of whether the Class B Membership has terminated),

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Developer shall have the sole right to appoint the members of the ARB. Thereafter, the members of the ARB shall be appointed by the Board of Directors as designated in the Bylaws, or, if the Board of Directors fails to so appoint the ARB, then the Board of Directors shall constitute the ARB.

Section 7.2 Construction Subject to Architectural Control.

(a) ARB Approval. Plans and Specifications for the Initial Improvements on any Lot shall be submitted to the Developer for approval. No construction, modification, alteration or improvement of any nature whatsoever, shall be undertaken on any Lot, unless and until the Developer has approved in writing the Plans and Specifications. After completion of the Initial Improvements, no construction, modification, alteration or improvement, except for interior alterations not affecting the external structure or appearance of any Residence, shall be undertaken on any Lot unless and until a plan of such construction, modification, alteration or improvement shall have been approved in writing by the ARB.

(b) Improvements Subject to Approval. Construction, modifications and improvements subject to approval by the ARB specifically include, but are not limited to, painting or other alteration of the exterior appearance of a Residence (including doors, windows and roof), installation of antennae, satellite dishes or receivers, solar panels or other devices, construction of docks, fountains, swimming pools, whirlpools, or other pools, construction of privacy walls or other fences, addition of awnings, signs (whether located on the Lot or in windows of the Residence), gates, flower boxes, shelves, statues, or other outdoor ornamentation patterned or brightly colored window coverings, any alteration of the landscaping or topography of the Property, including, without limitation, any cutting or removal of trees, planting or removal of plants and creation or alteration of lakes or similar features of the Property and all other modifications, alterations or improvements visible from any road or other Lots. All of the foregoing (excluding the Initial Improvements) are jointly referred to herein as "Proposed Improvements".

Section 7.3 Procedures.

(a) Application. It shall be the responsibility of each Owner to supply two (2) sets of the documents described herein to the ARB, or to Developer as to the Initial Improvements. The ARB or Developer, as applicable, shall approve or disapprove the documents properly submitted to it in writing within thirty (30) days of such submission. Any requests shall be deemed approved if the ARB or Developer, as applicable, fails to issue a written approval or disapproval within thirty (30) days of their proper submission. The documents, materials and items to be submitted for approval shall include two (2) sets of the following: (i) the construction plans and specifications, if any, including all proposed landscaping; (ii) an elevation or rendering of all Proposed Improvements, if any; (iii) samples of materials or paint colors; and (iv) such items as the ARB or Developer may deem appropriate. The application for review of the Plans and Specifications for the Initial Improvements shall be accompanied by a review fee in the amount of One Hundred Fifty and No/100 Dollars ($150.00), payable to the Association. The review fee for Initial Improvements may be adjusted from time to time, in the sole discretion of the ARB. The review fee shall be nonrefundable in any event, whether or not the application submitted by an Owner is approved. With respect to all other Plans and Specifications, other than for the Initial Improvements, a review fee may be established and charged on a case by case basis, in the sole discretion of and in an amount set by the ARB. If a review fee is charged, it shall be nonrefundable in

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any event, whether or not the application submitted by an Owner is approved.

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

In connection with its approval or disapproval of an application, the ARB or Developer shall evaluate each application for total effect. The evaluation relates to matters of judgment and taste which can not be reduced to a simple list of measurable criteria. It is possible, therefore, that an application may meet individual criteria and still not receive approval, if in the sole judgment of the ARB or Developer, its overall aesthetic impact is unacceptable. The approval of an application shall not be construed as creating any obligation on the part of the ARB or Developer to approve applications involving similar designs for different Lots.

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

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

(e) Landscaping. A landscaping plan for each Lot must be submitted to and approved by Developer together with the plans for the Initial Improvements. All plant material shall be of Florida Grade Number One or better. Sodding per landscape plan to include any portion of a lake bank that is contiguous to said Lot. No seeding or sprigging shall be permitted.

