

Record and Return to:
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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CANEY BRANCH**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CANEY BRANCH (this "**Declaration**") is made by Dunn Creek Properties, LLC, a Florida limited liability company ("**Dunn Creek**") and joined in by Caney Branch Homeowners' Association of Jacksonville, Inc., a Florida not-for-profit corporation ("**Association**").

R E C I T A L S

A. Dunn Creek is or will be the owner of the real property in Duval County, Florida ("**County**") more particularly described in **Exhibit 1** attached hereto and made a part hereof ("**Caney Branch**").

B. Dunn Creek desires to subject Caney Branch to the covenants, conditions and restrictions contained in this Declaration.

C. This Declaration is a covenant running with all of the land comprising Caney Branch, and each present and future owner of interests therein and their heirs, successors and assigns are hereby subject to this Declaration;

NOW THEREFORE, Dunn Creek hereby declares that every portion of Caney Branch is to be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, charges and liens hereinafter set forth.

1. **Recitals**. The foregoing Recitals are true and correct and are incorporated into and form a part of this Declaration.

2. **Definitions**. In addition to the terms defined elsewhere in this Declaration, all initially capitalized terms herein shall have the following meanings:

"**ACC**" shall mean the Architectural Control Committee for Caney Branch established pursuant to Section 19.1 hereof.

"**Access Control System**" shall mean any system intended to control access and/or enhance the welfare of exclusively Caney Branch.

"**Articles**" shall mean the Articles of Incorporation of Association filed with the Florida Secretary of State in the form attached hereto as **Exhibit 2** and made a part hereof, as amended from time to time.

"Assessments" shall mean any assessments made in accordance with this Declaration and as further defined in Section 16 hereof.

"Association" shall mean Caney Branch Homeowners' Association of Jacksonville, Inc., its successors and assigns.

"Association Documents" shall mean this Declaration, the Articles, the By-Laws, the Rules and Regulations, and the Community Standards, as amended from time to time.

"Association Title Documents" shall have the meaning set forth in Section 27.8 hereof.

"Board" shall mean the Board of Directors of Association.

"Bylaws" shall mean the Bylaws of Association in the form attached hereto as **Exhibit 3** and made a part hereof, as amended from time to time.

"Caney Branch" shall mean all of the real property described on **Exhibit 1** and shall include the Common Areas, each Home, each Parcel, Lot, tract, unit or other subdivision of real property, subject to additions and deletions thereto as permitted pursuant to the terms of this Declaration. Developer may, when amending or modifying the description of real property which is subject to the operation of this Declaration, also amend or modify the definition of Caney Branch.

"Common Areas" shall mean all real property interests and personalty within Caney Branch designated as Common Areas from time to time by Plat or recorded amendment to this Declaration and provided for, owned, leased by, or dedicated to the common use and enjoyment of the Owners within Caney Branch. The Common Areas may include, without limitation, open space areas, recreational facilities, a pool, a cabana, a tot lot, landscape easement areas, entrance features, improvements, easement areas owned by others, additions, irrigation pumps, wetlands, lakes, canals, irrigation areas, irrigation lines, sidewalks, streets, parking areas, lights, electronic gates, walls, commonly used utility facilities, signage, other lighting, and landscaping within property owned by Association. The Common Areas do not include any portion of a Home. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE DEFINITION OF "COMMON AREAS" AS SET FORTH IN THIS DECLARATION IS FOR DESCRIPTIVE PURPOSES ONLY AND SHALL IN NO WAY BIND, OBLIGATE OR LIMIT DEVELOPER TO CONSTRUCT OR SUPPLY ANY SUCH ITEM AS SET FORTH IN SUCH DESCRIPTION, THE CONSTRUCTION OR SUPPLYING OF ANY SUCH ITEM BEING IN DEVELOPER'S SOLE DISCRETION. FURTHER, NO PARTY SHALL BE ENTITLED TO RELY UPON SUCH DESCRIPTION AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON AREAS TO BE OWNED, LEASED BY OR DEDICATED TO ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND DEDICATION OR CONVEYANCE OF ANY SUCH ITEM.

"Community Completion Date" shall mean the date upon which all Homes in Caney Branch, as ultimately planned and as fully developed, have been conveyed by Developer to Owners.

"Community Standards" shall mean such standards of conduct, maintenance or other activity, if any, established by the ACC pursuant to Section 19.5 hereof.

"Contractors" shall have the meaning set forth in Section 19.12 hereof.

"County" shall mean Duval County, Florida.

"Declaration" shall mean this Declaration together with all amendments and modifications thereof.

"Developer" shall mean Dunn Creek and any of its designees (including its affiliated or related entities which conduct land development, homebuilding and sales activities), successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed

Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

“District” shall mean St. Johns River Water Management District.

“Dunn Creek” shall mean Dunn Creek Properties, LLC, a Florida limited liability company, its successors and assigns.

“Home” shall mean each residential duplex and appurtenances thereto constructed within Caney Branch. The term Home may not reflect the same division of property as reflected on a Plat. A Home shall be deemed created and have perpetual existence upon the issuance of a final or temporary Certificate of Occupancy on for such residence; provided, however, the subsequent loss of such Certificate of Occupancy (e.g., by casualty or remodeling) shall not affect the status of a Home, or the obligation of Owner to pay Assessments with respect to such Home. The term “Home” includes any interest in land, improvements, or other property appurtenant to the Home.

“Individual Assessments” shall have the meaning set forth in Section 16.2 hereof.

“Initial Capital Contribution” shall have the meaning set forth in Section 16.11 herein.

“Installment Assessments” shall have the meaning set forth in Section 16.2 hereof.

“Lender” shall mean (i) the institutional and licensed holder of a first mortgage encumbering a Lot or Home or (ii) Developer and its affiliates, to the extent Developer or its affiliates finances the purchase of a Home or Lot initially or by assignment of an existing mortgage.

“Lessee” shall mean the lessee named in any written lease respecting a Home who is legally entitled to possession of any rental Home within Caney Branch.

“Lot” shall mean any platted residential lot shown on a Plat.

“Neighborhood Plan” shall mean collectively any full or partial concept plan for the development of Caney Branch, as it exists as of the date of recording this Declaration, regardless of whether such plan is currently on file with one or more governmental agencies. The Neighborhood Plan is subject to change as set forth herein. The Neighborhood Plan is not a representation by Developer as to the development of Caney Branch or its amenities, as Developer reserves the right to amend all or part of the Neighborhood Plan from time to time.

“Operating Costs” shall mean all costs and expenses of Association and the Common Areas. Operating Costs may include, without limitation, all of the costs of ownership; operation; administration; all amounts payable by Association; all amounts payable in connection with any private street lighting agreement between Association and the energy provider; utilities; taxes; insurance; bonds; salaries; management fees; professional fees; service costs; supplies; maintenance; repairs; replacements; refurbishments; common area landscape maintenance and any and all of the costs relating to the discharge of the obligations hereunder, or as determined to be part of the Operating Costs by Association. By way of example, and not of limitation, Operating Costs shall include all of Association’s legal expenses and costs relating to or arising from the enforcement and/or interpretation of this Declaration.

“Operational Reserves” shall have the meaning set forth in Section 16.2 hereof.

“Owner” shall mean the record owner (whether one or more persons or entities) of fee simple title to any Home. The term “Owner” shall not include Developer until the Turnover Date, or a Lender.

“Parcel” shall mean any portion of Caney Branch upon which one or more Homes may be constructed.

“Party Wall” shall mean any fence or wall built as part of the original construction of two or more Homes which is placed on the dividing line or platted lot line between such Homes.

“Permit” shall mean the permit bearing permit number 40-031-89435-1 issued by the St. Johns River Water Management District.

“Plat” shall mean any plat of any portion of Caney Branch filed in the Public Records, as the same may be amended by Developer, from time to time.

“Public Records” shall mean the Public Records of Duval, County, Florida.

“Rules and Regulations” shall mean collectively the Rules and Regulations governing Caney Branch as adopted by the Board from time to time.

“Special Assessments” shall mean those Assessments more particularly described as Special Assessments in Section 16.2 hereof.

“Surface Water Management System” shall mean the collection of devices, improvements, or natural systems whereby surface waters are controlled, impounded or obstructed. This term includes exfiltration trenches, mitigation areas, lakes, retention areas, water management areas, ditches, culverts, structures, dams, impoundments, reservoirs, drainage maintenance easements and those works defined in Section 373.403(1)-(5) of the Florida Statutes. The Surface Water Management System includes those works authorized by the District pursuant to the Permit.

“Turnover Date” shall mean the date on which transition of control of Association from Developer to Owners occurs.

3. **Plan of Development.** The planning process for Caney Branch is an ever-evolving one and must remain flexible in order to be responsive to and accommodate the needs of Developer’s buyers. Subject to the Association Title Documents, Developer may wish and has the right to develop Caney Branch and adjacent property owned by Developer into residential dwellings. The existence at any point in time of walls, landscape screens, or berms is not a guaranty or promise that such items will remain or form part of Caney Branch as finally developed.

4. **Amendment.**

4.1. **General Restrictions on Amendments.** Notwithstanding any other provision herein to the contrary, no amendment to this Declaration shall affect the rights of Developer unless such amendment receives the prior written consent of Developer, which consent may be withheld for any reason whatsoever. No amendment shall alter the provisions of this Declaration benefiting Lenders without the prior approval of the Lender(s) enjoying the benefit of such provisions. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to this Declaration, then the prior written consent of such entity or agency must also be obtained. All amendments must comply with Section 12.6 hereof which benefit the District. No amendment shall be effective until it is recorded in the Public Records. Notwithstanding anything in this Declaration to the contrary, the provisions of Section 24 and this sentence may not be amended, modified, repealed or altered without the prior written consent of City after a public hearing.

4.2. **No Vested Rights.** Each Owner by acceptance of a deed to a Home irrevocably waives any claim that such Owner has any vested rights pursuant to case law or statute (with the exception of any rights created under the Gated Community Ordinance) with respect to this Declaration or any of the other Association Documents. It is expressly intended that Developer and Association have the unfettered right to amend this Declaration and the other Association Documents except as expressly set forth herein.

4.3. **Amendments Prior to and Including the Turnover Date.** Prior to and including the Turnover Date, Developer shall have the right to amend this Declaration as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Such amendments may include, without limitation, the creation of easements for telecommunications systems, utility, drainage, ingress and egress and roof overhangs over any portion of Caney Branch; additions or deletions from the properties comprising the Common Areas; changes in the Rules and Regulations, and modifications of restrictions on the Homes, and maintenance standards for landscaping.

Developer's right to amend under this provision is to be construed as broadly as possible. By way of example, and not as a limitation, Developer may create easements over Homes conveyed to Owners provided that such easements do not prohibit the use of such Homes as residential homes. In the event that Association shall desire to amend this Declaration prior to and including the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

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

5. Annexation and Withdrawal.

5.1. Annexation by Developer. Prior to and including the Turnover Date, additional lands may be made part of Caney Branch by Developer, at Developer's sole discretion. Such additional lands to be annexed may or may not be adjacent to Caney Branch. Except for applicable governmental approvals (if any), no consent to such annexation shall be required from any other party (including, but not limited to, Association, Owners or any Lenders of any portion of Caney Branch, including a Home). Such annexed lands shall be brought within the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The amendment shall subject the annexed lands to the covenants, conditions, and restrictions contained in this Declaration as fully as though the annexed lands were described herein as a portion of Caney Branch. Such amendment may contain additions to, modifications of, or omissions from the covenants, conditions, and restrictions contained in this Declaration as deemed appropriate by Developer and as may be necessary to reflect the different character, if any, of the annexed lands. Prior to and including the Turnover Date, only Developer may add additional lands to Caney Branch.

5.2. Annexation by Association. After the Turnover Date, and subject to applicable governmental approvals (if any), additional lands may be annexed with the approval of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum.

5.3. Transfer of Property to City or Other Governmental Entity After the Turnover Date. After the Turnover Date, any transfer of Caney Branch infrastructure (including, without limitation, property on which the Caney Branch infrastructure is located) to City or other governmental entity is prohibited without the concurrence of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum. Notwithstanding the foregoing, no portion of Caney Branch infrastructure can be transferred to City or other governmental entity without the consent of the City or such other governmental entity.

5.4. Withdrawal. Association shall have no right to withdraw land from Caney Branch.

6. Dissolution.

6.1. Generally. In the event of the dissolution of Association without reinstatement within thirty (30) days, other than incident to a merger or consolidation, any Owner may petition the Circuit Court of the appropriate Judicial Circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Common Areas in the place and stead of Association, and to make of such provisions as may be necessary for the continued management of the affairs of the dissolved Association. In the event Association is dissolved, and any portion of the Surface Water Management System is part of the Common Areas, the Surface Water Management System shall be conveyed to an appropriate agency of local government, and if not accepted, then the Surface Water Management System shall be dedicated to a similar non-profit corporation.

6.2. Applicability of Declaration after Dissolution. In the event of dissolution of Association, Caney Branch and each Home therein shall continue to be subject to the provisions of this Declaration, including, without limitation, the provisions respecting Assessments specified in this Declaration. Each Owner shall continue to be personally obligated to any successors or assigns of Association for Assessments to the extent that Assessments are required to enable any successors or assigns of Association to properly maintain, operate and preserve the Common Areas. The provisions of this Section shall only apply with regard to the maintenance, operation, and preservation of those portions of Caney Branch which had been Common Areas and continue to be so used for the common use and enjoyment of the Owners.

7. Binding Effect and Membership.

7.1. Term. This Declaration and all covenants, conditions and restrictions contained in this Declaration are equitable servitudes, perpetual and run with the land. Each Owner, by acceptance of a deed to a Home or Lot, and any person claiming by, through or under such Owner agrees to be subject to the provisions of this Declaration and irrevocably waives any right to deny, and any claim, that this Declaration and all covenants, conditions and restrictions contained in this Declaration are not enforceable under the Marketable Record Title Act, Chapter 712 of the Florida Statutes. It is expressly intended that the Marketable Record Title Act will not operate to extinguish any encumbrance placed on Caney Branch by this Declaration. It is further expressly intended that no re-filing or notice of preservation is necessary to continue the applicability of this Declaration and the applicability of all covenants, conditions, and restrictions contained in this Declaration. This provision is not subject to amendment.

7.2. Transfer. The transfer of the fee title to a Home, whether voluntary or by operation of law, terminating the Owner's title to that Home shall terminate the Owner's rights to the use of and enjoyment of the Common Areas as it pertains to that Home and shall terminate such Owner's membership in Association. An Owner's rights and privileges under this Declaration are not assignable separately from a Home. The Owner of each Home is entitled to the benefits of, and is burdened with the duties and responsibilities set forth in, the provisions of this Declaration. All parties acquiring any right, title and interest in and to any Home shall be fully bound by the provisions of this Declaration. In no event shall any Owner acquire any rights that are greater than the rights granted to, and limitations placed upon its predecessor in title pursuant to the provisions of this Declaration. The transferor shall remain jointly and severally liable with the transferee for all obligations of the Owner and the Home pursuant to this Declaration including, without limitation, payment of all Assessments accruing prior to the date of transfer.

7.3. Memberships. Upon acceptance of title to a Home, and as more fully provided in the Articles and By-Laws, each Owner (or his or her Lessee, if applicable) shall be a member of Association. Membership rights are governed by the provisions of the Association Documents, Articles and By-Laws and the deed to a Home. Memberships shall be an appurtenance to, and may not be separated from, the ownership of a Home. Developer rights with respect to Association are set forth in this Declaration, the Articles and the By-Laws.

7.4. Ownership by Entity. In the event that an Owner is other than a natural person, that Owner shall, prior to occupancy of the Home, designate one or more persons who are to be the occupants of the Home and register such persons with Association. All provisions of this Declaration and the other Association Documents shall apply to both such Owner and the designated occupants.

7.5. Voting Interests. Voting interests in Association are governed by the provisions of the Articles and By-Laws.

7.6. Document Recordation by Owners Prohibited. Neither Association nor any Owner, nor group of Owners, may record any documents which, in any way, affect or restrict the rights of Developer, or conflict with the provisions of this Declaration or the other Association Documents.

8. Paramount Right of Developer. Notwithstanding anything to the contrary herein, prior to the Community Completion Date Developer shall have the paramount right to dedicate, transfer, and/or convey (by absolute conveyance, easement, or otherwise) portions of Caney Branch for various public purposes or for the provision of telecommunications systems, or to make any portions of Caney Branch part of the Common Areas, or to create and implement a special taxing district which may include all or any portion of Caney Branch. In addition, the Common

Areas of Caney Branch may include decorative improvements, berms and waterbodies. Notwithstanding anything to the contrary herein, the waterbodies may be dry during certain weather conditions or during certain times of the year. Developer may remove, modify, eliminate or replace these items from time to time in its sole discretion. SALES BROCHURES, SITE PLANS, AND MARKETING MATERIALS ARE CURRENT CONCEPTUAL REPRESENTATIONS AS TO WHAT FACILITIES, IF ANY, WILL BE INCLUDED WITHIN THE COMMON AREAS. DEVELOPER SPECIFICALLY RESERVES THE RIGHT TO CHANGE THE LAYOUT, COMPOSITION, AND DESIGN OF ANY AND ALL COMMON AREAS AT ANY TIME WITHOUT NOTICE AT ITS DISCRETION.

9. Operation of Common Areas.

9.1. Prior to Conveyance. Prior to the conveyance, identification and/or dedication of the Common Areas to Association as set forth in Section 9.4 herein, any portion of the Common Areas owned by Developer shall be operated, maintained, and administered at the sole cost of Association for all purposes and uses reasonably intended, as Developer in its sole discretion deems appropriate. During such period, Developer shall own, operate, and administer the Common Areas without interference from any Owner or Lender of a Parcel or any portion of Caney Branch or Home or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until same are actually constructed, completed, and conveyed to, leased by, dedicated to, and/or maintained by Association. The current conceptual representations, if any, regarding the composition of the Common Areas are not a guarantee of the final composition of the Common Areas. No party should rely upon any statement contained herein as a representation or warranty as to the extent of the Common Areas to be owned, leased by, or dedicated to Association. Developer, so long as it controls Association, further specifically retains the right to add to, delete from, or modify any of the Common Areas referred to herein at its discretion and without notice.