Subsequent to approval by Developer of the landscaping plans submitted to hereto, the Owner shall be obligated to complete the landscaping of the Lot in accordance with such plans prior to occupancy of the Residence by the Owner or other occupant. In the event the landscaping is not completed as provided herein, the

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Association shall have the right to enter upon the Lot and complete the landscaping in accordance with the approved plans, in the same manner as exterior maintenance may be performed by the Association pursuant to Section 3.4 of this Declaration. The Association shall be entitled to a lien against the Lot in an amount equal to one hundred and twenty percent (120%) of the cost to complete the landscaping which shall be collected as provided in Section 6.4 hereof.

All Landscaping shall be installed and maintained so as to not restrict the view of others.

(f) Variance. The ARB and Developer, as applicable, may authorize variance from compliance with any of the architectural provisions of this Declaration, when circumstances such as topography, natural obstructions, hardships or aesthetic or environmental consideration require the same. Such a variance shall be evidenced by a document signed by at least a majority of the members of the ARB for a Proposed Improvement or by Developer for Initial Improvements, as applicable. If such a variance is granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Lot and the particular provisions of this Declaration covered by the variance, nor shall it affect in any way the Owners' obligation to comply with all governmental laws and regulations, including but not limited to, zoning ordinances, and set back lines or requirements imposed by any governmental or municipal authority. Any variance given pursuant to this paragraph shall be given in recordable fashion and recorded in the public records of the County.

(g) Enforcement. The Board of Directors shall have the authority and standing on behalf of the Association to enforce, in courts of competent jurisdiction, the decisions of the ARB.

Section 7.4 Architectural Guidelines. The ARB or Developer, as applicable, shall consider the following provisions in connection with their review, together with any architectural guidelines issued by the ARB or Developer from time to time. Specific references to the ARB or Developer in these provisions shall not be construed as a limitation on the general review power of the ARB and Developer as set forth in this Article.

(a) Building Type. No building shall be erected, altered, placed or permitted to remain on any Lot or Reconfigured Lot, other than one detached single family Residence which shall not exceed thirty five feet (35') in height, and shall have a private enclosed attached garage for not less than two (2) nor more than four (4) cars.

(b) Roofs. Flat roofs and protrusions through roofs for power ventilators or other apparatus shall not be permitted unless approved by The ARB and the Developer, in its sole discretion, as a part of the Initial Improvements. Roofing and shingle material shall be approved by ARB as to color and material. Any reroofing or reshingling of the Residence other than with the same materials and same color must be approved by the ARB.

(c) Garages. All garages must have either a single overhead door with a minimum door width of sixteen (16) feet for a two car garage, or two (2) sixteen foot doors for a four car garage, or two (2), three (3), or four (4) individual doors, each a minimum of ten (10), feet in width (or eight (8) feet with a two foot separation). No carports will be permitted unless approved by the ARB or

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Developer, as applicable. All garages shall be side or front entry or courtyard unless otherwise approved by the ARB.

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

(e) Fences. The use of fences, walls and other forms of visual screens throughout the Property shall be subject to prior ARB or Developer approval, as applicable, and shall be limited to those portions of the Lots closely surrounding the Residences, so as not to unnecessarily or unduly restrict the view of others.

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

(g) Minimum Residence Area. Each Residence constructed upon the Property must contain at least one thousand three hundred fifty (1,350) square feet minimum for the sixty foot (60') wide Lots and at least one thousand five hundred (1,500) square feet minimum for the seventy-five foot (75') wide Lots of heated and air conditioned floor area.

(h) Lot Coverage. The total ground area to be occupied by a Residence to be constructed within the Property shall not exceed thirty-five percent (35%) of the ground area of the Lot or Reconfigured Lot upon which a Residence is located.

(i) Setbacks. No Residence shall be erected within twenty feet (20') of any front Lot line. The side yard setbacks shall be a combination of fifteen feet (15') with a minimum on any individual Lot being five feet (5') per The City of Jacksonville. The rear setback shall be ten feet (10') from any rear lot line. No Residence shall be erected within any easement area shown on the plat of the Property or reserved in this Declaration. In no case shall the combined side setbacks on any two (2) adjoining Lots be less than fifteen (15) feet. Provided, such requirements may be waived by Developer with respect to Initial Improvements or by the ARB with respect to any other Proposed Improvements. All setbacks shall be measured from the side wall or any portion of the structure thirty (30) inches above ground level to the applicable boundary. Except as may be required by the City of Jacksonville or the ARB, the rear setback shall not apply to pools, pool decks, gazebos, docks and other similar structures.

(j) Antennae and Other Devices. Unless prior written approval has been obtained from the ARB, no exterior radio or television antenna, satellite dish or other receiving or transmitting device, antenna or aerial, solar panel or other solar collector, windmill or any similar exterior structure or apparatus may be erected or maintained anywhere within the Property. In considering whether to approve such devices, the ARB shall consider the size of the device and whether it is visible from other Lots or the Common Road.

(k) Artificial Vegetation. No artificial grass, plants, or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot, unless approved by Developer or the ARB, as applicable.

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(l) Lighting. No external lighting shall be installed without the prior approval of Developer or the ARB, as applicable. No lighting will be permitted which alters the residential character of the Property. Any lighting of a pool or other outdoor recreation area must be designed so as to buffer the surrounding Residences from the lighting. Tennis court lighting is specifically prohibited.

(m) Recreational Structures. All basketball backboards, tennis courts, and play structures shall be located at the rear of the Residence or on the inside portion of corner Lots with the setback lines, provided however, any basketball backboards shall be located so as to minimize noise to adjoining Residences. No platform, doghouse, tennis court, playhouse, playfort shall be constructed on any part of the Lot located in front of the rear line of the residence and any such structure shall have prior approval of Developer, and the ARB, if applicable. Any portion of a Reconfigured Lot used for recreational purposes must be adequately screened on the front and sides by landscaping, fencing, or walls, as approved by the ARB or Developer, as applicable, so that such uses shall not be visible from any Common Road.

(n) Utility Connections. Building connections for all utilities, including, but not limited to, water, electricity, telephone and television shall be run underground from the connecting points to the Residence in such a manner to be acceptable to the governing utility authority.

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

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

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

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

7.5 Remedy for Violations. In the event any Proposed Improvement is constructed without first obtaining the approval of the ARB or Developer, as applicable, or is not constructed in strict compliance with any approval given or deemed given by the ARB or Developer, as applicable, or the provisions of this Article are otherwise violated, the ARB, as the authorized representative of the Association, shall have the specific right to injunctive relief to require the Owner to stop, remove, and alter any improvements in order to comply with the requirements hereof, or the ARB may pursue any other remedy available to it. In connection

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with this enforcement section, the ARB and Developer shall have the right to enter into any Lot or Residence and make any inspection necessary to determine that the provisions of this Declaration have been complied with. The failure of the ARB or Developer to object to any Proposed Improvement prior to its completion shall not constitute a waiver of the ARB's or Developer's right to enforce this Article. The foregoing rights shall be in addition to any other remedy set forth herein for violations of this Declaration.

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

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

ARTICLE VIII

USE OF PROPERTY

Section 8.1 Protective Covenants. In order to keep the Property a desirable place to live for all Owners, the following protective covenants are made a part of this Declaration. Without limiting any of the provisions or requirements of Article VII, the specific references to the ARB approval set forth in this article or elsewhere in this Declaration shall not be construed as a limitation of the requirements of this article.

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

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(b) Residential Use. Each Lot shall be used, improved and devoted exclusively to single family residential use, and for no commercial purpose. No time-share ownership of Lots is permitted without Developer's approval. Nothing herein shall be deemed to prevent the Owner from leasing a Residence, subject to all of the provisions of the Declaration, Articles, and Bylaws nor from preventing Developer from converting the use of a platted lot to be used as a road for ingress and egress from an adjacent Lot of land. The foregoing restriction shall not operate to prevent Developer or its designees from using one or more Residences for a model home or sales center during the development and sale of the Property. No other business or commercial use may be made of any part of the Property. Provided, however, an occupant of a Residence who maintains a personal or professional library, keeps personal or professional books or accounts, conducts personal business (provided that such use does not involve customers, clients, employees, licenses or invitees regularly visiting the Residence), or makes professional telephone calls or correspondence in or from a Residence is engaging in a residential use and shall not be deemed to be in violation of this section by reason thereof.