9.2. Construction of Common Areas Facilities. Developer has constructed or will construct, at its sole cost and expense, certain facilities and improvements as part of the Common Areas, together with equipment and personally contained therein, and such other improvements and personally as Developer determines in its sole discretion. Developer shall be the sole judge of the composition of such facilities and improvements. Prior to the Community Completion Date Developer reserves the absolute right to construct additional Common Areas facilities and improvements within Caney Branch, from time to time, in its sole discretion, and to remove, add, modify and change the boundaries, facilities and improvements now or then part of the Common Areas. Developer is not obligated to, nor has it represented that it will, modify or add to the facilities, improvements, or Common Areas as they are contemplated as of the date hereof. Developer is the sole judge of the foregoing, including the plans, specifications, design, location, completion schedule, materials, size, and contents of the facilities, improvements, appurtenances, personally (e.g., furniture), color, textures, finishes, or Common Areas, or changes or modifications to any of them.

9.3. Use of Common Areas by Developer. Until the Community Completion Date Developer shall have the right to use any portion of the Common Areas, without charge, for any purpose deemed appropriate by Developer.

9.4. Conveyance.

9.4.1. Generally. Within sixty (60) days after the Plat is recorded, or earlier as determined by Developer in its sole discretion, all or portions of the Common Areas may be dedicated by Plats, created in the form of easements, or conveyed by written instrument recorded in the Public Records, or by Quitclaim Deed from Developer to Association. The dedication, creation by easement, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership operation, maintenance, and administration of the conveyed portions of Common Areas and other obligations relating to the Common Areas imposed herein. Association shall, and does hereby, indemnify and hold Developer harmless on account thereof. Association, by its joinder in this Declaration, hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature. The Common Areas, personal property and equipment thereon and appurtenances thereto shall be dedicated or conveyed in "as is, where is" condition WITHOUT ANY

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REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF THE COMMON AREAS BEING CONVEYED.

9.4.2. Form of Deed. Each deed of the Common Areas shall be subject to the following provisions:

9.4.2.1. a perpetual nonexclusive easement in favor of governmental agencies for the maintenance and repair of existing road, speed and directional signs, if any;

9.4.2.2. matters reflected in the plat(s) of Caney Branch;

9.4.2.3. perpetual non-exclusive easements in favor of Developer, its successors, and assigns in, to, upon and over all of the Common Areas for the purposes of vehicular and pedestrian ingress and egress, installation of utilities, landscaping and/or drainage, without charge, including, without limitation, the right to use such roadways for construction vehicles and equipment. The easements reserved in the deed shall run in favor of Developer, and its employees, representatives, agents, licensees, guests, invitees, successors and/or assigns;

9.4.2.4. all restrictions, easements, covenants and other matters of record;

9.4.2.5. in the event that Association believes that Developer shall have failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas conveyed herein are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$250,000.00 which Association and Developer agree is a fair and reasonable remedy; and

9.4.2.6. a reservation of right in favor of Developer (so long as Developer owns any portion of Caney Branch) to require that Association reconvey all or a portion of the Common Areas conveyed by quitclaim deed in favor of Developer in the event that such property is required to be owned by Developer for any purpose, including, without limitation, the reconfiguration of any adjacent property by replatting or otherwise.

9.5. Operation After Conveyance. After the conveyance or dedication of any portion of the Common Areas to Association, the portion of the Common Areas so dedicated shall be owned, operated and administered by Association for the use and benefit of the owners of all property interests in Caney Branch including, but not limited to, Association, Developer, Owners and any Lenders. Subject to Association's right to grant easements and other interests as provided herein, Association may not convey, abandon, alienate, encumber, or transfer all or a portion of the Common Areas to a third party without (i) if prior to the Turnover Date, the approval of (a) a majority of the Board; and (b) the consent of Developer, or (ii) from and after the Turnover Date, approval of (a) sixty-six and two-thirds percent (66⅔%) of the Board; and (b) seventy-five percent (75%) of all of the votes in Association.

9.6. Paved Common Areas. The Common Areas may contain certain paved areas. Without limiting any other provision of this Declaration, Association is responsible for the maintenance and/or resurfacing of all paved surfaces including, but not limited to, roads, pathways, bicycle paths, and sidewalks forming a part of the Common Areas, if any. Although pavement appears to be a durable material, it requires maintenance.

9.7. Delegation and Managers. Once conveyed or dedicated to Association, the Common Areas and facilities and improvements located thereon shall, subject to the provisions of this Declaration and the document of conveyance or dedication, at all times be under the complete supervision, operation, control, and management of Association. Notwithstanding the foregoing Association may delegate all or a portion of its obligations hereunder to a licensed manager or professional management company. Association specifically shall have the right to pay for management services on any basis approved by the Board (including bonuses or special fee arrangements for meeting financial or other goals). Developer, its affiliates and/or subsidiaries shall have the right to manage Association. Owners and Association acknowledge that it is fair and reasonable to have Developer, its affiliates and/or subsidiaries manage Association. Further, in the event that a Common Area is created by easement, Association's obligations and rights with respect to such Common Area may be limited by the terms of the document creating such easement.

9.8. Use.

9.8.1. General Public Use. The Common Areas shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations (who may, but are not required to be, members of Association) entitled to use those portions of the Common Areas. Prior to the Community Completion Date, Developer, and thereafter, Association, has the right, at any and all times, and from time to time, to further additionally provide and make the Common Areas available to other individuals, persons, firms, or corporations, as it deems appropriate. The granting of such rights shall not invalidate this Declaration, reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements or obligations to be performed hereunder.

9.8.2. Right to Allow Use. Developer and/or Association may enter into easement agreements or other use or possession agreements whereby the Owners, and/or Association and/or others may obtain the use, possession of, or other rights regarding certain property, on an exclusive or non-exclusive basis, for certain specified purposes. Association may agree to maintain and pay the taxes, insurance, administration, upkeep, repair, and replacement of such property, the expenses of which shall be Operating Costs. Any such agreement by Association prior to the Community Completion Date shall require the consent of Developer. Thereafter, any such agreement shall require the approval of the majority of the Board of Directors.

9.8.3. Obstruction of Common Areas. No portion of the Common Areas may be obstructed, encumbered, or used by Owners for any purpose other than as permitted by Association.

9.8.4. Assumption of Risk. Without limiting any other provision herein, each person within any portion of Caney Branch accepts and assumes all risk and responsibility for noise, liability, injury, or damage connected with use or occupancy of any portion of Caney Branch (e.g., the Common Areas) including, without limitation, (a) noise from maintenance equipment, (b) use of pesticides, herbicides and fertilizers, view restrictions caused by maturation of trees and shrubbery, (d) reduction in privacy caused by the removal or pruning of shrubbery or trees within Caney Branch and (e) design of any portion of Caney Branch. Each person entering onto any portion of Caney Branch also expressly indemnifies and agrees to hold harmless Developer, and Association, and all employees, directors, representatives, officers, agents, and partners of the foregoing, from any and all damages, whether direct or consequential, arising from or related to the person's use of the Common Areas and/or Facilities, including attorneys' fees, paraprofessional fees and costs at trial and upon appeal. Without limiting the foregoing, all persons using the Common Areas and/or Facilities, including without limitation, all waterbodies, lakes, pools or areas adjacent to a lake, do so at their own risk. BY ACCEPTANCE OF A DEED, EACH OWNER ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE SUCH AS ALLIGATORS, DOGS, RACCOONS, SNAKES, DUCKS, DEER, SWINE, TURKEYS AND FOXES. DEVELOPER, AND ASSOCIATION, SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

9.8.5. Owner's Obligation to Indemnify. Each Owner agrees to indemnify and hold harmless Developer, Association, their officers, partners, agents, employees, affiliates, directors and attorneys (collectively, "Indemnified Parties") against all actions, injury, claims, loss, liability, damages, costs and expenses of any kind or nature whatsoever ("Losses") incurred by or asserted against any of the Indemnified Parties from and after the date {JA280147;1}

hereof, whether direct, indirect, or consequential, as a result of or in any way related to the Common Areas including, without limitation, use of the lakes and other waterbodies within Caney Branch by Owners, and their guests, family members, invitees, or agents, or the interpretation of this Declaration and/or exhibits attached hereto and/or from any act or omission of Developer, Association, or of any of the Indemnified Parties. Should any Owner bring suit against Developer, Association, or any of the Indemnified Parties for any claim or matter and fail to obtain judgment therein against such Indemnified Parties, such Owner shall be liable to such parties for all Losses, costs and expenses incurred by the Indemnified Parties in the defense of such suit, including attorneys' fees and paraprofessional fees at trial and upon appeal.

9.9. Rules and Regulations.

9.9.1. Generally. Prior to and including the Turnover Date, Developer, and thereafter Association, shall have the right to adopt Rules and Regulations governing the use of the Common Areas and Caney Branch. The Common Areas shall be used in accordance with this Declaration and Rules and Regulations promulgated hereunder.

9.9.2. Developer Not Subject to Rules and Regulations. The Rules and Regulations shall not apply to Developer or to any property owned by Developer and shall not be applied in a manner which would adversely affect the interests of Developer. Without limiting the foregoing, Developer and/or its assigns, shall have the right to: (i) develop and construct Homes, Common Areas, and related improvements within Caney Branch, and make any additions, alterations, improvements, or changes thereto; (ii) maintain sales offices (for the sale of (a) Homes and (b) residences and properties located outside of Caney Branch), general offices and construction operations within Caney Branch; (iii) place, erect or construct portable, temporary or accessory buildings or structure within Caney Branch for sales, construction storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of Caney Branch; (v) post, display, inscribe or affix to the exterior of any portion of the Common Areas or portions of Caney Branch owned by Developer, signs and other materials used in developing, constructing, selling or promoting the sale of any portion of Caney Branch including, without limitation, Homes; (vi) excavate fill from any lakes or waterways within and/or contiguous to Caney Branch by dredge or dragline, store fill within Caney Branch and remove and/or sell excess fill; and grow or store plants and trees within, or contiguous to, Caney Branch and use and/or sell excess plants and trees; and (vii) undertake all activities which, in the sole opinion of Developer, are necessary for the development and sale of any lands and improvements comprising Caney Branch.

9.10. Default by Another Owner. No default by any Owner in the performance of the covenants and promises contained in this Declaration or by any person using the Common Areas or any other act of omission by any of them shall be construed or considered (a) a breach by Developer or Association or a non-defaulting Owner or other person or entity of any of their promises or covenants in this Declaration; or (b) an actual, implied or constructive dispossession of another Owner from the Common Areas; or (c) an excuse, justification, waiver or indulgence of the covenants and promises contained in this Declaration.

9.11. Special Taxing Districts. For as long as Developer controls Association, Developer shall have the right, but not the obligation, to dedicate or transfer or cause the dedication or transfer of all or portions of the Common Areas of Association to a special taxing district or a public agency or authority under such terms as Developer deems appropriate in order to create or contract with special taxing districts and community development districts (or others) for lighting, perimeter walls, entrance features, roads, landscaping, irrigation areas, lakes, waterways, ponds, surface water management systems, wetlands mitigation areas, parks, recreational or other services, security or communications, or other similar purposes deemed appropriate by Developer, including without limitation, the maintenance and/or operation of any of the foregoing. As hereinafter provided, Developer may sign any taxing district petition as attorney-in-fact for each Owner. Each Owner's obligation to pay taxes associated with such district shall be in addition to such Owner's obligation to pay Assessments. Any special taxing district shall be created pursuant to all applicable ordinances of City and all other applicable governing entities having jurisdiction with respect to the same.

9.12. Water Transmission and Distribution Facilities Easement and Repair. Developer hereby grants and conveys to City, its successors and assigns, the non-exclusive right, privilege and easement to construct, re-construct, lay, install, operate, maintain, relocate, repair, replace, improve and inspect water transmission and

distribution facilities and sewer collection facilities and all appurtenances thereto, and all appurtenant equipment, with the full right of ingress thereto and egress therefrom, within Caney Branch (excluding such facilities located inside a Home) in accordance with plans approved by Developer or Association. Certain water transmission and distribution facilities and sewer collection facilities may be covered with decorative brick pavers that do not conform to City regulations ("**Non-Conforming Pavers**") in the course of construction of Homes and Common Areas, as and to the extent permitted under the terms of this Declaration. In the event City or any of its subdivisions, agencies and/or divisions shall damage any Non-Conforming Pavers as a result of construction, repair or maintenance operations of the water and/or sewer facilities or the City's use of its easement rights granted in this Section 9.12, then Association shall replace or repair such damage at the expense of the Owner of the affected Home and such cost shall be billed to such Owner as an Individual Assessment, unless, and only to the extent that, such cost is not paid by City or such other subdivisions, agencies and/or divisions. Association shall indemnify and hold harmless City and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorney's fees and costs of defense, which City or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance by Association of Association's obligations under this Section 9.12.

9.13. Association's Obligation to Indemnify. Association and Owners each covenant and agree jointly and severally to indemnify, defend and hold harmless Developer, and its officers, directors, shareholders, and any related persons or corporations and their employees from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Areas or other property serving Association, and improvements thereon, or resulting from or arising out of activities or operations of Association or Owners, and from and against all costs, expenses, court costs, attorneys' fees and paraprofessional fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders judgments or decrees which may be entered relating thereto. The costs and expense of fulfilling this covenant of indemnification shall be Operating Costs to the extent such matters are not covered by insurance maintained by Association.

9.14. Site Plans and Plats. Caney Branch may be subject to one or more plats (each individually, a "**Plat**"). The Plat may identify some of the Common Areas within Caney Branch. The description of the Common Areas on a Plat is subject to change and the notes on a Plat are not a guarantee of what facilities will be constructed on such Common Areas. Site plans used by Developer in its marketing efforts illustrate the types of facilities which may be constructed on the Common Areas, but such site plans are not a guarantee of what facilities will actually be constructed. Each Owner should not rely on a Plat or any site plans used for illustration purposes as the Declaration governs the rights and obligations of Developer and Owners with respect to the Common Areas.

10. Party Walls.

10.1. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Section, the general rule of law regarding party walls and liability for personal damage due to negligence or willful acts or omissions shall apply to all Party Walls within Caney Branch which are built by Developer as part of the original construction of the Homes and any replacement thereof. In the event any portion of any structure or facility, as originally constructed by Developer including, without limitation, any Party Wall, shall protrude over an adjoining Home, it shall be deemed that such Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the protruding structure, facility or Party Wall. The foregoing shall also apply to any replacements of any Party Walls. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

10.2. Sharing of Repair, Replacement and Maintenance for Party Walls.

10.2.1. Generally. The cost of reasonable repair and maintenance of Party Walls (other than painting) shall be shared equally by the Owners of the Homes sharing such Party Walls without prejudice, however, to the right of any Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

10.2.2. Failure to Contribute. In the event that an Owner shall fail or refuse to pay his pro rata share of costs of repair, maintenance, or replacement of a Party Wall (whether or not through his own fault or the failure of his insurance company to pay any claim), then and in that event, the Owner advancing monies therefor shall have a right to file a claim of lien for such monies advanced in the Public Records and shall have the right to foreclose such lien in accordance with the same procedural requirements as now provided for in Florida Statutes for foreclosure of a construction lien; provided, however, such claim of lien shall be filed within ninety (90) days from the date repairs or replacements are made to the Party Wall and suit thereon shall be commenced within one (1) year from the date such lien is filed.

10.2.3. Alterations. The Owner of a Home sharing a Party Wall with an adjoining Home shall not cut windows or other openings in the Party Wall, nor make any alterations, additions or structural changes in or to the Party Wall without the joint agreement of all Owners sharing the Party Wall.

10.2.4. Weatherproofing. Notwithstanding any other provisions of this Declaration, an Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

10.2.5. Easements. Each Owner sharing a Party Wall shall have all easement rights reasonably necessary to perform the obligations contained herein over the Homes sharing the Party Wall.

11. Party Roofs.

11.1. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Section, the general rule of law regarding party roofs and liability for personal damage due to negligence of willful acts or omissions shall apply to all Party Roofs within Caney Branch which are built by Developer as part of the original construction of the Homes and any replacement thereof. In the event any portion of any structure or facility, as originally constructed by Developer, including, without limitation, any Party Roof, shall protrude over an adjoining Home, it shall be deemed that such Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the protruding structure, facility or Party Roof. The foregoing shall also apply to any replacements of Party Roofs. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

11.2. Alterations. Subject to applicable building codes, the Owner of a Home sharing a Party Roof with an adjoining Home shall not make any alterations, additions or structural changes in or to the Party Roof without the written consent of the ACC.

11.3. Easements. Each Owner sharing a Party Roof shall have all easement rights reasonably necessary to perform the obligations contained herein over the Homes sharing the Party Roof.

12. Maintenance by Association.

12.1. Common Areas. Except as otherwise specifically provided in this Declaration to the contrary, Association shall at all times maintain, repair, replace and insure the Common Areas, including all improvements placed thereon.

12.2. Lawn Maintenance. Association shall cut and edge the lawn in the entire yard (the "**Yard**") of each Home. Association shall maintain the trees and hedges in the Yard of each Home, and shall fertilize the Yard of each Home. Association may also weed the plant bed(s) in the Yard of each Home, provided that the Owner of such Home has not modified the plant bed(s) from the original plant bed(s) installed by Developer. In the event an Owner modifies the plant bed(s) as initially installed by Developer, then such Owner shall be solely responsible for maintenance of such plant bed(s). EACH OWNER ACKNOWLEDGES THAT SOME HOMES MAY HAVE YARDS THAT ARE LARGER OR SMALLER THAN THE YARDS OF OTHER HOMES. NOTWITHSTANDING THE FOREGOING, ALL LAWN MAINTENANCE EXPENSES SHALL BE DEEMED PART OF THE OPERATING COSTS OF ASSOCIATION, AND EACH OWNER SHALL PAY AN EQUAL SHARE OF SUCH COSTS.

12.3. Painting. The exterior walls of each group of Homes that are connected to each other by Party Walls or otherwise shall be uniformly maintained by Association including, but not limited to, painting and pressure cleaning, all of which may be required by Association to be performed at the same time by the same contractor. The exterior of the homes must be uniform in color.

12.4. Repair, Replacement and Maintenance of Party Roofs. Association shall repair, replace and maintain Party Roofs, as necessary, in Association's sole discretion.

12.5. Duty to Maintain Surface Water Management System. The Surface Water Management System within Caney Branch will be owned, maintained and operated by Association as permitted by the District and owned by Association as Common Areas, the costs of the operation and maintenance of the Surface Water Management System shall be part of the Operating Costs of Association. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the District. Notwithstanding the foregoing, the District has the right to take enforcement action, including a civil action for injunction and penalties against Association to compel it to correct any outstanding problems with the Surface Water Management System facilities or in mitigation areas under the responsibility or control of Association. Association shall accept any and all transfer of permits from Developer. Association shall cooperate with Developer with any applications, certifications, documents or consents required to effectuate any such transfer of permits to Association. Each Owner within Caney Branch at the time of construction of a building, residence, or structure shall comply with the construction plans for the Surface Water Management System approved and on file with the District. In addition, if the Developer or an Owner has constructed a drainage swale upon a Lot or Parcel for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot or Parcel from time to time, then each Owner, including builders, shall be responsible for the maintenance, operation and repair of the swales on the Lot or Parcel. Such maintenance, operation and repair mentioned in the immediately preceding sentence shall mean the exercise of practices, such as mowing and erosion repair, which allows the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the drainage swales shall be authorized and any damage to any drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the Owner(s) of the Lot or Parcel upon which the drainage swale is located.