(c) Nuisances; Other Improper Use. No nuisance shall be permitted to exist on any Lot or Common Property so as to be detrimental to any other Lot in the vicinity thereof or to its occupants, or to the Common Property. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. No immoral, offensive, or unlawful use shall be made of the Property or any part thereof. All laws, zoning ordinances, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property. If a dispute or question arises as to what may be or become a nuisance, the issue shall be determined by the Board of Directors.

(d) Insurance. Nothing shall be done or kept in any Residence, Lot or in the Common Property which will increase the rate of insurance for the Property or any other Lot, or the contents thereof, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his Residence, on his Lot or in the Common Property which will result in the cancellation of insurance on the Property or any other Lot, or the contents thereof, or which would be in violation of any law.

(e) Access. Owners shall allow the Board of Directors or the agents and employees of the Association to enter any Lot for the purpose of maintenance, inspection, repair, replacement of the improvements within the Lot, or in case of emergency, for any lawful purpose, or to determine compliance with this Declaration.

(f) Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets in reasonable numbers may be kept provided they are not kept, bred or maintained for any commercial use and do not create safety, health or nuisance problems.

(g) Signs. No sign, advertisement or notice of any type or nature whatsoever including, without limitation, "For Sale" and "For Lease" signs shall be erected or displayed upon any Lot, Residence, Common Property or from any window, unless express prior written approval of the size, shape, content, appearance and location has been obtained from the Board of Directors and the ARB, which approval may be arbitrarily withheld, except standard 18" X 24" typical painted real estate signs shall be allowed without

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prior approval. Notwithstanding the foregoing, Developer, and those persons or entities specifically designated by Developer, shall be permitted to post and display advertising signs on the Property for the marketing, sale or rental of Lots.

(h) Parking. All vehicles shall be parked and stored within the garages. No boats or recreational vehicles may be stored or parked within the Property unless screened from view. Only automobiles bearing current license and registration tags, as required pursuant to state law, shall be permitted to be parked on any of the Property except wholly within a garage. All parking within the Property shall be in accordance with rules and regulations adopted by the Association.

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

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

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

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

(m) Temporary Structures. No structure of a temporary character, including, without limitation, any trailer, tent, shack, barn, shed, or other outbuilding, shall be permitted on any Lot at any time, except temporary structures maintained for the purpose of construction and marketing of the Lots.

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

(o) Hazardous Materials. No hazardous or toxic materials or pollutants shall be maintained, stored, discharged, released, or disposed of in or under the Property except in strict compliance with applicable statutes, rules and regulations. Fuel or gas storage tanks or other flammable, combustible, or explosive fluids, materials, or substances for ordinary household use may be stored or used in the Property only in strict compliance with manufacturers' directions and applicable safety laws and codes, and shall be stored in containers specifically designed for such purposes.

(p) Removal of Trees. In order to preserve the environment and migratory bird populations, no trees which remain on a Lot at the time of completion of the Initial Construction thereon shall be felled, removed, or cut down unless such tree represents a hazard to the Residence or other improvements on the Lot, or to persons

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occupying or utilizing the Property and should comply with any applicable City ordinances.

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

(r) Soliciting. No soliciting will be allowed at any time within the Property.

Section 8.2 Amendments and Modifications. The Board of Directors may from time to time adopt and amend rules and regulations governing the details of the operation, use, maintenance and control of the Residences, Lots, Common Property, and any facilities or services made available to the Owners. A copy of the rules and regulations adopted from time to time as herein provided shall be available to each Owner. Any amendment to this Declaration which alters any provision relating to the Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Property, must have prior approval of the St. Johns River Water Management District.

Section 8.3 Compliance.

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

(b) Violation. Upon violation of any of the rules or regulations adopted as herein provided, or upon violations of any of the provisions of this Declaration by an Owner, or his family, tenants, or guests, the Association may levy fines as determined by the Board of Directors. To enforce the rules and regulations and the provisions of this Declaration, the Association or any Owner may bring an action for specific performance, declaratory decree or injunction, and the successful prevailing party may recover its costs and attorneys' fees in such suit.

Section 8.4 Personal Services. Employees of the Association shall not be required to attend to any personal matters or business of Owners, nor shall they be permitted to leave the Property on any private business of Owners. The uses and functions of such employees shall be governed by the Board of Directors of the Association. In the event personal services are provided to Owners by any of the employees of the Association, the Association will not assume any responsibility or be liable for, in any manner, the quality of such services or work provided, nor do they warrant such services or work. In addition, the Association shall not be liable for any injury to persons or damage to property resulting from any act or omission by those performing such personal work or services for Owners.

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ARTICLE IX

INSURANCE

Section 9.1 Types of Coverage.

(a) Insurance of Common Property. The Board of Directors shall obtain liability insurance on the Common Areas (including the Common Roads) and, if additional Common Property with significant insurable improvements are added to the Property, the Board of Directors may obtain casualty insurance and increase the amounts of liability insurance, all as is consistent with prudent business judgement, including the following:

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

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

(b) Insurance on Lots. It shall be the responsibility of each Owner to obtain, at his own expense, liability insurance with respect to the ownership and use of his Lot, including his Residence, and the Association shall not be responsible for obtaining such insurance or have any liability whatsoever in connection therewith. It shall be the responsibility of each Owner to obtain and maintain fire insurance and insurance against the perils customarily covered by an extended coverage endorsement in an amount equal to not less than the full replacement cost of the Residence and shall submit evidence of such insurance coverage together with evidence of payment of the most recent premium therefor to the Association, upon request.

(c) Group Insurance. Nothing set forth herein shall prevent the Association, upon majority vote of the Class A Members and the assent of the Class B Member, if any, from obtaining a group or master insurance policy, and if so approved and obtained, the Association shall charge the premium for the individual Lots as a Lot Assessment. All policies of insurance obtained by Owners or the Association which cover the Residences and Lots shall contain (i) waivers of subrogation, (ii) waivers of any reduction of pro rata liability of the insurer as a result of any insurance carried by any other Owner, (iii) waivers of invalidity arising from any acts of the insureds, and (iv) provisions that such policies may not be canceled or substantially modified without ten (10) days prior written notice of all insureds.

(d) Director and Officer Liability Insurance. The Board of Directors may obtain as a matter of common expense, payable from the Annual Assessments, liability insurance against personal loss for actions taken by members of the Board of Directors and officers of the Association in the performance of their duties. Such

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insurance shall be of the type and amount determined by the Board of Directors, in its discretion.

(e) Other Coverage. The Board of Directors shall obtain and maintain worker's compensation insurance, if and to the extent necessary to meet the requirements of law, and such other insurance as the Board of Directors may determine or as may be requested from time to time by a majority of the Owners. The Board of Directors may from time to time increase or decrease the types and amounts of insurance coverage as may be necessary or convenient to comply with requirement of Mortgagees or based upon the cost and availability of such coverage.

Section 9.2 Repair and Reconstruction After Fire or Other Casualty.

(a) Common Property. In the event of damage to or destruction of all or any of the improvements on the Common Property as a result of fire or other casualty, the Board of Directors shall arrange for and supervise their prompt repair and restoration substantially in accordance with the plans and specifications under which the improvements were originally constructed, or any modification thereof approved by the Board of Directors and the ARB. The Board of Directors shall proceed towards reconstruction of such improvements as quickly as practicable under the circumstances and shall obtain funds for such reconstruction from the insurance proceeds and any Special Assessments that may be necessary after exhaustion of reserves for the repair and replacement of such improvements.

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

ARTICLE X

ASSOCIATION LIABILITY

Section 10.1 Disclaimer of Liability. Notwithstanding anything contained herein, in Articles, or bylaws of the Association, or any other document governing or binding the Association (jointly referred to herein as "Association Documents"), the provisions hereof shall not be construed to mean that the Developer or the Association shall be liable or responsible for in any manner as 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, Owners, residents, their families, guests, invitees, agents, servants, contractors or subcontractors, nor for any property of such persons.