12.6. Amendments Affecting Surface Water Management System. Any proposed amendment to the Association Documents which will affect the Surface Water Management System including any environmental conservation area and the water management portions of the Common Areas, must have the prior written approval of the District and City. Association's registered agent shall maintain copies of all Surface Water Management System permits and correspondence respecting such permits, and any future District permit actions shall be maintained by Association's registered agent for Association's benefit.

12.7. Conservation Areas. Lots may contain or be adjacent to wetlands, wetland mitigation or preservation areas, upland conservation areas and drainage easements, which may be dedicated by Plat and/or protected by a conservation easement ("Conservation Areas"). Owners of Homes abutting Conservation Areas shall not remove native vegetation (including cattails) that become established within the Conservation Areas abutting their Home. Removal includes dredging, the application of herbicide, cutting, and the introduction of grass carp. Owners shall address any questions regarding authorized activities within the Conservation Areas to the District.

12.8. Perimeter Walls. Association shall be responsible for maintaining any perimeter walls of Caney Branch.

12.9. Adjoining Areas. Association shall also maintain those drainage areas, swales, lakes maintenance easements, driveways, and landscape areas that are within the Common Areas.

12.10. Negligence. The expense of any maintenance, repair or construction of any portion of the Common Areas necessitated by the negligent or willful acts of an Owner or persons utilizing the Common Areas, through or under an Owner shall be borne solely by such Owner, and the Home owned by that Owner shall be {JA280147;1}

subject to an Individual Assessment for that expense. By way of example, and not of limitation, an Owner shall be responsible for the removal and replacement of all landscaping and structures placed within easements or Common Areas without the prior written approval of Association.

12.11. Right of Entry. Developer and Association are granted a perpetual and irrevocable easement over, under and across Caney Branch for the purposes herein expressed, including, without limitation, for inspections to ascertain compliance with the provisions of this Declaration, and for the performance of any maintenance, alteration or repair which it is entitled to perform. Without limiting the foregoing, Developer specifically reserves easements for all purposes necessary to comply with any governmental requirement or to satisfy any condition that is a prerequisite for a governmental approval. By way of example, and not of limitation, Developer may construct, maintain, repair, alter, replace and/or remove improvements; install landscaping; install utilities; and/or remove structures on any portion of Caney Branch if Developer is required to do so in order to obtain the release of any bond posted with any governmental agency.

12.12. Maintenance of Property Owned by Others. Association shall, if designated by Developer by amendment to this Declaration, or by other notice or direction, maintain vegetation, landscaping, sprinkler system, community identification/features and/or other areas or elements designated by Developer upon areas which are within or outside of Caney Branch and which are owned by, or dedicated to, others including, but not limited to, a utility, governmental or quasi-governmental entity, so as to enhance the appearance of Caney Branch. These areas may include (by way of example and not limitation) swale areas or median areas within the right-of-way of public streets, roads, drainage areas, community identification or features, community signage or other identification and/or areas within canal rights-of-ways or other abutting waterways.

12.13. Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

12.14. Driveway and Sidewalk Easement. Each Owner shall be responsible to repair any damage to a driveway which comprises part of a Home and the sidewalk and driveway abutting the front Lot of the Home, including, but not limited to, any damage caused by Association or by the holder of any easement over which such driveway or sidewalk is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify and hold harmless Association and the holder of any such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway or sidewalk in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association any expense incurred in repairing any damage to such driveway or sidewalk in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

13. Use Restrictions. Each Owner must comply with the following:

13.1. Alterations and Additions. No material alteration, addition or modification to a Lot or Home, or material change in the appearance thereof, shall be made without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration.

13.2. Animals. No animals of any kind shall be raised, bred or kept within Caney Branch for commercial purposes. Otherwise, Owners may keep domestic pets as permitted by City ordinances and otherwise in accordance with the Rules and Regulations established by the Board from time to time. Notwithstanding the foregoing, pets may be kept or harbored in a Home only so long as such pets or animals do not constitute a nuisance. A determination by the Board that an animal or pet kept or harbored in a Home is a nuisance shall be conclusive and binding on all parties. All pets shall be walked on a leash. No pet shall be permitted outside a Home unless such pet is kept on a leash or within an enclosed portion of the yard of a Home, as approved by the ACC. No pet or animal shall be "tied out" on the exterior of the Home or in the Common Areas, or left unattended in a yard or on a balcony, porch, or patio. No dog runs or enclosures shall be permitted on any Home. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of the giving of the notice. All pets shall {JA280147;1}

defecate only in the “pet walking” areas within Caney Branch designated for such purpose, if any, or on that Owner’s Home. The person walking the pet or the Owner shall clean up all matter created by the pet. Each Owner shall be responsible for the activities of its pet. Notwithstanding anything to the contrary, seeing eye dogs shall not be governed by the restrictions contained in this Section. Pigs shall not be allowed within Caney Branch.

13.3. Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Home or Lot, unless approved by the ACC.

13.4. Cars and Trucks.

13.4.1. Parking. Owners’ automobiles shall be parked in the garage or driveway, if provided, and shall not block the sidewalk. No vehicles of any nature shall be parked on any portion of Caney Branch or a Lot except on the surfaced parking area thereof. All lawn maintenance vehicles shall park on the driveway of the Home and not in the roadway or swale. There shall be no overnight parking on the street within Caney Branch. No vehicles used in business for the purpose of transporting goods, equipment and the like, or any trucks or vans which are larger than three-quarter (3/4) ton shall be parked in Caney Branch except during the period of a delivery. Recreational vehicles, personal street vans, personal trucks of three-quarter (3/4) ton capacity or smaller, and personal vehicles that can be appropriately parked within standard size parking garages may be parked in Caney Branch. Owners or residents of Homes may not use designated guest parking spaces within Caney Branch.

13.4.2. Repairs and Maintenance of Vehicles. No vehicle which cannot operate on its own power shall remain on Caney Branch for more than twelve hours, except in the garage of a Home. No repair or maintenance, except emergency repair, of vehicles shall be made within Caney Branch, except in the garage of a Home. No vehicles shall be stored on blocks. No tarpaulin covers on vehicles shall be permitted anywhere within the public view.

13.4.3. Prohibited Vehicles. No commercial vehicle, limousines, recreational vehicle, boat, trailer including, but not limited to, boat trailers, house trailers, and trailers of every other type, kind or description, or camper, may be kept within Caney Branch except in the garage of a Home. The term commercial vehicle shall not be deemed to include law enforcement vehicles or recreational or utility vehicles (*i.e.*, Broncos™, Blazers™, Explorers™, Navigators™, *etc.*) or clean “non- working” vehicles such as pick-up trucks, vans, or cars if they are used by the Owner on a daily basis for normal transportation. Notwithstanding any other provision in this Declaration to the contrary, the foregoing provisions shall not apply to construction vehicles in connection with the construction, improvement, installation, or repair by Developer of Homes, Common Areas, or any other Caney Branch facility. No vehicles displaying commercial advertising shall be parked within the public view. No vehicles bearing a “for sale” sign shall be parked within the public view anywhere on Caney Branch. For any Owner who drives an automobile issued by the City or other governmental entity (*i.e.*, police cars), such automobile shall not be deemed to be a commercial vehicle and may be parked in the garage or driveway of the Home. No vehicle shall be used as a domicile or residence either temporarily or permanently.

13.5. Casualty Destruction to Improvements. In the event that a Home or other improvement is damaged or destroyed by casualty loss or other loss, then within a reasonable period of time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Home or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Home or improvement and restore or repair the Home as set forth in Section 14.2.2 herein and as approved by the ACC. As to any such reconstruction of a destroyed Home or improvements, the same shall only be replaced as approved by the ACC.

13.6. Commercial Activity. Except for normal construction activity, sale, and re-sale of a Home, sale or re-sale of other property owned by Developer, administrative offices of Developer, no commercial or business activity shall be conducted in any Home within Caney Branch. Notwithstanding the foregoing, and subject to applicable statutes and ordinances, an Owner may maintain a home business office within a Home for such Owner’s personal use; provided, however, business invitees customers, and clients shall not be permitted to meet with Owners in Homes unless the Board provides otherwise in the Rules and Regulations. No Owner may actively engage in any solicitations for commercial purposes within Caney Branch. No solicitors of a commercial nature

shall be allowed within Caney Branch, without the prior written consent of Association. No day care center or facility may be operated out of a Home.

13.7. Completion and Sale of Units. No person or entity shall interfere with the completion and sale of Homes within Caney Branch. WITHOUT LIMITING THE FOREGOING, EACH OWNER, BY ACCEPTANCE OF A DEED TO A HOME, AGREES THAT ACTIONS OF OWNERS MAY IMPACT THE VALUE OF HOMES; THEREFORE, EACH OWNER IS BENEFITED BY THE FOLLOWING RESTRICTION: PICKETING AND POSTING OF NEGATIVE SIGNS IS STRICTLY PROHIBITED IN ORDER TO PRESERVE THE VALUE OF THE HOMES IN THE COMMUNITY AND RESIDENTIAL ATMOSPHERE THEREOF.

13.8. Control of Contractors. Except for direct services which may be offered to Owners (and then only according to the Rules and Regulations relating thereto as adopted from time to time), no person other than an Association officer or representative of the management company retained by Association shall direct, supervise, or in any manner attempt to assert any control over any contractor of Association.

13.9. Cooking. No cooking shall be permitted nor shall any goods or beverages be consumed on the Common Areas except in areas designated for those purposes by Association.

13.10. Decorations. No decorative objects including, but not limited to, birdbaths, landscape edging, light fixtures, sculptures, statues, weather vanes, or flagpoles shall be installed or placed within or upon any portion of Caney Branch without the prior written approval of the ACC. Notwithstanding the foregoing, holiday lighting and decorations shall be permitted to be placed upon the exterior portions of the Home and upon the Lot in the manner permitted hereunder commencing on Thanksgiving and shall be removed not later than January 15th of the following year. The ACC may establish standards for holiday lights. The ACC may require the removal of any lighting that creates a nuisance (e.g., unacceptable spillover to adjacent Home).

13.11. Disputes as to Use. If there is any dispute as to whether the use of any portion of Caney Branch complies with this Declaration, such dispute shall, prior to the Community Completion Date, be decided by Developer, and thereafter by Association. A determination rendered by such party with respect to such dispute shall be final and binding on all persons concerned.

13.12. Drainage System. Drainage systems and drainage facilities may be part of the Common Areas and/or Homes. Once drainage systems or drainage facilities are installed by Developer, the maintenance of such systems and/or facilities thereafter within the boundary of a Home shall be the responsibility of the Owner of the Home which includes such system and/or facilities. In the event that such system or facilities (whether comprised of swales, pipes, pumps, waterbody slopes, or other improvements) is adversely affected by landscaping, fences, structures (including, without limitation, pavers) or additions, the cost to correct, repair, or maintain such drainage system and/or facilities shall be the responsibility of the Owner of each Home containing all or a part of such drainage system and/or facilities. By way of example, and not of limitation, if the Owner of one Home plants a tree (pursuant to the ACC approval) and the roots of such tree subsequently affect pipes or other drainage facilities within another Home, the Owner that plants the tree shall be solely responsible for the removal of the roots which adversely affects the adjacent Home. Likewise, if the roots of a tree located within the Common Areas adversely affect an adjacent Home, Association shall be responsible for the removal of the roots and the costs thereof shall be Operating Costs. Notwithstanding the foregoing, Association, the District and Developer shall have no responsibility or liability for drainage problems of any type whatsoever.

13.13. Driveway Repair. Each Owner shall be responsible to timely repair, maintain and/or replace the driveway comprising part of a Home, including, but not limited to, any damage caused by Developer, Association or by the holder of any easement over which such driveway is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify, defend and hold harmless Association and the holder of any such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association

any expense incurred in repairing any damage to such driveway in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

13.14. Easement for Unintentional and Non-Negligent Encroachments. If any other building or improvement on a Home shall encroach upon another Home by reason of original construction by Developer, then an easement for such encroachment shall exist so long as the encroachment exists. It is contemplated that each Home shall contain an improvement with exterior walls, footings, and other protrusions which may pass over or underneath an adjacent Home. A perpetual nonexclusive easement is herein granted to allow the footers for such walls and other protrusions and to permit any natural water run off from roof overhangs, eaves and other protrusions onto an adjacent Home.

13.15. Extended Vacation and Absences. In the event a Home will be unoccupied for an extended period, the Home must be prepared prior to departure by: (i) notifying Association in writing; (ii) removing all removable furniture, plants and other objects from outside the Home; and (iii) designating a responsible firm or individual to care for the Home, should the Home suffer damage or require attention, and providing a key to that firm or individual. The name of the designee shall be furnished to Association. Neither Association nor Developer shall have responsibility of any nature relating to any unoccupied Home.

13.16. Fences and Walls. No walls or fences shall be erected or installed within Lots. All enclosures of balconies or patios, including, without limitation, the addition of vinyl windows and decks shall require the prior written approved of the ACC.

13.17. Fuel Storage. No fuel storage shall be permitted within Caney Branch, except as may be necessary or reasonably used for barbecues, fireplaces or similar devices and provided all fuel storage for swimming pools and spas is stored below ground.

13.18. Garages. Each Home may have its own garage. No garage shall be converted into a general living area unless specifically approved by the ACC. Garage doors shall remain closed at all times except when vehicular or pedestrian access is required.

13.19. Garbage Cans. Trash collection and disposal procedures established by Association shall be observed. No outside burning of trash or garbage is permitted. No garbage cans, supplies or other similar articles shall be maintained on any Home so as to be visible from outside the Home or Parcel. Each Owner shall be responsible for properly depositing his or her garbage and trash in garbage cans and trash containers sufficient for pick-up by the appropriate collection agencies in accordance with the requirements of any such agency. All such trash receptacles shall be maintained in a sanitary condition and shall be shielded from the view of adjacent properties and streets. Garbage cans and trash containers shall not be placed outside the Home for pick-up earlier than 6:00 p.m. on the day preceding the pick-up, and must be returned to the Home so that they are not visible from outside the Home on the day of pick-up.

13.20. General Use Restrictions. Each Home, the Common Areas and any portion of Caney Branch shall not be used in any manner contrary to the Association Documents.

13.21. Grass. Any replanting or resodding of grass must be done with St. Augustine sod or other ground cover first approved by the ARB and/or the ACC.

13.22. Hurricane Shutters. Any hurricane shutters or other protective devices visible from outside a Home shall be of a type as approved in writing by the ACC. Panel, accordion and roll-up style hurricane shutters may not be left closed during hurricane season (nor at any other time). Any such approved hurricane shutters may be installed or closed up to forty-eight (48) hours prior to the expected arrival of a hurricane and must be removed or opened within seventy-two (72) hours after the end of a hurricane watch or warning or as the Board may determine otherwise. Except as the Board may otherwise decide, shutters may not be closed at any time other than a storm event. Any approval by the ACC shall not be deemed an endorsement of the effectiveness of hurricane shutters.

13.23. Irrigation.

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12.23.1 Due to water quality, irrigation systems may cause staining on Homes, other structures or paved areas. It is Association's responsibility to treat and remove any such staining. Developer and/or Association shall have the right to use one or more pumps to remove water from lakes and waterbodies for irrigation purposes at all times, subject to applicable permitting. All irrigation systems are the maintenance obligation of Association and shall be deemed part of the Common Areas.

12.23.2 Reuse Distribution System. Developer, if required by the applicable governing agency, will install a reuse distribution system for irrigation use within Caney Branch. The reuse distribution system, until such time as reuse may become available from the applicable governing agency, will use potable water. Association will be required to connect the irrigation systems into the reuse distribution system. Association will maintain the reuse distribution system in operable and good condition.

13.24. Lake and Canal Slopes. The rear yard of some Homes may border lakes and canals forming part of the Common Areas. Association may maintain portions of the Common Areas contiguous to the rear lot line of such Home which comprise part of the lake slopes and banks and/or canal slopes and banks to prevent or restore erosion of slopes and banks due to drainage or roof culvert outfalls. The Owner of each Home bordering on the lake and canals shall ensure that lake and canal banks and slopes remain free of any structural or landscape encroachments so as to permit vehicular access for maintenance when needed. Each Owner hereby grants the Association an easement of ingress and egress across his or her Home to all adjacent lake and canal areas for the purpose of insuring compliance with the requirements of this Section. BY ACCEPTANCE OF A DEED TO A HOME OR LOT, EACH OWNER ACKNOWLEDGES THAT THE WATER LEVELS OF ALL LAKES AND WATERBODIES MAY VARY. THERE IS NO GUARANTEE BY DEVELOPER OR ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME.

13.25. Laundry. Subject to the provisions of Section 163.04 of the Florida Statutes, to the extent applicable, no clotheslines, rugs, mops, or laundry of any kind, or any other similar type article, shall be shaken, hung or exposed so as to be visible outside the Home or Lot.

13.26. Lawful Use. No immoral, improper, offensive, unlawful or obnoxious use shall be made in any portion of Caney Branch. All laws, zoning ordinances and regulations of all governmental entities having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental entities for maintenance, modification or repair of a portion of Caney Branch shall be the same as the responsibility for maintenance and repair of the property concerned.

13.27. Landscaping and Irrigation of Lots; Removal of Sod and Shrubbery; Additional Planting.

13.27.1. Association shall be required to irrigate the grass and landscaping located on the Lots in a routine and ordinary manner, and shall ensure that sufficient irrigation occurs. Association shall be responsible to maintain in good condition any irrigation system within an Owner's Lot.

13.27.2. All grass and landscaping located within any rear yard of a Lot shall be maintained by Association. No gardens, Jacuzzis, fountains, playground equipment, pools, screened rooms, or other improvements shall be constructed within the rear yard of a Lot. Each Owner understands that Lots within Caney Branch may not be large enough to accommodate any of the foregoing items in any event.

13.27.3. No decorative objects including, but not limited to, birdbaths, landscape edging, light fixtures, sculptures, statues, weather vanes, or flagpoles shall be installed or placed within or upon any portion of Caney Branch without the prior written approval of the ACC. Without the prior consent of the ACC, no sod, topsoil, tree or shrubbery shall be removed from Caney Branch, and there shall be no change in the plant landscaping or elevation of such areas, and no change in the condition of the soil or the level of the land of such areas which results in any change in the flow and drainage of surface water which the ACC, in its sole discretion, considers detrimental or potentially detrimental to person or property. Notwithstanding the foregoing, Owners who install improvements to the Home (including, without limitation, concrete or brick pavers) which result in any change in the flow and/or drainage of surface water shall be responsible for all costs of drainage problems resulting from such improvement. Further, in the event that such Owner fails to pay for such required repairs, each Owner

agrees to reimburse Association for all expenses incurred in fixing such drainage problems including, without limitation, removing excess water and/or repairing the Surface Water Management System.

13.27.4. No landscape lighting shall be installed by an Owner without the prior written approval of the ACC.

13.27.5. No alterations to the landscaping beds within an Owner's Lot shall be made without the prior written approval of the ACC. If any such approved landscaping bed alterations are made, the Owner of such Home must maintain such altered landscaping beds at his or her sole cost and expense.

13.27.6. Without the prior consent of the ACC, no Owner shall remove soil from any portion of Caney Branch or change the level of the land within Caney Branch, or plant landscaping which results in any permanent change in the flow and drainage of surface water within Caney Branch. Owners may not place additional plants, shrubs, or trees within any portion of Caney Branch without the prior approval of the ACC.

13.28. Leases. Homes may be leased, licensed or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. No transient tenants may be accommodated in a Home. All leases or occupancy agreements shall be in writing and a copy of all leases of Homes shall be provided to Association if so requested by Association. No time-share or other similar arrangement is permitted. The Owner must make available to the lessee or occupants copies of the Association Documents. Short term rentals (as that term is defined by City) are not allowed within Caney Branch. No lease term shall be less than seven (7) months. Notwithstanding the foregoing, this Section shall not apply to a situation where an Owner or resident of a Home receives in-home care by a professional caregiver residing within the Home.

13.29. Maintenance by Owners.

13.29.1. Standard of Maintenance. All lawns, landscaping and sprinkler systems and any property, structures, improvements, fences, and appurtenances not maintained by Association shall be well maintained and kept in first class, good, safe, clean, neat and attractive condition consistent with the general appearance of Caney Branch by the Owner of each Home. Each Owner is specifically responsible for maintaining all grass, landscaping and improvements within any portion of a Lot. In addition, if an Owner has installed a fence or wall around a Lot, or any portion thereof, then such Owner must maintain any portion of the Common Areas that is no longer readily accessible to Association. Each Owner shall be responsible for root pruning trees within any portion of his or her Lot.

13.29.2. Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

13.29.3. Doors, Windows and Garages. Each Owner shall be responsible for the maintenance, repair and replacement of all doors and windows on his or her Home. Each Owner shall maintain, repair and replace the garage of his or her Home.

13.30. Minor's Use of Facilities. Adults shall be responsible for all actions of their minor children at all times in and about Caney Branch. Neither Developer nor Association shall be responsible for any use of the facilities by anyone, including minors.

13.31. Nuisances. No nuisance or any use or practice that is the source of unreasonable annoyance to others or which interferes with the peaceful possession and proper use of Caney Branch is permitted. No firearms shall be discharged within Caney Branch. Nothing shall be done or kept within the Common Areas, or any other portion of Caney Branch, including a Home or Lot which will increase the rate of insurance to be paid by Association.

13.32. Personal Property. All personal property of Owners or other occupants of Homes shall be stored within the Homes. No personal property may be stored on, nor any use made of, the Common Areas, any Lot or Home, or any other portion of Caney Branch, which is unsightly or which interferes with the comfort and convenience of others.

13.33. Pools. No pools shall be permitted within Lots.

13.34. Roofs, Driveways and Pressure Treatment. Association shall be responsible for all roof maintenance of Homes within Caney Branch. Driveways shall be pressure treated routinely by the Owner of such Home. No surface applications to driveways shall be permitted without the prior written approval of the ACC as to material, color and pattern. Such applications shall not extend beyond the front Lot line or include the sidewalk.

13.35. Satellite Dishes and Antennae. No exterior visible antennae, radio masts, towers, poles, aerials, satellite dishes, or other similar equipment shall be placed on any Home or Lot without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration. The ACC may require, among other things, that all such improvements be screened so that they are not visible from adjacent Homes, or from the Common Areas. Each Owner agrees that the location of such items must be first approved by the ACC in order to address the safety and welfare of the residents of Caney Branch. No Owner shall operate any equipment or device which will interfere with the radio or television reception of others. All antennas not covered by the Federal Communications Commission ("FCC") rules are prohibited. Installation, maintenance, and use of all antennas shall comply with restrictions adopted by the Board and shall be governed by the then current rules of the FCC.

13.36. Screened Enclosures. No screened enclosures, for pools or otherwise, shall be permitted without the prior written approval of the ACC.

13.37. Sculptures, Fountains, Equipment, Signs and Flags. No sign (including, without limitation, brokerage or for sale/lease signs, or any window signs), flag, banner, sculpture, fountain, outdoor play equipment, solar equipment, artificial vegetation, sports equipment, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, or upon any portion of Caney Branch that is visible from the outside without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration; provided, however, signs required by governmental agencies and approved by the ACC may be displayed (e.g., permit boards). Developer is exempt from this Section. No in-ground flag poles (except as Developer may use) shall be permitted within Caney Branch, unless written approval of the ACC is obtained. Notwithstanding the foregoing, flags which are no larger than 24" x 36", attached to a Home and displayed for the purpose of a holiday and United States of America flags shall be permitted without ACC approval.

13.38. Sports Equipment. No recreational, playground or sports equipment shall be installed or placed within or about any portion of Caney Branch without prior written consent of the ACC. Without limiting the foregoing, there shall be no basketball backboards, skateboard ramps, or play structures allowed within Lots. Tree houses or platforms of a similar nature shall not be constructed on any part of a Home. No tennis courts are permitted within Lots.

13.39. Storage. No temporary or permanent utility or storage shed, storage building, tent, or other structure or improvement shall be permitted and no other structure or improvement shall be constructed, erected, altered, modified or maintained without the prior approval of the ACC, which approval shall conform to the requirements of this Declaration. Any boat stored on a Lot must be screened by landscaping, fencing or walls approved by the ACC so that such boat is not visible from the street. Water softeners, trash containers, barbecue grills, and other similar devices shall be properly screened from the street in a manner approved by the ACC.

13.40. Subdivision and Regulation of Land. No portion of any Home or Lot shall be divided or subdivided or its boundaries changed without the prior written approval of Association. No Owner shall inaugurate or implement any variation from, modification to, or amendment of governmental regulations, land use plans, land development regulations, zoning, or any other development orders or development permits applicable to Caney Branch, without the prior written approval of Developer, which may be granted or denied in its sole discretion.

13.41. Substances. No flammable, combustible or explosive fuel, fluid, chemical, hazardous waste, or substance shall be kept on any portion of Caney Branch or within any Home or Lot, except those which are required for normal household use. All propane tanks and bottled gas for household purposes (excluding barbecue grill tanks) must be installed underground or in a manner to be screened from view by landscaping or other materials approved by the ACC.

13.42. Swimming, Boating and Docks. Swimming is prohibited within any of the lakes or waterbodies within or adjacent to Caney Branch. Boating and personal watercrafts (e.g., water skis) are prohibited. No docks may be erected within any lake or waterbody.

13.43. Use of Homes. Each Home is restricted to residential use as a residence by the Owner or permitted occupant thereof, its immediate family, guests, tenants and invitees.

13.44. Visibility on Corners. Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by the ACC and governmental agencies. No vehicles, objects, fences, walls, hedges, shrubs or other planting shall be placed or permitted on a corner Lot where such obstruction would create a traffic problem.

13.45. Wetlands and Mitigation Areas. It is anticipated that the Common Areas may include one or more preserves, wetlands, and/or mitigation areas. No Owner or other person shall take any action or enter onto such areas so as to adversely affect the same. Such areas are to be maintained by Association in their natural state.

13.46. Windows or Wall Air Conditioning Units. No window or wall air conditioning unit may be installed in any window or wall of a Home.

13.47. Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an Owner or tenant first moves into a Home or when permanent window treatments are being cleaned or repaired. No security bars shall be placed on the windows of any Home without prior written approval of the ACC. No awnings, canopies or shutters shall be affixed to the exterior of a Home without the prior written approval of the ACC. No reflective tinting or mirror finishes on windows shall be permitted unless approved by the ACC. Window treatments facing the street shall be of a neutral color, such as white, off-white or wood tones.

14. Insurance.

14.1. Association. Association shall maintain the following insurance coverage:

14.1.1. Flood Insurance. If the Common Areas are located within an area which has special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), coverage in appropriate amounts, available under NFIP for all buildings and other insurable property within any portion of the Common Areas located within a designated flood hazard area.

14.1.2. Liability Insurance. Commercial general liability insurance coverage providing coverage and limits deemed appropriate by the Board. Such policies must provide that they may not be canceled or substantially modified by any party, without at least thirty (30) days' prior written notice to Developer (until the Community Completion Date) and Association.

14.1.3. Directors and Officers Liability Insurance. Each member of the Board shall be covered by directors and officers liability insurance in such amounts and with such provisions as approved by the Board.

14.1.4. Other Insurance. Such other insurance coverage as appropriate from time to time. All coverage obtained by Association shall cover all activities of Association and all properties maintained by Association, whether or not Association owns title thereto. Without limiting the foregoing and in addition to any other insurance required under this Section 14, Association shall carry an insurance policy insuring itself from

liability for damages related to or arising in connection with the streets, sidewalks, drainage system (including detention/retention areas). The minimum amount of insurance required shall be established by resolution of the Board.

14.1.5. Developer. Prior to and including the Turnover Date, Developer shall have the right, at Association's expense, to provide insurance coverage under its master insurance policy in lieu of any of the foregoing.

14.2. Homes.

14.2.1. Requirement to Maintain Insurance. Each Owner shall be required to obtain and maintain adequate insurance on his or her Home with Association named as additionally insured. Such insurance shall be sufficient for necessary repair or reconstruction work, and/or shall cover the costs to demolish a damaged Home as applicable, remove the debris, and to resod and landscape land comprising the Home. Upon the request of Association, each Owner shall be required to supply the Board with evidence of insurance coverage on his Home which complies with the provisions of this Section. Without limiting any other provision of this Declaration or the powers of Association, Association shall specifically have the right to bring an action to require an Owner to comply with his or her obligations hereunder.

14.2.2. Requirement to Reconstruct or Demolish. In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall do one of the following: the Owner shall commence reconstruction and/or repair of the Home ("Required Repair"), or Owner shall tear the Home down, remove all the debris, and resod and landscape the property comprising the Home as required by the ACC ("Required Demolition") to the extent permitted under law. If an Owner elects to perform the Required Repair, such work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Home. If an Owner elects to perform the Required Demolition, the Required Demolition must be completed within six (6) months from the date of the casualty or such longer period of time established by the Board in its sole and absolute discretion subject to extension if required by law. If an Owner elects to perform the Required Repair, such reconstruction and/or repair must be completed in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the powers of Association, Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to either perform the Required Repair or Required Demolition on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to, any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

14.2.3. Standard of Work. The standard for all demolition, reconstruction, and other work performed as required by this Section 14.2.3 shall be in accordance with the Community Standards and any other standards established by Association with respect to any casualty that affects all or a portion of Caney Branch.

14.2.4. Additional Rights of Association. If an Owner refuses or fails, for any reason, to perform the Required Repair or Required Demolition as herein provided, then Association, in its sole and absolute discretion, by and through its Board is hereby irrevocably authorized by such Owner to perform the Required Repair or Required Demolition. All Required Repair performed by Association pursuant to this Section shall be in conformance with the original plans and specifications for the Home. Association shall have the absolute right to perform the Required Demolition to a Home pursuant to this Section if any contractor certifies in writing to Association that such Home cannot be rebuilt or repaired. The Board may levy an Individual Assessment against the Owner in whatever amount sufficient to adequately pay for Required Repair or Required Demolition performed by Association.

14.2.5. Association Has No Liability. Notwithstanding anything to the contrary in this Section, Association, its directors and officers, shall not be liable to any Owner should an Owner fail for any reason whatsoever to obtain insurance coverage on a Home. Moreover, Association, its directors and officers, shall not be liable to any person if Association does not enforce the rights given to Association in this Section.

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14.3. Association as Agent. Association is irrevocably appointed agent for each Owner of any interest relating to the Common Areas to adjust all claims arising under insurance policies purchased by Association and to execute and deliver releases upon the payment of claims.

14.4. Casualty to Common Areas. In the event of damage to the Common Areas, or any portion thereof, Association shall be responsible for reconstruction after casualty. In the event of damage to a Home, or any portion thereof, the Owner shall be responsible for reconstruction after casualty.

14.5. Nature of Reconstruction. Any reconstruction of improvements hereunder shall be substantially in accordance with the plans and specifications of the original improvement, or as the improvement was last constructed, subject to modification to conform with the then current governmental regulation(s).

14.6. Additional Insured. Developer and its Lender(s) shall be named as additional insured on all policies obtained by Association, as their interests may appear.

14.7. Cost of Payment of Premiums. The costs of all insurance maintained by Association or on behalf of the Association hereunder, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof are Operating Costs.

15. Property Rights.

15.1. Owners' Easement of Enjoyment. Every Owner, and its immediate family, tenants, guests and invitees, and every owner of an interest in Caney Branch shall have a non-exclusive right and easement of enjoyment in and to those portions of the Common Areas which it is entitled to use for their intended purpose, subject to the following provisions:

15.1.1. Easements, restrictions, reservations, conditions, limitations and declarations of record, now or hereafter existing, and the provisions of this Declaration, as amended.

15.1.2. The right of Association to suspend an Owner's rights hereunder or to impose fines in accordance with Section 720.305 of the Florida Statutes, as amended from time to time.

15.1.3. The right to suspend the right to use all (except vehicular and pedestrian ingress and egress and necessary utilities) or a portion of the Common Areas by an Owner, its immediate family, etc. for any period during which any Assessment against that Owner remains unpaid.

15.1.4. The right of Developer and/or Association to dedicate or transfer all or any part of the Common Areas. No such dedication or transfer shall be effective prior to the Community Completion Date without prior written consent of Developer.

15.1.5. The perpetual right of Developer to access and enter the Common Areas at any time, even after the Community Completion Date, for the purposes of inspection and testing of the Common Areas. Association and each Owner shall give Developer unfettered access, ingress and egress to the Common Areas so that Developer and/or its agents can perform all tests and inspections deemed necessary by Developer. Developer shall have the right to make all repairs and replacements deemed necessary by Developer. At no time shall Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Developer relative to any portion of the Common Areas.

15.1.6. The right of Developer and/or Association to modify the Common Areas as set forth in this Declaration.

15.1.7. The rights of Developer and/or Association regarding Caney Branch as reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others.

15.1.8. Rules and Regulations adopted governing use and enjoyment of the Common Areas.

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15.1.9. An Owner relinquishes use of the Common Areas at any time that a Home is leased to a Tenant.

15.2. Ingress and Egress. An easement for ingress and egress is hereby created for pedestrian traffic over, and through and across sidewalks paths, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon, or be designed as part of, the Common Areas, and for vehicular traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes.

15.3. Intentionally Deleted.

15.4. Development Easement. In addition to the rights reserved elsewhere herein, Developer reserves an easement for itself or its nominees over, upon, across, and under Caney Branch as may be required in connection with the development of Caney Branch, and other lands designated by Developer and to promote or otherwise facilitate the development, construction and sale and/or leasing of Homes, any portion of Caney Branch, and other lands designated by Developer. Without limiting the foregoing, Developer specifically reserves the right to use all paved roads and rights of way within Caney Branch for vehicular and pedestrian ingress and egress to and from construction sites. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Common Areas. Without limiting the foregoing, at no time shall Developer be obligated to pay any amount to Association on account of Developer's use of the Common Areas for construction purposes. Developer intends to use the Common Areas for sales of Homes. Further, Developer may market other residences and commercial properties located outside of Caney Branch from Developer's sales facilities located within Caney Branch. Developer has the right to use all portions of the Common Areas in connection with its marketing activities, including, without limitation, allowing members of the general public to inspect model Homes, installing signs and displays, holding promotional parties and picnics, and using the Common Areas for every other type of promotional or sales activity that may be employed in the marketing of Homes. The easements created by this Section, and the rights reserved herein in favor of Developer, shall be construed as broadly as possible and supplement the rights of Developer. At no time shall Developer incur any expense whatsoever in connection with its use and enjoyment of such rights and easements. Without limiting any other provision of this Declaration, Developer may non-exclusively assign its rights hereunder.

15.5. Public Easements. Fire, police, school transportation, health, sanitation and other public service and utility company personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas.

15.6. Delegation of Use. Every Owner shall be deemed to have delegated its right of enjoyment to the Common Areas to occupants or lessees of that Owner's Home subject to the provisions of this Declaration and the Rules and Regulations, as may be promulgated, from time to time. Any such delegation or lease shall not relieve any Owner from its responsibilities and obligations provided herein.

15.7. Easement for Encroachments. In the event that any improvement upon Common Areas, as originally constructed, shall encroach upon any other property or improvements thereon, or for any reason, then an easement appurtenant to the encroachment shall exist for so long as the encroachment shall naturally exist.

15.8. Permits, Licenses and Easements. Prior to the Community Completion Date, Developer, and thereafter Association, shall, in addition to the specific rights reserved to Developer herein, have the right to grant, modify, amend and terminate permits, licenses and easements over, upon, across, under and through Caney Branch (including Homes) for utilities, roads and other purposes reasonably necessary or useful as it determines, in its sole discretion. To the extent legally required, each Owner shall be deemed to have granted to Developer and, thereafter, Association an irrevocable power of attorney, coupled with an interest, for the purposes herein expressed.

15.9. Support Easement and Maintenance Easement. An easement is hereby created for the existence and maintenance of supporting structures (and the replacement thereof) in favor of the entity required to maintain the same. An easement is hereby created for maintenance purposes (including access to perform such maintenance) over and across Caney Branch (including Homes) for the reasonable and necessary maintenance of Common Areas, utilities, cables, wires and other similar facilities.