Section 10.2 Specific Provisions. Without limiting the generality of the foregoing:

(a) It is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern and regulate the use of the Property have been written and are to be interpreted and enforced for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof.

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

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

Section 10.3 Owner Covenant. Each Owner, his heirs, successors and assigns (by virtue of his acceptance of title of his Lot) and each other person or entity having an interest in or a lien upon or making use of, any portion of the Property (by virtue of accepting such interest or lien or making use thereof) shall be bound by this Article and shall be deemed to automatically waive all rights, claims, demands, and causes of action against the Association or Developer arising from or connected with any manner for which the liability of the Association or Developer has been described in this Article.

ARTICLE XI

PROPERTY SUBJECT TO DECLARATION AND ANNEXATION

Section 11.1 Existing Property. The Property which initially is and shall be held, transferred, sold, conveyed, encumbered, and occupied subject to this Declaration consists of that land described in the Recitals above.

ARTICLE XII

GENERAL PROVISIONS

Section 12.1 Condemnation. In the event all or part of the Common Property or the Common Roads shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board of Directors shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such Property. The Owners holding seventy five percent (75%) of the votes agree to distribute the proceeds of any condemnation or taking by eminent domain, and if the Owners shall not so agree, such proceeds shall be added to the funds of the Association.

Section 12.2 Notices. Any notice required to be sent to the Owner of any Lot under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Lot and to the last known address of the person who appears as Owner of such Lot on the records of the Association at the time of such mailing, if different.

Section 12.3 Enforcement. In addition to the enforcement provisions previously set forth in this Declaration, the provisions of this Declaration may be enforced by any Owner, by the Association, or by Developer (as long as it owns any interest in the Property) against any person, firm, corporation, trust, or other entity which violates or attempts to violate any of the covenants or restrictions hereof, by prosecuting any proceeding at law or in equity for the recovery of damages, for the purpose of preventing or enjoining all or any such violations or attempted

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violations, or for the enforcement of any lien created by this Declaration.

In addition to all other remedies, the Board of Directors shall have the authority, in its sole discretion, to impose a fine or fines upon any Owner for failure of the Owner, his family, guests, invitees, tenants, or occupants, to comply with any covenant, restriction, rule, or regulation contained in this Declaration, the Articles, or the Bylaws, provided the following procedures are adhered to:

(a) The Association shall notify the Owner or occupant of the infraction(s) and the date and time of the next Board of Directors' meeting.

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

(c) The Board of Directors may impose fines against the applicable Lot of up to Fifty Dollars ($50.00) per incident. The maximum permitted fine may be increased from time to time by the Board of Directors, as it in its discretion may deem necessary or convenient.

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

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

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

(g) The imposition of a fine shall not be an exclusive remedy and shall exist in addition to all other rights and remedies to which the Association may otherwise be entitled, including without limitation the right to impose a Lot Assessment; however, any fine paid by the Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner or occupant.

The remedies contained in this section shall be construed as cumulative of all other remedies now or hereafter provided by law. The failure of Developer, the Association, or any Owner, or their respective successors or assigns, to enforce any covenant, restriction, obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall not be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation occurring prior or subsequent thereto. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, and repair of the Stormwater Management System.

Section 12.4 Annexation. Additional land located within the boundaries of the Future Development Property, or which is contiguous to the property or contiguous to Future Development Property, may be annexed by the Developer without the consent of Members within twenty (20) years of the date of this instrument. Developer shall record an amendment to the declaration subjecting

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the land described thereon to the covenants and restrictions contained herein. Developer may include in such amendment additional covenants and restrictions provided such covenants and restrictions are not inconsistent herewith.