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15.10. Drainage. A non-exclusive easement shall exist in favor of Developer, Association, and their designees, and any applicable water management district, state agency, City agency and/or federal agency having jurisdiction over, across and upon Caney Branch for drainage, irrigation and water management purposes. A non-exclusive easement for ingress, egress and access shall exist for such parties to enter upon and over any portion of Caney Branch (including Homes) in order to construct, maintain, inspect, record data on, monitor, test, or repair, as necessary, any water management areas, irrigation systems and facilities thereon and appurtenances thereto. No structure, landscaping, or other material shall be placed or be permitted to remain which may damage or interfere with the drainage or irrigation of Caney Branch and/or installation or maintenance of utilities or which may obstruct or retard the flow of water through Caney Branch and/or water management areas and facilities or otherwise interfere with any drainage, irrigation and/or easement provided for in this Section or the use rights set forth elsewhere in this Declaration.

15.11. Easement in favor of Association. Association is hereby granted an easement over all of Caney Branch, including all Homes and Lots, for the purpose of (a) constructing, maintaining, replacing and operating all Common Areas, including, but not limited to, lakes, perimeter walls and fences, and (b) performing any obligation of an Owner for which Association intends to impose an Individual Assessment. Without limiting the foregoing, Association is hereby granted an easement over Caney Branch for the purpose of maintaining the landscaping of each Owner's Lot, painting each Owner's Home and maintaining each Owner's roof, as provided for in this Declaration.

15.12. Duration. All easements created herein or pursuant to the provisions hereof shall be perpetual unless stated to the contrary.

16. Assessments.

16.1. Types of Assessments. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner (whether or not so expressed in the deed), including any purchaser at a judicial sale, shall hereafter be deemed to have covenanted and agreed to pay to Association at the time and in the manner required by the Board, assessments or charges and any special assessments as are fixed, established and collected from time to time by Association (collectively, the "Assessments"). All Owners shall pay Assessments.

16.2. Purpose of Assessments. The Assessments levied by Association shall be used for, among other things, the purpose of promoting the recreation, health, safety and welfare of the residents of Caney Branch, and in particular for the improvement and maintenance of the Common Areas, Homes and Lots (as specifically provided for in this Declaration) and any easement in favor of Association including, but not limited to, the following categories of Assessments as and when levied and deemed payable by the Board:

16.2.1. Any monthly, quarterly or annual assessment (as determined by the Board) or charge for the purpose of operating Association and accomplishing any and all of its purposes, as determined in accordance herewith, including, without limitation, payment of Operating Costs and collection of amounts necessary to pay any deficits from prior years' operation (hereinafter "Installment Assessments");

16.2.2. Any special assessments for capital improvements, major repairs, emergencies, the repair or replacement of the Common Areas, or nonrecurring expenses (hereinafter "Special Assessments");

16.2.3. Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. At such time as there are improvements in any Common Areas for which Association has a responsibility to maintain, repair, and replace, the Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Installment Assessments in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements comprising a portion of the Common Areas, Homes and Lots (as specifically provided for in this Declaration) (hereinafter "Operational Reserves"). Assessments pursuant to this Section shall be payable in such manner and at such times as determined by Association, and may be payable in installments extending beyond the fiscal year in which the Operational Reserves are approved. Until the Community Completion Date, Reserves shall be subject to the prior written approval of Developer, which may be withheld for any reason; and

16.2.4. Assessments for which one or more Owners (but less than all Owners) within Caney Branch is subject ("Individual Assessments") such as costs of special services provided to a Home or Owner or cost relating to enforcement of the provisions of this Declaration or the architectural provisions hereof as it relates to a particular Owner or Home. By way of example, and not of limitation, in the event an Owner fails to maintain the exterior of his Home or Lot in a manner satisfactory to Association, Association shall have the right, through its agents and employees, to enter upon the Home and to repair, restore, and maintain the Home as required by this Declaration. The cost thereof, plus the reasonable administrative expenses of Association, shall be an Individual Assessment. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment. Except as hereinafter specified to the contrary, Individual Assessments shall be made against the Owners benefiting from, or subject to the special service or cost as specified by Association.

16.3. Designation. The designation of Assessment type shall be made by Association. Prior to the Community Completion Date, any such designation must be approved by Developer. Such designation may be made on the budget prepared by Association. The designation shall be binding upon all Owners.

16.4. Allocation of Operating Costs.

16.4.1. For the period until the adoption of the first annual budget, the allocation of Operating Costs shall be as set forth in the initial budget prepared by Developer.

16.4.2. Commencing on the first day of the period covered by the annual budget, and until the adoption of the next annual budget, the Assessments shall be allocated so that each Owner shall pay his pro rata portion of Installment Assessments, Special Assessments, and Reserves based upon a fraction, the numerator of which is one (1) and the denominator of which is the total number of Homes in Caney Branch conveyed to Owners or any greater number determined by Developer from time to time. Developer, in its sole and absolute discretion, may change such denominator from time to time. Under no circumstances will the denominator be less than the number of Homes owned by Owners other than Developer.

16.4.3. In the event the Operating Costs as estimated in the budget for a particular fiscal year are, after the actual Operating Costs for that period is known, less than the actual costs, then the difference shall, at the election of Association: (i) be added to the calculation of Installment Assessments, as applicable, for the next ensuing fiscal year; or (ii) be immediately collected from the Owners as a Special Assessment. Association shall have the unequivocal right to specially assess Owners retroactively on January 1st of any year for any shortfall in Installment Assessments, which Special Assessment shall relate back to the date that the Installment Assessments could have been made. No vote of the Owners shall be required for such Special Assessment (or for any other Assessment except to the extent specifically provided herein).

16.4.4. Each Owner agrees that so long as it does not pay more than the required amount it shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sums due.

16.5. General Assessments Allocation. Except as hereinafter specified to the contrary, Installment Assessments, Special Assessments and Reserves shall be allocated equally to each Owner.

16.6. Commencement of First Assessment. Assessments shall commence as to each Owner on the day of the conveyance of title of a Home to an Owner.

16.7. Shortfalls and Surpluses. Each Owner acknowledges that because Installment Assessments, Special Assessments, and Reserves are allocated based on the formula provided herein, or upon the number of Homes conveyed to Owners on or prior to December 31 of the prior fiscal year, it is possible that Association may collect more or less than the amount budgeted for Operating Costs. Prior to and including the Turnover Date, Developer shall have the option to (i) fund all or any portion of the shortfall in Installment Assessments not raised by virtue of all income received by Association or (ii) pay Installment Assessments on Homes or Lots owned by Developer. If Developer has cumulatively overfunded Operating Costs and/or prepaid expenses of Association which have not been reimbursed to Developer prior to and including the Turnover Date, Association shall refund

such amounts to Developer on or prior to the Turnover Date or as soon as possible thereafter (e.g. once the amount is finally determined). Developer shall never be required to (i) pay Installment Assessments if Developer has elected to fund the deficit instead of paying Installment Assessments on Homes or Lots owned by Developer, or (ii) pay Special Assessments, management fees or reserves. Any surplus Assessments collected by Association may be (i) allocated towards the next year's Operating Costs, (ii) used to fund Reserves, whether or not budgeted, (iii) retained by Association, and/or (iv) used for any other purpose, in Association's sole and absolute discretion, to the creation of Reserves, whether or not budgeted. Under no circumstances shall Association be required to pay surplus Assessments to Owners.

16.8. Budget. The initial budget prepared by Developer is adopted as the budget for the period of operation until adoption of the first annual Association budget. Thereafter, the annual budget respecting Operating Costs shall be prepared and adopted by the Board. To the extent Association has commenced or will commence operations prior to the date this Declaration is recorded or the first Home is closed, the Operating Costs may vary in one or more respects from that set forth in the initial budget. Developer shall fund entirely all Operating Costs until the month prior to the closing of the first Home. Thereafter, Assessments shall be payable by each Owner as provided in this Declaration. THE INITIAL BUDGET OF ASSOCIATION IS PROJECTED (NOT BASED ON HISTORICAL OPERATING FIGURES). THEREFORE, IT IS POSSIBLE THAT ACTUAL ASSESSMENTS MAY BE LESSER OR GREATER THAN PROJECTED.

16.9. Establishment of Assessments. Assessments shall be established in accordance with the following procedures:

16.9.1. Installment Assessments shall be established by the adoption of a twelve (12) month operating budget by the Board. The budget shall be in the form required by Section 720.303(6) of the Florida Statutes, as amended from time to time. Written notice of the amount and date of commencement thereof shall be given to each Owner not less than ten (10) days in advance of the due date of the first installment thereof. Notwithstanding the foregoing, the budget may cover a period of less than twelve (12) months if the first budget is adopted mid-year or in order to change the fiscal year of Association.

16.9.2. Special Assessments and Individual Assessments against the Owners may be established by Association, from time to time, and shall be payable at such time or time(s) as determined. Until the Community Completion Date, no Special Assessment shall be imposed without the consent of Developer.

16.10. Disclosure of Assessments. At the time of sale, a schedule disclosing the then-existing amounts of Assessments shall be delivered to each purchaser. Such schedule must also state that the Assessments do not include either the routine maintenance of or the capital repair and replacement of certain Common Areas not related to the Caney Branch infrastructure (such as Common Area landscaping, entrance and exit gates, walls, swimming pools, clubhouses, parks, other recreation areas, etc.).

16.11. Initial Capital Contribution. The first purchaser of each Lot, Home or Parcel, at the time of closing of the conveyance from Developer to the purchaser, shall pay to Developer an initial capital contribution in the amount of two (2) months' Assessments (the "Initial Capital Contribution"). The funds derived from the Initial Capital Contributions shall be used at the discretion of Developer for any purpose, including but not limited to, future and existing capital improvements, operating expenses, support costs and start-up costs.

16.12. Assessment Estoppel Certificates. No Owner shall sell or convey its interest in a Home unless all sums due Association have been paid in full and an estoppel certificate in recordable form shall have been received by such Owner. Association shall prepare and maintain a ledger noting Assessments due from each Owner. The ledger shall be kept in the office of Association, or its designees, and shall be open to inspection by any Owner. Within ten (10) days of a written request therefor, there shall be furnished to an Owner an estoppel certificate in writing setting forth whether the Assessments have been paid and/or the amount which is due as of any date. As to parties other than Owners who, without knowledge of error, rely on the certificate, the certificate shall be conclusive evidence of the amount of any Assessment therein stated. The Owner requesting the estoppel certificate shall be required to pay Association a reasonable sum (or transfer fee) to cover the costs of examining records and preparing such estoppel certificate. Each Owner waives its rights (if any) to an accounting related to Operating Costs or Assessments.

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16.13. Payment of Home Real Estate Taxes. Each Owner shall pay all taxes and obligations relating to its Home which, if not paid, could become a lien against the Home which is superior to the lien for Assessments created by this Declaration.

16.14. Creation of the Lien and Personal Obligation. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title to a Home, shall be deemed to have covenanted and agreed that the Assessments, and/or other charges and fees set forth herein, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees at all levels of proceedings including appeals, collections and bankruptcy, shall be a charge and continuing lien in favor of Association encumbering the Home and all personal property located thereon owned by the Owner against whom each such Assessment is made. The lien is effective from and after recording a Claim of Lien in the Public Records stating the legal description of the Home, name of the Owner, and the amounts due as of that date, but shall relate back to the date that this Declaration is recorded. The Claim of Lien shall also cover any additional amounts which accrue thereafter until satisfied. Each Assessment, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, and other costs and expenses provided for herein, shall be the personal obligation of the person who was the Owner of the Home at the time when the Assessment became due, as well as the Owner's heirs, devisees, personal representatives, successors or assigns.

16.15. Subordination of the Lien to Mortgages. The lien for Assessments shall be subordinate to bona fide first mortgages on any Home, if the mortgage is recorded in the Public Records prior to the Claim of Lien. The lien for Assessments shall not be affected by any sale or transfer of a Home, except in the event of a sale or transfer of a Home pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) of a bona fide first mortgage held by a Lender, in which event, the acquirer of title, its successors and assigns, shall not be liable for such sums secured by a lien for Assessments encumbering the Home or chargeable to the former Owner of the Home which became due prior to such sale or transfer. However, any such unpaid Assessments for which such acquirer of title is not liable may be reallocated and assessed to all Owners (including such acquirer of title) as a part of Operating Costs included within Installment Assessments. Any sale or transfer pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) shall not relieve the Owner from liability for, nor the Home from the lien of, any Assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent Assessments from the payment thereof, or the enforcement of collection by means other than foreclosure. A Lender shall give written notice to Association if the mortgage held by such Lender is in default. Association shall have the right, but not the obligation, to cure such default within the time periods applicable to Owner. In the event Association makes such payment on behalf of an Owner, Association shall, in addition to all other rights reserved herein, be subrogated to all of the rights of the Lender. All amounts advanced on behalf of an Owner pursuant to this Section shall be added to Assessments payable by such Owner with appropriate interest.

16.16. Acceleration. In the event of a default in the payment of any Assessment, Association may accelerate the Assessments then due for up to the next ensuing twelve (12) month period.

16.17. Non-Payment of Assessments. If any Assessment is not paid within fifteen (15) days (or such other period of time established by the Board) after the due date, a late fee of \$25.00 per month (or such greater amount established by the Board), together with interest in an amount equal to the maximum rate allowable by law (or such lesser rate established by the Board), per annum, beginning from the due date until paid in full, may be levied. The late fee shall compensate Association for administrative costs, loss of use of money, and accounting expenses. Association may, at any time thereafter, bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Home, or both. Association shall not be required to bring such an action if it believes that the best interests of Association would not be served by doing so. There shall be added to the Assessment all costs expended in preserving the priority of the lien and all costs and expenses of collection, including attorneys' fees and paraprofessional fees, at all levels of proceedings, including appeals, collection and bankruptcy. No Owner may waive or otherwise escape liability for Assessments provided for herein by non-use of, or the waiver of the right to use the Common Areas or by abandonment of a Home.

16.18. Exemption. Notwithstanding anything to the contrary herein, Developer shall not be responsible for any Assessments of any nature or any portion of the Operating Costs. Developer, at Developer's sole option, may pay Assessments on Homes owned by it, or fund the deficit, if any, as set forth in Section 16.7 herein.

16.19. Collection by Developer. If for any reason Association shall fail or be unable to levy or collect Assessments, then in that event, Developer shall at all times have the right, but not the obligation: (i) to advance such sums as a loan to Association to bear interest and to be repaid as hereinafter set forth; and/or (ii) to levy and collect such Assessments by using the remedies available as set forth above, which remedies, including, but not limited to, recovery of attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, shall be deemed assigned to Developer for such purposes. If Developer advances sums, it shall be entitled to immediate reimbursement, on demand, from Association for such amounts so paid, plus interest thereon at the Wall Street Journal Prime Rate plus two percent (2%), plus any costs of collection including, but not limited to, reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy.

16.20. Rights to Pay Assessments and Receive Reimbursement. Association, Developer, and any Lender of a Home shall have the right, but not the obligation, jointly and severally, and at their sole option, to pay any Assessments or other charges which are in default and which may or have become a lien or charge against any Home. If so paid, the party paying the same shall be subrogated to the enforcement rights of Association with regard to the amounts due.

16.21. Mortgagee Right. Each Lender may request in writing that Association notify such Lender of any default of the Owner of the Home subject to the Lender's Mortgage under the Association Documents which default is not cured within thirty (30) days after Association learns of such default. A failure by Association to furnish notice to any Lender shall not result in liability of Association because such notice is given as a courtesy to a Lender and the furnishing of such notice is not an obligation of Association to Lender.

17. Financial Reports and Other Requirements. Each year Association shall cause a financial report of the Reserve Accounts to be performed and prepared, and a copy of such report shall be submitted to each Owner within the time frame required under the "Financial Reporting" requirements of Chapter 720 of the Florida Statutes. At a minimum, the report shall confirm the existence of each of the Reserve Accounts and report the amounts of deposits into and expenditures from each Reserve Account during the period year, along with an itemization of the expenditures, if any, from the Reserve Accounts. The financial report shall also disclose whether any of the Reserve Accounts has deposited less than the amount required by this Declaration.

17.1. Maintaining Separate Reserve Accounts. The Reserve Accounts must be asset accounts kept separate and apart from all other funds and accounts of Association, and for accounting purposes Association may not commingle the Reserve Accounts with each other or with other funds and accounts of Association. Notwithstanding the foregoing, the monies in the Reserve Accounts may be commingled with monies in other Association accounts for banking and investment purposes, and may be pooled with other Association monies in a common investment program. All earnings from the investment of monies in the Reserve Accounts shall remain in their respective accounts and shall follow their respective principal.

18. Information to Lenders and Owners.

18.1. Availability. There shall be available for inspections upon request, during normal business hours or under other reasonable circumstances, to Owners and Lenders current copies of the Association Documents.

18.2. Copying. Any Owner and/or Lender shall be entitled, upon written request, and at its cost, to a copy of the documents referred to above.

18.3. Notice. Upon written request by a Lender (identifying the name and address of the Lender and the name and address of the applicable Owner), the Lender will be entitled to timely written notice of:

18.3.1. Any condemnation loss or casualty loss which affects a material portion of a Home to the extent Association is notified of the same;

18.3.2. Any delinquency in the payment of Assessments owed by an Owner of a Home subject to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

18.3.3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained hereunder;

18.3.4. Any proposed action (if any) which would require the consent of a specific mortgage holder.

19. Architectural Control. The following provisions govern Caney Branch.

19.1. Architectural Control Committee. The ACC shall be a permanent committee of Association and shall administer and perform the architectural and landscape review and control functions relating to Caney Branch. The ACC shall consist of a minimum of three (3) members who shall initially be named by Developer and who shall hold office at the pleasure of Developer. Until the Community Completion Date, Developer shall have the right to change the number of members on the ACC, and to appoint, remove, and replace all members of the ACC. Developer shall determine which members of the ACC shall serve as its chairman and co-chairman. In the event of the failure, refusal, or inability to act of any of the members appointed by Developer, Developer shall have the right to replace any member within thirty (30) days of such occurrence. If Developer fails to replace that member, the remaining members of the ACC shall fill the vacancy by appointment. From and after the Community Completion Date, the Board shall have the same rights as Developer with respect to the ACC.

19.2. Membership. There is no requirement that any member of the ACC be an Owner or a member of Association.

19.3. General Plan. It is the intent of this Declaration to create a general plan and scheme of development of Caney Branch. The minimum square footage of any home constructed on any Lot within Caney Branch, exclusive of porches, patios (enclosed or otherwise), breezeways and garages, shall not be less than 1,150 square feet heated and air-conditioned. Accordingly, the ACC shall have the right to approve or disapprove all architectural, landscaping, and improvements within Caney Branch by Owners other than Developer, as permitted by this Declaration. Without limiting any other restriction or limitation provided for in this Declaration to the contrary, the ACC shall have the right to evaluate all plans and specifications as to harmony of exterior design, landscaping, location of any proposed improvements, relationship to surrounding structures, topography and conformity with such other reasonable requirements as shall be adopted by ACC. The ACC may impose standards for construction and development which may be greater or more stringent than standards prescribed in applicable building, zoning, or other local governmental codes. Prior to the Community Completion Date, any additional standards or modification of existing standards shall require the consent of Developer, which may be granted or denied in its sole discretion.

19.4. Neighborhood Plan. Developer has established an overall Neighborhood Plan. However, notwithstanding the above, or any other document, brochures or plans, Developer reserves the right to modify the Neighborhood Plan or any site plan at any time as it deems desirable in its sole discretion and in accordance with applicable laws and ordinances. WITHOUT LIMITING THE FOREGOING, DEVELOPER MAY PRESENT TO THE PUBLIC OR TO OWNERS RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS RESPECTING CANEY BRANCH. SUCH RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS ARE NOT A GUARANTEE OF HOW CANEY BRANCH WILL APPEAR UPON COMPLETION AND DEVELOPER RESERVES THE RIGHT TO CHANGE ANY AND ALL OF THE FOREGOING AT ANY TIME AS DEVELOPER DEEMS NECESSARY IN ITS SOLE AND ABSOLUTE DISCRETION.

19.5. Community Standards. Each Owner and its contractors and employees shall observe, and comply with, the Community Standards which now or may hereafter be promulgated by the ACC and approved by the Board of Association from time to time. The Community Standards shall be effective from the date of adoption; shall be specifically enforceable by injunction or otherwise; and shall have the effect of covenants as set forth herein verbatim. The Community Standards shall not require any Owner to alter the improvements previously constructed. Until the Community Completion Date, Developer shall have the right to approve the Community Standards, which approval, may be granted in its sole discretion.

19.6. Quorum. A majority of the ACC shall constitute a quorum to transact business at any meeting. The action of a majority present at a meeting at which a quorum is present shall constitute the action of the ACC. In lieu of a meeting, the ACC may act in writing.

19.7. Power and Duties of the ACC. No improvements shall be constructed on any portion of Caney Branch, nor shall any material addition to or any change, replacement, or alteration of the improvements as originally constructed by Developer (visible from the exterior of the Home) be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and the location of same shall have been submitted to and approved in writing by the ACC. The ACC shall have no right to approve any improvements that are the specific maintenance responsibility of Association.

19.8. Procedure. In order to obtain the approval of the ACC, each Owner shall observe the following:

19.8.1. Each applicant shall submit an application to the ACC with respect to any proposed improvement or material change in an improvement, together with the required application(s) and other fee(s) as established by the ACC. The applications shall include such information as may be required by the application form adopted by the ACC. The ACC may also require submission of samples of building materials and colors proposed to be used. At the time of such submissions, the applicant shall, if requested, submit to the ACC, such site plans, plans and specifications for the proposed improvement, prepared and stamped by a registered Florida architect or residential designer.

19.8.2. In the event the information submitted to the ACC is, in the ACC's opinion, incomplete or insufficient in any manner, the ACC may request and require the submission of additional or supplemental information. The Owner shall, within fifteen (15) days thereafter, comply with the request.

19.8.3. No later than thirty (30) days after receipt of all information required by the ACC for final review, the ACC shall approve or deny the application in writing. The ACC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in the ACC's sole discretion, for aesthetic or any other reasons or to impose qualifications and conditions thereon. In approving or disapproving such plans and specifications, the ACC shall consider the suitability of the proposed improvements, the materials of which the improvements are to be built, the site upon which the improvements are proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the ACC fails to respond within said thirty (30) day period, the plans and specifications shall be deemed DISAPPROVED by the ACC.

19.8.4. Construction of all improvements shall be completed within the time period set forth in the application and approved by the ACC.

19.8.5. In the event that the ACC disapproves any plans and specifications, the applicant may request a rehearing by the ACC for additional review of the disapproved plans and specifications. The meeting shall take place no later than thirty (30) days after written request for such meeting is received by the ACC, unless applicant waives this time requirement in writing. The ACC shall make a final written decision no later than thirty (30) days after such meeting. In the event the ACC fails to provide such written decision within said thirty (30) days, the plans and specifications shall be deemed DISAPPROVED.

19.8.6. Upon disapproval the applicant may appeal the decision of the ACC to the Board within thirty (30) days of the ACC's written review and disapproval. Review by the Board shall take place no later than thirty (30) days subsequent to the receipt by the Board of the Owner's request therefor. If the Board fails to hold such a meeting within thirty (30) days after receipt of request for such meeting, then the plans and specifications shall be deemed approved. The decision of the ACC, or if appealed, the Board of Association, shall be final and binding upon the applicant, its heirs, legal representatives, successors and assigns.

19.9. Alterations. Any and all alterations, deletions, additions and changes of any type or nature whatsoever to then existing improvements or the plans or specifications previously approved by the ACC shall be subject to the approval of the ACC in the same manner as required for approval of original plans and specifications.

19.10. Variances. Association or ACC shall have the power to grant variances from any requirements set forth in this Declaration or from the Community Standards, on a case by case basis, provided that the variance sought is reasonable and results from a hardship upon the applicant. The granting of a variance shall not nullify or otherwise affect the right to require strict compliance with the requirements set forth herein or in the Community Standards on any other occasion.

19.11. Permits. The Owner is solely responsible to obtain all required building and other permits from all governmental authorities having jurisdiction.

19.12. Construction by Owners. The following provisions govern construction activities by Owners after consent of the ACC has been obtained:

19.12.1. Each Owner shall deliver to the ACC, if requested, copies of all construction and building permits as and when received by the Owner. Each construction site in Caney Branch shall be maintained in a neat and orderly condition throughout construction. Construction activities shall be performed on a diligent, workmanlike and continuous basis. Roadways, easements, swales, Common Areas and other such areas in Caney Branch shall be kept clear of construction vehicles, construction materials and debris at all times. No construction office or trailer shall be kept in Caney Branch and no construction materials shall be stored in Caney Branch subject, however, to such conditions and requirements as may be promulgated by the ACC. All refuse and debris shall be removed or deposited in a dumpster on a daily basis. No materials shall be deposited or permitted to be deposited in any canal or waterway or Common Areas or other Homes in Caney Branch or be placed anywhere outside of the Home upon which the construction is taking place. No hazardous waste or toxic materials shall be stored, handled and used, including, without limitation, gasoline and petroleum products, except in compliance with all applicable federal, state and local statutes, regulations and ordinances, and shall not be deposited in any manner on, in or within the construction or adjacent property or waterways. All construction activities shall comply with the Community Standards. If a contractor or Owner shall fail to comply in any regard with the requirements of this Section, the ACC may require that such Owner or contractor post security with Association in such form and such amount deemed appropriate by the ACC in its sole discretion.

19.12.2. Each Owner is responsible for insuring compliance with all terms and conditions of these provisions and of the Community Standards by all of its employees and all contractors, subcontractors, materialmen and suppliers (collectively, "Contractors"). In the event of any violation of any such terms or conditions by any employee or Contractor, or, in the opinion of the ACC, the continued refusal of any employee or Contractor to comply with such terms and conditions, after five (5) days' notice and right to cure, the ACC shall have, in addition to the other rights hereunder, the right to prohibit the violating employee or Contractor from performing any further services in Caney Branch.

19.12.3. The ACC may, from time to time, adopt standards governing the performance or conduct of Owners, Contractors and their respective employees within Caney Branch. Each Owner and Contractor shall comply with such standards and cause its respective employees to also comply with same. The ACC may also promulgate requirements to be inserted in all contracts relating to construction within Caney Branch and each Owner shall include the same therein.

19.13. Inspection. There is specifically reserved to Association and ACC and to any agent or member of either of them, the right of entry and inspection upon any portion of Caney Branch at any time within reasonable daytime hours, for the purpose of determination whether there exists any violation of the terms of any approval or the terms of this Declaration or the Community Standards.

19.14. Violation. Without limiting any other provision herein, if any improvement shall be constructed or altered without prior written approval, or in a manner which fails to conform with the approval granted, the Owner shall, upon demand of Association or the ACC, cause such improvement to be removed, or restored until approval is obtained or in order to comply with the plans and specifications originally approved. The Owner shall be liable for the payment of all costs of removal or restoration, including all costs and attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred by Association or ACC. The costs shall be deemed an Individual Assessment and enforceable pursuant to the provisions of this Declaration.

The ACC and/or Association is specifically empowered to enforce the architectural and landscaping provisions of this Declaration and the Community Standards, by any legal or equitable remedy.

19.15. Court Costs. In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed improvement or to cause the removal of any unapproved improvement, Association and/or ACC shall be entitled to recover court costs, expenses and attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, in connection therewith.

19.16. Certificate. In the event that any Owner fails to comply with the provisions contained herein, the Community Standards, or other rules and regulations promulgated by the ACC, Association and/or ACC may, in addition to all other remedies contained herein, record a Certificate of Non-Compliance against the Home stating that the improvements on the Home fail to meet the requirements of this Declaration and that the Home is subject to further enforcement remedies.

19.17. Certificate of Compliance. If requested by an Owner, prior to the occupancy of any improvement constructed or erected on any Home by other than Developer, or its designees, the Owner thereof shall obtain a Certificate of Compliance from the ACC, certifying that the Owner has complied with the requirements set forth herein. The ACC may, from time to time, delegate to a member or members of the ACC, the responsibility for issuing the Certificate of Compliance. The issuance of a Certificate of Compliance does not abrogate the ACC's rights set forth in Section 19.13 herein.

19.18. Exemption. Notwithstanding anything to the contrary contained herein, or in the Community Standards, any improvements of any nature made or to be made by Developer or its nominees, including, without limitation, improvements made or to be made to the Common Areas or any Home, shall not be subject to the review of the ACC, Association, or the provisions of the Community Standards.

19.19. Exculpation. Developer, Association, the directors or officers of Association, the ACC, the members of the ACC, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any Owner or any other party whatsoever, due to any mistakes in judgment, negligence, or any action of Developer, Association, ACC or their members, officers, or directors, in connection with the approval or disapproval of plans and specifications. Each Owner agrees, individually and on behalf of its heirs, successors and assigns by acquiring title to a Home, that it shall not bring any action or suit against Developer, Association or their respective directors or officers, the ACC or the members of the ACC, or their respective agents, in order to recover any damages caused by the actions of Developer, Association, or ACC or their respective members, officers, or directors in connection with the provisions of this Section. Association does hereby indemnify, defend and hold Developer and the ACC, and each of their members, officers, and directors harmless from all costs, expenses, and liabilities, including attorneys' fees and paraprofessional fees at all levels, including appeals, of all nature resulting by virtue of the acts of the Owners, Association, ACC or their members, officers and directors. Developer, Association, its directors or officers, the ACC or its members, or any person acting on behalf of any of them, shall not be responsible for any defects in any plans or specifications or the failure of same to comply with applicable laws or code nor for any defects in any improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

20. Association. Each Owner and Home is subject to the Declaration which contains, among other things, architectural review requirements, assessment obligations, and use restrictions.

20.1. Surface Water Management System. Except as otherwise indicated on any plat of Caney Branch, any lakes within Caney Branch shall be the maintenance responsibility of Association.

20.2. District Easements. Without limiting any provision of the Declaration, the Association and the District, and their agents, employees, contractors, and managers, shall be deemed to have easements of ingress and egress in, over, and across the Common Areas for all reasonable purposes including, without limitation, such easements required for maintenance of the lake and canal banks and slopes for Caney Branch, if any.

21. Owners Liability.

21.1. Violations. Should any Owner do any of the following:

21.1.1. Fail to perform its responsibilities as set forth herein or otherwise breach the provisions of the Declaration including, without limitation, any provision herein benefiting the District; or

21.1.2. Cause any damage to any improvement or Common Areas; or

21.1.3. Impede Developer or Association from exercising its rights or performing its responsibilities hereunder; or

21.1.4. Undertake unauthorized improvements or modifications to a Home or the Common Areas; or

21.1.5. Impede Developer from proceeding with or completing the development of Caney Branch;

then, Developer and/or Association, where applicable, after reasonable prior written notice, shall have the right, through its agents and employees, to cure the breach, including, but not limited to, the entering upon the Home and causing the default to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs and attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred shall be assessed against the Owner as an Individual Assessment.

21.2. Non-Monetary Defaults. In the event of a violation by any Owner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Developer or Association shall notify the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, the party entitled to enforce same may, at its option:

21.2.1. Commence an action to enforce the performance on the part of the Owner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

21.2.2. Commence an action to recover damages; and/or

21.2.3. Take any and all action reasonably necessary to correct the violation or breach.

21.3. Expenses. All expenses incurred in connection with the violation or breach, or the commencement of any action against any Owner, including reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, shall be assessed against the Owner, as an Individual Assessment, and shall be immediately due and payable without further notice.

21.4. No Waiver. The failure to enforce any right, provision, covenant or condition in this Declaration, shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future.

21.5. Rights Cumulative. All rights, remedies, and privileges granted to the District, Developer, Association and/or the ACC pursuant to any terms, provisions, covenants or conditions of this Declaration, or Community Standards, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude any of them from pursuing such additional remedies, rights or privileges as may be granted or as it might have by law.

21.6. Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration or Community Standards may be enforced by Developer and/or, where applicable, Association and/or Owners, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain

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such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this Declaration or Community Standards shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this Declaration or the Community Standards.

21.7. Fines. Association may suspend, for reasonable periods of time, the rights of an Owner or an Owner's tenants, guests and invitees, or both, to use the Common Areas and may levy reasonable fines, not to exceed the maximum amounts permitted by Section 720.305(2) of the Florida Statutes, against an Owner, tenant, guest or invitee, for failure to comply with any provision of this Declaration including, without limitation, those provisions benefiting the District.

21.7.1. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. Fines in the aggregate are not capped to any amount.

21.7.2. A fine or suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) persons (the "Violations Committee") appointed by the Board who are not officers, directors or employees of Association, or the spouse, parent, child, brother, sister of an officer, director or employee. If the Violations Committee does not by a majority vote approve a fine or suspension the same may not be imposed. The written notice of violation shall be in writing to the Owner, tenant, guest or invitee and detail the infraction or infractions. Included in the notice shall be the date and time of the hearing of the Violations Committee.

21.7.3. The non-compliance shall be presented to the Violations Committee acting as a tribunal, after which the Violations Committee shall hear reasons why a fine should not be imposed. The hearing shall be conducted in accordance with the procedures adopted by the Violations Committee from time to time. A written decision of the Violations Committee shall be submitted to the Owner, tenant, guest or invitee, as applicable, by not later than twenty-one (21) days after the meeting of the Violations Committee. The Owner, tenant, guest or invitee shall have a right to be represented by counsel and to cross-examine witnesses.

21.7.4. The Violations Committee may impose Individual Assessments against the Owner in the amount of \$100 (or any greater amount permitted by law from time to time) for each violation. Each day of non-compliance shall be treated as a separate violation and there is no cap on the aggregate amount the Violations Committee may fine an Owner, tenant, guest or invitee. Individual Assessment fines shall be paid not later than five (5) days after notice of the imposition of the Individual Assessment. All monies received from fines shall be allocated as directed by the Board of Directors.

22. Additional Rights of Developer.

22.1. Sales Office and Administrative Offices. For so long as Developer and its assigns owns any property in Caney Branch, is affected by this Declaration, or maintains a sales office or administrative office within Caney Branch, Developer shall have the right to take such action reasonably necessary to transact any business necessary to consummate the development of Caney Branch and sales of Homes and/or other properties owned by Developer or others outside of Caney Branch. This right shall include, but not be limited to, the right to maintain models, sales offices and parking associated therewith, have signs on any portion of Caney Branch, including Common Areas, employees in the models and offices, without the payment of rent or any other fee, maintain offices in models, and use of the Common Areas to show Homes. The sales office, models, signs and all items pertaining to development and sales remain the property of Developer. Developer shall have all of the foregoing rights without charge or expense. The rights reserved hereunder shall extend beyond the Community Completion Date.

22.2. Modification. Until the Community Completion Date, the development and marketing of Caney Branch will continue as deemed appropriate in Developer's sole discretion, and nothing in this Declaration or Community Standards, or otherwise, shall be construed to limit or restrict such development and marketing. It may be necessary or convenient for the development of Caney Branch to, as an example and not a limitation, amend a Plat and/or the Neighborhood Plan, modify the boundary lines of the Common Areas, grant easements, dedications, agreements, licenses, restrictions, reservations, covenants, rights-of-way, and to take such other actions which

Developer, or its agents, affiliates, or assignees may deem necessary or appropriate. Association and Owners shall, at the request of Developer, execute and deliver any and all documents and instruments which Developer deems necessary or convenient, in its sole and absolute discretion, to accomplish the same.

22.3. Promotional Events. Developer and its assigns shall have the right, at any time, to hold marketing and promotional events within Caney Branch and/or on the Common Areas, without any charge for use. Developer, its agents, affiliates, or assignees shall have the right to market Caney Branch and Homes in advertisements and other media by making reference to Caney Branch, including, but not limited to, pictures or drawings of Caney Branch, Common Areas, and Homes constructed in Caney Branch. All logos, trademarks, and designs used in connection with Caney Branch are the property of Developer, and Association shall have no right to use the same after the Community Completion Date except with the express written permission of Developer.

22.4. Use by Prospective Purchasers. Developer shall have the right, without charge, to use the Common Areas for the purpose of entertaining prospective purchasers of Homes, or other properties owned by Developer outside of Caney Branch.

22.5. Management. Developer may manage the Common Areas by contract with Association. Developer may contract with a third party ("Manager") for management of Association and the Common Areas.

22.6. Easements. Until the Community Completion Date, Developer reserves the exclusive right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress, drainage, utilities service, maintenance, and other purposes over, under, upon and across Caney Branch so long as any said easements do not materially and adversely interfere with the intended use of Homes previously conveyed to Owners. By way of example, and not of limitation, Developer may be required to take certain action, or make additions or modifications to the Common Areas in connection with an environmental program. All easements necessary for such purposes are reserved in favor of Developer, in perpetuity, for such purposes. Without limiting the foregoing, Developer may relocate any easement affecting a Home, or grant new easements over a Home, after conveyance to an Owner, without the joinder or consent of such Owner, so long as the grant of easement or relocation of easement does not materially and adversely affect the Owner's use of the Home as a residence. As an illustration, Developer may grant an easement for irrigation, drainage lines or electrical lines over any portion of Caney Branch so long as such easement is outside the footprint of the foundation of any residential improvement constructed on such portion of Caney Branch. Developer shall have the sole right to any fees of any nature associated therewith, including, but not limited to, license or similar fees on account thereof. Association and Owners will, without charge, if requested by Developer: (a) join in the creation of such easements, etc. and cooperate in the operation thereof; and (b) collect and remit fees associated therewith, if any, to the appropriate party. Association will not grant any easements, permits or licenses to any other entity providing the same services as those granted by Developer, nor will it grant any such easement, permit or license prior to the Community Completion Date without the prior written consent of Developer which may be granted or denied in its sole discretion.