Section 12.5 Interpretation. Unless the context expressly requires otherwise, the use of the singular includes the plural and vice versa; the use of all genders; the use of the terms "including" or "include" is without limitation; and the use of the terms "will", "must", and "should" shall have the same effect as the use of the term "shall". Wherever any time period is expressed in days, if such time period ends on a Saturday, Sunday, or legal holiday, it shall be extended to the next succeeding calendar day that is not a Saturday, Sunday, or legal holiday. The terms "Lot" and "Property" mean all or any portion applicable to the context, and include all improvements, fixtures, trees, vegetation, and other property from time to time situated thereon, and the benefit of all appurtenant easements. The terms of this Declaration shall be liberally construed in favor of the party seeking to enforce its provisions to effectuate their purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a uniform and consistent plan for the development and enjoyment thereof. Headings and other textual divisions are for convenience only and are not to be used to interpret, construe, apply, or enforce any substantive provisions. The provisions of this subparagraph apply also to the interpretation, construction, application, and enforcement of all the Association Documents.

Section 12.6 Invalidity. The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Declaration, which shall remain in full force and effect.

Section 12.7 Litigation. No judicial or administrative proceedings shall be commenced or prosecuted by the Association unless the same is approved by a vote of the Owners holding seventy-five percent (75%) of the votes in the Association, either in person or by proxy at a duly called meeting, or by written consent without meeting in a manner permitted by law by Owners holding seventy-five percent (75%) of votes in the Association. This section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, foreclosure of lien), (b) imposition of Assessments as provided herein, (c) proceedings involving challenges, to any taxation, or (d) counter claims brought by the Association in proceedings instituted against it. Notwithstanding the provisions of this Section, this Section shall not be amended unless such Amendment is approved by Developer or is approved by the percentage vote pursuant to the same procedures as are necessary to institute proceedings and provided above.

Section 12.8 Amendment. This Declaration may be amended at any time by an instrument signed by the President or Vice President and Secretary or Assistant Secretary of the Association, certifying that such amendment has been adopted by Owners holding seventy-five percent (75%) of the votes in the Association, either in person or by proxy at a duly called meeting, or by written consent without meeting in a manner permitted by law by Owners holding seventy-five percent (75%) of the votes in the Association, which amendment shall become effective upon its filing in the public records of the County; provided, however, that:

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

(b) Developer specifically reserves the absolute and unconditional right so long as it owns any of the Property to amend

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this Declaration without the consent or joinder of any party (i) to conform to the requirements of any holder of a Mortgage or (ii) to conform to the requirements of title insurance companies, (iii) to conform to the requirements of any governmental entity having control or jurisdiction over the Property, (iv) to clarify the provisions hereof, or (v) in such other manner as Developer deems necessary and convenient.

(c) Any amendment to this Declaration which alters any provision relating to the Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Property, must have prior approval of the St. Johns River Water Management District.

Section 12.9 Rights of Mortgagees. All Mortgagees shall have the following rights:

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

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

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

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

Section 12.10 Legal Fees and Costs. The prevailing party in any dispute arising out of the subject matter of this Declaration or its subsequent performance shall be entitled to reimbursement of its costs and attorney's fees, whether incurred before or at trial, on appeal, in bankruptcy, in post-judgment collection, or in any dispute resolution proceeding, and whether or not a lawsuit is commenced.

Section 12.11 Action Without Meeting. Any action required to be taken hereunder by vote or assent of the Members may be taken in the absence of a meeting by obtaining the written approval of the requisite percentage of all of the votes in the Association. Any action so approved shall have the same effect as though taken at a meeting of the Members, and such approval shall be duly filed in the minute book of the Association.

Section 12.12 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of Florida, both substantive and remedial.

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

Signed, sealed and delivered in our presence as witnesses:

Print Name: Brook O'Brien

Print Name: CAROL L. ANDERS

SOUTH BEACH AT PONTE VEDRA, INC., a Florida corporation

By: _____
Charles F. Atkerson, Jr.
Its President

(CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 2nd day of January, 2001, by Charles F. Atkerson, Jr., the President of South Beach at Ponte Vedra, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or produced _____ as identification.

Notary Public CAROL L. ANDERS
Print Name: _____
My Commission Expires:

CAROL L. ANDERS
MY COMMISSION # CC 804810
EXPIRES: January 27, 2003
Bonded Thru Notary Public Underwriters

Electronically Signed using eSignOnline™ [Session ID : 22d6317d-d5a8-4f34-8995-2d639353070e]