22.7. Right to Enforce. Developer has the right, but not the obligation, to enforce the provisions of this Declaration and the Community Standards and to recover all costs relating thereto, including attorneys' fees and paraprofessional fees at all levels of proceeding, including appeals, collections and bankruptcy. Such right shall include the right to perform the obligations of Association and to recover all costs incurred in doing so.

22.8. Additional Development. If Developer withdraws portions of Caney Branch from the operation of this Declaration, Developer may, but is not required to, subject to governmental approvals, create other forms of residential property ownership or other improvements of any nature on the property not subjected to or withdrawn from the operation of this Declaration. Developer shall not be liable or responsible to any person or entity on account of its decision to do so or to provide, or fail to provide, the amenities and/or facilities which were originally planned to be included in such areas. If so designated by Developer, owners or tenants of such other forms of housing or improvements upon their creation, may share in the use of all or some of the Common Areas and other facilities and/or roadways which remain subject to this Declaration. The expense of the operation of such facilities shall be allocated to the various users thereof, if at all, as determined by Developer.

22.9. Representations. Developer makes no representations concerning development both within and outside the boundaries of Caney Branch including, but not limited to, the number, design, boundaries, configuration {JA280147;1}

and arrangements, prices of all Homes and buildings in all other proposed forms of ownership and/or other improvements on Caney Branch or in Caney Branch or adjacent or near Caney Branch, including, but not limited to, the size, location, configuration, elevations, design, building materials, height, view, airspace, number of homes, number of buildings, location of easements, parking and landscaped areas, services and amenities offered.

22.10. Non-Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ASSOCIATION DOCUMENTS, NEITHER ASSOCIATION NOR ANY NEIGHBORHOOD ASSOCIATION SHALL BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF CANEY BRANCH INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, LESSEES, LICENSEES, INVITEES, AGENTS, SERVANTS, CONTRACTORS, AND/OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

22.10.1. IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF CANEY BRANCH HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF CANEY BRANCH AND THE VALUE THEREOF; AND

22.10.2. ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE STATE OF FLORIDA AND/OR CITY OR COUNTY OR PREVENTS TORTIOUS ACTIVITIES; AND

22.10.3. THE PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY, AND WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY, OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON. EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO A HOME) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING A USE OF, ANY PORTION OF CANEY BRANCH (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS SECTION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF ASSOCIATION HAS BEEN DISCLAIMED IN THIS SECTION OR OTHERWISE. AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS).

22.11. Resolution of Disputes. BY ACCEPTANCE OF A DEED, EACH OWNER AGREES THAT THE ASSOCIATION DOCUMENTS ARE VERY COMPLEX; THEREFORE, ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSS CLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THE ASSOCIATION DOCUMENTS, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHOULD BE HEARD IN A COURT PROCEEDING BY A JUDGE AND NOT A JURY IN ORDER TO BEST SERVE JUSTICE. DEVELOPER HEREBY SUGGESTS THAT EACH OWNER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A HOME.

22.12. Venue. EACH OWNER ACKNOWLEDGES REGARDLESS OF WHERE SUCH OWNER (i) EXECUTED A PURCHASE AND SALE AGREEMENT, (ii) RESIDES, (iii) OBTAINS FINANCING OR (iv) CLOSED ON A HOME, THIS DECLARATION LEGALLY AND FACTUALLY WAS EXECUTED IN DUVAL {JA280147;1}

COUNTY, FLORIDA. DEVELOPER HAS AN OFFICE IN DUVAL COUNTY, FLORIDA AND EACH HOME IS LOCATED IN DUVAL COUNTY, FLORIDA. ACCORDINGLY, AN IRREBUTTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN DUVAL COUNTY, FLORIDA. IN ADDITION TO THE FOREGOING, EACH OWNER AND DEVELOPER AGREE THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN DUVAL COUNTY, FLORIDA.

22.13. Reliance. BEFORE ACCEPTING A DEED TO A HOME, EACH OWNER HAS AN OBLIGATION TO RETAIN AN ATTORNEY IN ORDER TO CONFIRM THE VALIDITY OF THIS DECLARATION. BY ACCEPTANCE OF A DEED TO A HOME, EACH OWNER ACKNOWLEDGES THAT HE HAS SOUGHT AND RECEIVED SUCH AN OPINION OR HAS MADE AN AFFIRMATIVE DECISION NOT TO SEEK SUCH AN OPINION. DEVELOPER IS RELYING ON EACH OWNER CONFIRMING IN ADVANCE OF ACQUIRING A HOME THAT THIS DECLARATION IS VALID, FAIR AND ENFORCEABLE. SUCH RELIANCE IS DETRIMENTAL TO DEVELOPER. ACCORDINGLY, AN ESTOPPEL AND WAIVER EXISTS PROHIBITING EACH OWNER FROM TAKING THE POSITION THAT ANY PROVISION OF THIS DECLARATION IS INVALID IN ANY RESPECT. AS A FURTHER MATERIAL INDUCEMENT FOR DEVELOPER TO SUBJECT CANEY BRANCH TO THIS DECLARATION, EACH OWNER DOES HEREBY RELEASE, WAIVE, DISCHARGE, COVENANT NOT TO SUE, ACQUIT, SATISFY AND FOREVER DISCHARGE DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS AND ITS AFFILIATES AND ASSIGNS FROM ANY AND ALL LIABILITY, CLAIMS, COUNTERCLAIMS, DEFENSES, ACTIONS, CAUSES OF ACTION, SUITS, CONTROVERSIES, AGREEMENTS, PROMISES AND DEMANDS WHATSOEVER IN LAW OR IN EQUITY WHICH AN OWNER MAY HAVE IN THE FUTURE, OR WHICH ANY PERSONAL REPRESENTATIVE, SUCCESSOR, HEIR OR ASSIGN OF OWNER HEREAFTER CAN, SHALL OR MAY HAVE AGAINST DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS, AND ITS AFFILIATES AND ASSIGNS, FOR, UPON OR BY REASON OF ANY MATTER, CAUSE OR THING WHATSOEVER RESPECTING THIS DECLARATION, OR THE EXHIBITS HERETO. THIS RELEASE AND WAIVER IS INTENDED TO BE AS BROAD AND INCLUSIVE AS PERMITTED BY THE LAWS OF THE STATE OF FLORIDA.

22.14. Access Control System. Developer may install a tele-entry system at the entrance to Caney Branch. Association shall have the right, but not the obligation, to contract for the installation of additional Access Control System facilities for Caney Branch. Prior to the Community Completion Date, all contracts for Access Control Systems shall be subject to the prior written approval of Developer. ASSOCIATION AND DEVELOPER SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE ACCESS CONTROL OR INEFFECTIVENESS OF ACCESS CONTROL MEASURES UNDERTAKEN. Each and every owner and the occupant of each Home acknowledges that Developer, Association, and their employees, agents, managers, directors, and officers, are not insurers of Owners or Homes, or the personal property located within Homes. Developer and Association will not be responsible or liable for losses, injuries, or deaths resulting from any casualty or intrusion into a Home.

23. Additional Rights of Owners and Association. Association, members of Association and/or Owners shall have the right jointly and severally to enforce against Developer any requirement of Developer under this Declaration with the prevailing party being entitled to attorneys' fees and costs. Venue for any such enforcement action shall be in the Fourth Judicial Circuit of Florida.

24. Additional Rights of City. In the event the Developer and/or Association fails or refuses to perform its obligations hereunder and/or to enforce the Declaration, the City shall have the right but not the obligation to enforce the terms and provisions of this Declaration by any procedure at law or in equity against the Developer, Association and/or Owners, including the right to levy and enforce Assessments in connection with any such enforcement action. The expense of any litigation arising out of this Section shall be borne by the party against whom enforcement is sought provided such proceeding results in a finding that such person failed to perform its obligations hereunder and/or was in violation of the Declaration.

24.1. Indemnification. Association (and prior to the Turnover Date, Developer and Association) expressly indemnify and hold City and its officers and employees harmless from any cost of maintenance, repair, and reconstruction of, or tort liability or award of damages related to or arising in connection with, the streets,

sidewalks, drainage system (including stormwater retention/detention area), and/or any other infrastructure within Caney Branch.

25. Refund of Taxes and Other Charges. Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by Developer to any governmental authority, utility company or any other entity which at a later date are refunded in whole or in part, shall be returned to Developer in the event such refund is received by Association.

26. Assignment of Powers. All or any part of the rights, exemptions and powers and reservations of Developer herein contained may be conveyed or assigned in whole or part to other persons or entities by an instrument in writing duly executed, acknowledged, and at Developer's option, recorded in the Public Records.

27. General Provisions.

27.1. Authority of Board. Except when a vote of the membership of Association is specifically required, all decisions, duties, and obligations of Association hereunder may be made by the Board. Association and Owners shall be bound thereby.

27.2. Severability. Invalidation of any of the provisions of this Declaration by judgment or court order shall in no way affect any other provision, and the remainder of this Declaration shall remain in full force and effect.

27.3. Affirmative Obligation of Association. In the event that Association believes that Developer has failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Association agrees that once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$250,000.00 which Association and Developer agree is a fair and reasonable remedy.

27.4. Execution of Documents. Developer's plan of development for Caney Branch (including, without limitation, the creation of one (1) or more special taxing districts) may necessitate from time to time the execution of certain documents as required by governmental agencies. To the extent that such documents require the joinder of Owners other than Developer, Developer, by its duly authorized officers, may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents (including, without limitation, any consents or other documents required by any governmental agencies in connection with the creation of any special taxing district); and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact, for such purpose. Such appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home or any other portion of Caney Branch, to execute or otherwise join in any petition and/or other documents required in connection with the creation of a special taxing district relating to Caney Branch or any portion(s) thereof.

27.5. Notices. Any notice required to be sent to any person, firm, or entity under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address at the time of such mailing.

27.6. Florida Statutes. Whenever this Declaration refers to the Florida Statutes, it shall be deemed to refer to the Florida Statutes as they exist on the date this Declaration is recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

27.7. Construction Activities. ALL OWNERS, OCCUPANTS AND USERS OF CANEY BRANCH ARE HEREBY PLACED ON NOTICE THAT (1) DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES AND/OR (2) ANY OTHER PARTIES MAY BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO CANEY BRANCH. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF CANEY BRANCH, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO CANEY BRANCH WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (iii) DEVELOPER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM DEVELOPER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND (iv) ANY PURCHASE OR USE OF ANY PORTION OF CANEY BRANCH HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING.

27.8. Association Title Documents. Each Owner by acceptance of a deed to a Home acknowledges that such home is subject to certain land use and title documents and all amendments thereto, which include among other items, the title documents recorded in the Public Records including, without limitation, this Declaration. Developer's plan of development for Caney Branch may necessitate from time to time the further amendment, modification and/or termination of the Association Title Documents. DEVELOPER RESERVES THE UNCONDITIONAL RIGHT TO SEEK AMENDMENTS AND MODIFICATIONS OF THE ASSOCIATION TITLE DOCUMENTS. It is possible that a governmental subdivision or agency may require the execution of one or more documents in connection with an amendment, modification, and/or termination of the Association Title Documents. To the extent that such documents require the joinder of Owners other than Developer, Developer, by any one of its duly authorized officers, may, as the agent and/or the attorney-in-fact for the Owners, execute, acknowledge and deliver any documents required by applicable governmental subdivision or agency; and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through any one of its duly authorized officers, as their proper and legal attorney-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home: (i) to execute or otherwise join in any documents required in connection with the amendment, modification, or termination of the Association Title Documents; and (ii) that such Owner has waived its right to object to or comment the form or substance of any amendment, modification, or termination of the Association Title Documents. Without limiting the foregoing, upon the Community Completion Date Association shall assume all of the obligations of Developer under the Association Title Documents unless otherwise provided by Developer by amendment to this Declaration recorded by Developer in the Public Records, from time to time, and in the sole and absolute discretion of Developer.

28. Turnover. Turnover Date may not occur sooner than the point in time at which certificates of occupancy have been issued for seventy percent (70%) of the Homes within Caney Branch, and must occur no later than the point in time at which certificates of occupancy have been issued for ninety percent (90%) of the Homes within Caney Branch.

IN WITNESS WHEREOF, the undersigned, being Developer hereunder, has hereunto set its hand and seal this 26th day of June, 2006.

WITNESSES:

Michelle A. Stephens
Print Name: Michelle A. Stephens

William J. Mack, Jr.
Print Name: William J. Mack, Jr.

DUNN CREEK PROPERTIES, LLC
a Florida limited liability company

By: [Signature]
Name: Harry R. Trevett
Title: Authorized Signatory / Member
{SEAL}

STATE OF FLORIDA)
) SS.:
COUNTY OF Duval)

The foregoing instrument was acknowledged before me this 26th day of June, 2006 by Harry R. Trevett, as a Member of Dunn Creek Properties, LLC, who is personally known to me or who has produced as identification.

My commission expires:



[Signature]
NOTARY PUBLIC, State of Florida at Large
Print Name Christopher J. McCranie

JOINDER

CANEY BRANCH HOMEOWNERS' ASSOCIATION OF JACKSONVILLE, INC.

CANEY BRANCH HOMEOWNERS' ASSOCIATION OF JACKSONVILLE, INC. ("**Association**") does hereby join in the Declaration for Caney Branch (the "**Declaration**"), to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. Association agrees that this Joinder is for convenience purposes only and does not apply to the effectiveness of the Declaration, as Association has no right to approve the Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 26th day of June, 2006.

WITNESSES:

Michelle Stephens
Print Name: Michelle Stephens

William J. Mook, Jr.
Print Name: William J. Mook, Jr.

CANEY BRANCH HOMEOWNERS' ASSOCIATION
OF JACKSONVILLE, INC. a Florida not-for-profit
corporation

Harry R. Trevett
By: Harry R. Trevett
Name: Harry R. Trevett
Title: President

{SEAL}

STATE OF FLORIDA)
) SS.:
COUNTY OF Duval)

The foregoing instrument was acknowledged before me this 26th day of June, 2006 by Harry R. Trevett, as President of CANEY BRANCH HOMEOWNERS' ASSOCIATION OF JACKSONVILLE, INC., a Florida not-for-profit corporation, who is personally known to me ~~or who has produced~~ as identification.

My commission expires:

Christopher J. McCranie
NOTARY PUBLIC, State of Florida at Large

Print Name: Christopher J. McCranie

EXHIBIT 1

LEGAL DESCRIPTION

CANEY BRANCH PLANTATION, according to the plat thereof recorded in Plat Book 61, Page 123, Public Records of Duval County, Florida.

EXHIBIT 2

**Electronic Articles of Incorporation
For**

**N06000006624
FILED
June 21, 2006
Sec. Of State
Ipoole**

CANEY BRANCH HOMEOWNERS' ASSOCIATION OF JACKSONVILLE,
INC.

The undersigned incorporator, for the purpose of forming a Florida not-for-profit corporation, hereby adopts the following Articles of Incorporation:

Article I

The name of the corporation is:

CANEY BRANCH HOMEOWNERS' ASSOCIATION OF JACKSONVILLE,
INC.

Article II

The principal place of business address:

3983 CLEARWATER LANE
JACKSONVILLE, FL. 32223

The mailing address of the corporation is:

3983 CLEARWATER LANE
JACKSONVILLE, FL. 32223

Article III

The specific purpose for which this corporation is organized is:

OWNERSHIP OF PORTIONS OF A RESIDENTIAL COMMUNITY AND
OPERATION OF A RESIDENTIAL HOMEOWNERS' ASSOCIATION

Article IV

The manner in which directors are elected or appointed is:

WRITTEN BALLOT

Article V

The name and Florida street address of the registered agent is:

HARRY R TREVETT
3983 CLEARWATER LANE
JACKSONVILLE, FL. 32223

I certify that I am familiar with and accept the responsibilities of registered agent.

Registered Agent Signature: HARRY R. TREVETT

N06000006624
FILED
June 21, 2006
Sec. Of State
Ipooie

Article VI

The name and address of the incorporator is:

CHRISTOPHER J. MCCRANIE
9428 BAYMEADOWS ROAD
SUITE 120
JACKSONVILLE, FL 32256

Incorporator Signature: CHRISTOPHER J. MCCRANIE

Article VII

The initial officer(s) and/or director(s) of the corporation is/are:

Title: P
HARRY R TREVETT
9428 BAYMEADOWS ROAD, SUITE 120
JACKSONVILLE, FL. 32256

Title: VP/S
DALLAS P LEE
3983 CLEARWATER LANE
JACKSONVILLE, FL. 32223

Title: VP
CHRISTOPHER J MCCRANIE
9428 BAYMEADOWS ROAD, SUITE 120
JACKSONVILLE, FL. 32256

Article VIII

The effective date for this corporation shall be:

06/20/2006

EXHIBIT 3**BYLAWS
OF
CANEY BRANCH HOMEOWNERS ASSOCIATION
OF JACKSONVILLE, INC.****1. IDENTITY.**

1.1 Name. The name of the Corporation is CANEY BRANCH HOMEOWNERS ASSOCIATION OF JACKSONVILLE, INC., a Florida not-for-profit corporation organized pursuant to the provisions of Chapter 617, Florida Statutes.

1.2 Purpose. The purpose and object of the Association (as hereinafter defined) shall be to administer the operation and management of CANEY BRANCH HOMEOWNERS ASSOCIATION OF JACKSONVILLE, INC., as established in accordance with the Declaration of Covenants, Conditions and Restrictions of CANEY BRANCH (the "Declaration") upon certain real property located in Duval County, Florida, as set forth in the Declaration ("Property"). The provisions of these By-Laws are applicable to the Association and are subject to the provisions of the Declaration, and the Articles of the Association (as hereinafter defined). All Members, as defined herein, and their invitees, including, without limitation, all present or future owners and tenants of Lots within the Property, as defined herein, and other persons using the Lots or any of the facilities thereof in any manner are subject to these By-Laws, the Articles and the Declaration.

1.2 Location. The principal office of the Association shall be located at 2983 Clearwater Lane, Jacksonville, Florida 32223, or at such other place as may be established by resolution of the Board of Directors, but meeting of the Members and the Board of Directors of the Association may be held at such places within Duval County, Florida.

1.3 Fiscal Year. The fiscal year of the Association shall be the first day of January through the last day of December.

1.4 Seal. The seal of the Association shall bear the name of CANEY BRANCH HOMEOWNERS ASSOCIATION OF JACKSONVILLE, INC., THE WORD "Florida", the words "Corporation Not For Profit", and the year of incorporation.

2. DEFINITIONS.

2.1 Articles. "Articles" shall mean and refer to the Articles of Incorporation of CANEY BRANCH HOMEOWNERS ASSOCIATION OF JACKSONVILLE, INC., as filed with the Secretary of State of Florida.

2.2 Assessment. The term "Assessment" as used herein shall mean and refer to a share of Association Expenses required for the payment of the Association Expenses which from time to time shall be assessed against the Lots and the Owners and the Authorized Users.

2.3 Assessment Period. "Assessment period" shall be the same period as a calendar year, from January 1 to December 31 of any given year.

2.4 Association. "Association" shall mean and refer to CANEY BRANCH HOMEOWNERS ASSOCIATION OF JACKSONVILLE, INC., a corporation not-for-profit, organized or to be organized pursuant to Chapter 617, Florida Statutes, and its successors and assigns.

2.5 Association Expenses. "Association Expenses" shall mean and refer to the expenses and charges described in this Declaration, incurred or to be incurred by the Association and assessed or to be assessed against the Lots and the owners thereof through annual or special Assessments as defined in Sections 4.4 and 4.5 of Article IV of the Declaration.

2.6 Board of Directors. "Board of Directors" shall mean and refer to the Association's Board of Directors.

2.7 Common Area. "Common Area" shall mean and refer to that portion of the Property which is not a part of a Lot and which is intended for the common use and enjoyment of the Owners, and which shall be conveyed by the Developer to the Association pursuant to the provisions of this Declaration.

2.8 Declaration. "Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions of CANEY BRANCH as recorded in Official Records Volume _____ page _____, et seq., current public records, Duval County, Florida

2.9 Developed Lot. "Developed Lot" shall mean and refer to any Lot owned by anyone other than Developer or any corporation affiliated with Developer. For purposes hereof, an affiliated corporation shall be deemed to be any corporation the majority of whose stock is owned by Developer, or the majority shareholder of Developer, or any corporation which itself may be deemed to be an affiliate of Developer because of common equity ownership. For purposes hereof, an affiliated corporation shall be deemed to be any corporation the majority of whose stock is owned by Developer, or the majority shareholder of Developer, or any corporation which itself may be deemed to be an affiliate of Developer.

2.10 Developer. "Developer" shall mean and refer to DUNN CREEK PROPERTIES, LLC, a Florida limited liability company, and its successors and assigns if such successors or assigns should acquire more than one Undeveloped Lot for the purpose of development and have an assignment in writing of Developer's Rights from DUNN CREEK PROPERTIES, LLC.

2.11 Future Development Property. "Future Development Property" shall mean and refer to that certain property, which may or may not be adjacent or contiguous to the Property, as Developer may determine from time to time, if added to the Property by Annexation by the Developer.

2.12 Home. "Home" shall mean each residential duplex and appurtenances thereto constructed within Caney Branch. The term Home may not reflect the same division of property as reflected on a Plat.

2.13 Lot. "Lot" shall mean and refer to any of the platted lots of land shown upon the recorded subdivision plat of the Property intended as a residential homesite, and the Future Development Property if such property is developed and annexed as herein set forth, with the exception of the Common Area and dedicated roads.

2.14 Maintenance Area. "Maintenance Area" shall mean and refer to those portions of the Property or improvements thereto which may or may not be owned by the Association, but are maintained by the Association from time to time, including without limitation, all of stormwater systems to be constructed in accordance with the requirements of the St. Johns River Water Management District, the Department of Environmental Protection and/or the U.S. Army Corps of Engineers and the surface waters of any areas designated as "Lakes" or "Drainage Easements" or "Maintenance Area" on the recorded plats, medians or rights of way abutting public streets, the entrance way(s) to the subdivision including landscaping, fencing and signage, and decorative or border fencing or walls and any access gates as may be constructed by the Developer upon the property boundaries.

2.15 Member. "Member" shall mean and refer to all those persons entitled to membership as provided by the Declaration.

2.16 Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, and the Future Development Property if such property is developed and annexed as herein set forth, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation. The term "Owner" shall not mean or refer to any mortgagee or grantee or beneficiary under a deed of trust or security deed unless and until such mortgagee, grantee or beneficiary has acquired title pursuant to foreclosure or any proceeding or conveyance in lieu of foreclosure.

2.17 Parcel. Parcel shall mean any portion of Caney Branch upon which one or more Homes may be constructed.

2.18 Plat. "Plat" shall mean and refer to the plat of certain real property more fully described in the Declaration of CANEY BRANCH, according to the plat thereof as recorded in Plat Book 61, beginning at page 123 of the current public records of Duval County, Florida (the "Plat").

2.19 Property. "Property" shall mean and refer to that certain real property more particularly described in the Declaration, and such additions thereto as may be brought within the jurisdiction of the Association.

2.20 Special Assessment. "Special Assessment" shall mean any special assessment for capital improvements, major repairs, emergencies, the repair or replacement of Common Areas, or nonrecurring expenses, in accordance with the Declaration.

2.21 Turnover Date. Turnover Date shall mean the date on which transition of control of Association from Developer to Owners occurs.

2.22 Undeveloped Lot Owned By Developer. "Undeveloped Lot Owned By Developer" shall mean and refer to any Lot which is owned by Developer.

3. MEMBERSHIP, VOTING, QUORUM, PROXIES.

3.1 Membership. Every Owner of a Lot, Parcel or Home shall be a Member of the Association. Such membership shall be coincident with the ownership of the Lot and shall not be separately transferable. Membership shall cease upon the transfer or termination of ownership; provided, however, in the event that an Owner leases the improvements on his Lot

to a tenant, such tenant shall be entitled to the use of the Common Area (as described in the Declaration) but the Owner shall remain liable for all Assessments, for compliance with the terms and conditions of the Articles, Declaration and these By-Laws, and shall retain all voting rights.

3.2 Quorum. A quorum at meetings of Members shall consist of persons entitled to cast a majority of votes of the membership entitled to vote upon any matter or matters arising at said meeting.

3.3 Voting. Until Turnover, the classes of voting membership and manner of voting shall be as set forth herein Section 28 of the Declaration, subject to the additional terms and conditions set forth herein:

(a) The Association shall have two (2) classes of voting memberships as follows:

Class A - Class A Members shall be Owners who have taken title to one (1) or more Lots which shall include Lots on Future Development Property, if such property is annexed as provided in the Declaration, excluding, however, the Developer, until such time as Class B membership ceases to exist, at which time Developer shall be entitled to vote like any other Owner of a Lot. Each Class A Member shall be entitled to one (1) vote for each Lot owned by such Member. When a Lot is owned by more than one (1) person, all such persons shall be Members. The vote for such Lot shall be exercised as the Owners determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B - The Class B Member shall be Developer, which shall be initially entitled to a number of votes equal to the number of Lots within the Property. In addition, the total number of votes of the Class B Member shall increase at the time of Annexation of the Future Development Property, if subdivided into Lots, to a number equal to the number of Lots included on the Plat of the Property and the Future Development Property, if subdivided. 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 the Declaration and these By-Laws.

Class B membership shall terminate and Class A Members shall be entitled to vote upon the happening of one of the following events, whichever occurs earlier:

- (i) no later than the point in time at which certificates of occupancy have been issued for ninety percent (90%) of the Homes constructed within the Property, and the Future Development Property, if annexed as provided in the Declaration, or

- (ii) no sooner than the point in time at which certificates of occupancy have been issued for seventy percent (70%) of the Homes constructed within the Property, and the Future Development Property, if annexed as provided in the Declaration.

(b) If a Lot is owned by one person, his right to vote shall be established by the record title to his Lot.

(c) If any Lot is owned by more than one person or a partnership, corporation, trust, or any other association or entity, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record owners of the Lot or by the president, general partner or other chief executive officer of the respective entity and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until ownership of the Lot is changed. A certificate designating the person entitled to cast the vote of a Lot may be revoked by any owner of that Lot. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

(d) The Developer shall be entitled to cast the number of votes as set forth in subparagraph (a) hereof under Class B Membership.

3.4 Vote Required. Except as otherwise required under the provisions of the Articles, these By-Laws or the Declaration, or where the same otherwise may be required by law, at any meeting of the general membership of the Association, duly called and at which a quorum is present, the acts approved by the affirmative vote of a majority of the votes present at such meeting shall be binding upon the Members.

3.5 Proxies. At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by proxy. A proxy may be revoked at any time at the pleasure of the Lot Owner executing it. To be valid, a proxy must be dated, must state the date, time, and place of the specific meeting for which it is given, and must be signed by the authorized person executing it. A proxy is effective only for the specific meeting for which it was originally given ("Meeting") and automatically expires ninety (90) days after the date of the Meeting, but shall automatically cease upon conveyance by a Member of his Lot. All proxies shall be in writing and filed with the secretary before the appointed time of the meeting in order to be effective.

4. MEMBERS' MEETINGS.

4.1 Annual Meeting(s). The first Annual Meeting of the Members shall be held at the office of the Association or such other place in Duval County, Florida, and at such time as may be specified in the notice of the meeting, on or before the first Tuesday in October of each year and each subsequent regular annual meeting of the Members shall be held during the same month of each year, at the hour designated in the notice of the meeting, for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, the meeting shall be held on the next succeeding Tuesday, or such day as the Directors shall determine and include in the notice of meeting.

4.2 Special Meeting(s). Special Meeting(s) shall be held when called by the Board of Directors or by at least ten percent (10%) of the total voting interests of the Association. Business conducted at a Special Meeting is limited to the purposes described in the notice of the meeting.

4.3 Notice of Meetings.

(a) Generally. Written notice of all meetings of Members shall be given by the Secretary, or in the absence of the Secretary, another officer of the Association, to each Member or class of Members, if any, unless waived in writing. Each notice shall state the time, place and purpose for which the meeting is called.

(b) Annual. Notice of Annual Meeting(s) shall be given to each Member not less than fifteen (15) days nor more than ninety (90) days prior to the date set for the meeting, and shall be mailed or delivered personally to each Member. Such notice shall state the date, time and place of such meeting, but need not include a description of the purpose for which the meeting is called. If delivered personally, receipt of notice shall be signed by the Member, indicating the date received and shall constitute that Member's waiver of his right to receive notice by mail. If mailed, such notice shall be deemed properly given when deposited in the United States mail addressed to the Member at his Post office address as it appears on the records of the Association.

(c) Special. Notice of Special Meetings shall be given to each Member not less than ten (10) days nor more than thirty (30) days prior to the date set for the meeting and shall be mailed by first class mail or delivered personally to the Member, stating the time, date and place of such meeting and reciting the purpose of such meeting.

(d) Waiver. Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before, at or after the holding of the meeting, shall constitute notice to such Member.

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

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

5. BOARD OF DIRECTORS.

5.1 First Board and Developer Control. The affairs of the Association shall be managed by a Board of Directors. The first Directors shall consist of three (3) persons as designated in the Articles of Incorporation. DUNN CREEK PROPERTIES, LLC reserves the right to appoint Directors to the Board as specified in the Articles, Declaration and as described herein.

5.2 Election of Directors. Directors shall be elected in the following manner:

(a) The Board of Directors shall be elected by the Members from among the membership of the Association at the annual membership meeting, by affirmative vote of a plurality of the votes cast at such meeting, however, the Developer shall have the right to elect all the Directors of the Board subject to the limitation that Lot Owners other than the Developer shall be entitled to elect a majority of the Members of the Board of Directors upon termination of Developer's Class B membership, as more particularly described in Section 3.3 herein ("Turnover").

(b) Vacancies on the Board may be filled, through the unexpired term thereof, by the remaining Directors except that, should any vacancy on the Board be created in a directorship previously filled by any person appointed by Developer, such vacancy shall be filled by Developer appointing, by written instrument delivered to any officer of the Association, of a successor Director, who shall fill the vacated directorship for the unexpired term thereof.

(c) In the election of Directors there shall be appurtenant to each Lot one (1) vote for each Director to be elected, and the Developer shall be entitled to cast the number of votes allocated to it under Section 3.3(a) hereof.

(d) At the first Annual Meeting, the Members will elect three (3) Directors, with one (1) directorship to be designated as a two (2) year term director and the other two (2) to be for one (1) year terms. At the next succeeding Annual Meeting, one of such one (1) year term directorships shall be, from that point on, designated as a two (2) year term directorship. The intent hereof is to stagger the terms of the directorships so that there shall be only two (2) directors elected each year with one member of the old board continuing on the new board. Therefore, there shall be two (2) directorships of two (2) year terms being up for election in different years, and the third directorship shall always remain a one (1) year term directorship.

(e) In the event that Developer selects any person or persons to serve on the initial Board, Developer shall have the absolute right at any time, in its sole discretion to replace any such person or persons with another person or persons designated by Developer to serve on the Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective

immediately upon delivery as such written instrument by Developer to any officer of the Association.

5.3 Organizational Board Meeting. The organization meeting of a newly elected or designated Board shall be held within fifteen (15) days of their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided that a quorum shall be present.

5.4 Regular Board Meeting. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

5.5 Special Meetings. Special meetings of the Board of Directors shall be called by the President, at the written request of one-third of the Directors. Notice of Special Meetings must be given to each Director, personally, or by mail, telephone or telegram preceded by at least seven (7) days' notice of the date, time, and place of the meeting, unless notice is waived.

5.6 Board Minutes. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Members and Directors during normal business hours at the principal office of the Association or the office of the property management company, if any. The Association shall retain minutes of all meetings of the Board of Directors for a period of not less than seven (7) years.

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

5.8 Quorum. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these By-Laws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these By-Laws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted at the readjusted meeting without further notice.

5.9 Action Without a Meeting. To the extent now or from time to time hereafter permitted by the laws of Florida, the Board shall have the right to take any action in the absence of a meeting which they could take at a meeting; provided, that written approval of such actions taken, signed by each Director, shall be recorded and filed in the minute book of the Association.

5.10 Removal. Directors may be removed from office with or without cause by the vote or written agreement of persons entitled to cast a majority of the votes of the membership; provided, however, that only the Developer can remove a member of the Board who was appointed by the Developer.

5.11 Presiding Officer. The presiding officer of meetings of the Board shall be Chairman of the Board, if such officer has been elected, or, if not, the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

5.12 Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of Florida, the Articles, these By-Laws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these By-Laws and the Declaration, and shall include, without limitation, the right, power and authority to:

(a) Tax, levy, collect and enforce by all lawful means all charges or assessments against Members of the Association and their Lots to defray the common expenses of the Development, as provided in the Articles and Declaration, including the right to levy and collect assessments for the purposes of acquiring, owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing and otherwise dealing with the Common Area, the Maintenance Area and other property owned by the Association, which may be necessary or convenient in the operation and management of the Development and in accomplishing the purposes set forth in the Declaration, including, without limitation, the imposition of fines and charges against Members who willfully violate the provisions of the Declaration or rules and regulations enacted from time to time by the Association;

(b) Maintain, repair, replace, operate and manage the Common Areas and Maintenance Areas, including without limitation, the stormwater management system serving the Development (including but not limited to retention areas, drainage structures and drainage easements) and any property owned by the Association, including the right to reconstruct improvements after casualty and to further improve and add to the Maintenance Areas and other property owned by the Association for the benefit of Members;

(c) Make, amend and establish reasonable rules and regulations governing the use of the Lots, Common Areas and Maintenance Areas in the Property, real and personal, provided that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration;

(d) Contract for the management and maintenance of the Common Areas, the Maintenance Areas and other Property owned by the Association and, in connection therewith, to delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Articles, Declaration and these By-Laws, including but not limited to the performance of such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements and property owned by the Association with funds as shall be made available by the Association for such purposes. Any such contract shall be terminable for cause upon the giving of thirty (30) days prior written notice, and shall be for a term of from one (1) to three (3) years. Any such contract shall be renewable by consent of the Association and management. If such contract is

negotiated by the Developer, the term of such contract shall not exceed two (2) years. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, including but not limited to the making of assessment, promulgation of rules and execution of contracts on behalf of the Association;

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

(f) Suspend the enjoyment of the Common Areas by any Member for a period during which any Assessment remains unpaid, and for a period not to exceed the greater of (i) sixty(60) days for any infraction of its published rules and regulations, or (ii) the date such Assessment remains unpaid. Voting rights of a Member may be suspended for nonpayment of regular annual assessments that are delinquent in excess of ninety (90) days.

(g) Carry insurance for the protection of Members and the Association against casualty and liability, including Directors' liability insurance;

(h) Pay all costs of power, water, sewer and other utility services rendered to the Property or to the Association and not billed to the owners of the separate Lots;

(i) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association;

(j) Borrow money at prevailing rate and terms if it would not be feasible to charge the Members their proportionate share of the total estimated expenses. Any money received from the Developer shall be a loan to cover the deficit funding and shall be payable on demand which shall be evidenced by a promissory note.

(k) Maintain Association's official regulating documents, including, but not limited to Articles, Bylaws, Declaration, and any amendments thereto; plans, specifications, permits, warranties for improvements and repairs to Common Areas or other Property maintained by Association; minutes of all meetings retained for at least seven (7) years; current roster of all Members and their mailing addresses and parcel identifications; Association insurance policies; current copy of all contracts to which Association is a party, including but not limited to any management agreement, lease, or other contracts for which the Association has any obligation or responsibility; bids for work to be done on behalf of the Association; accurate and detailed financial statements, kept according to good accounting practices; Members' assessment account reports; Association tax returns, and any other records that identify, measure, record or communicate financial information; and any and all records required from time to time by applicable law.

(l) Enforce by legal means the provisions of the Articles, these By-Laws, the Declaration and all regulations governing use of the Property.

6. OFFICERS.

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

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

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

6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the affairs of the Association. He shall have such additional powers as the Board may designate.

6.5 Treasurer. The Treasurer shall have custody of all of the property of the Association including funds, securities and evidences of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

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

7. FISCAL MANAGEMENT. The provisions for fiscal management of the Association set forth in the Declaration and Articles of Incorporation shall be supplemented by the following provisions:

7.1 Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with standard accounting procedures. Written summaries shall be supplied at least annually to members. Such records shall include, but not be limited to:

(a) A record of all receipts and expenditures.

(b) An account for each Lot which shall designate the name and address of the Lot owner, the amount of each assessment, dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

7.2 Inspection of Financial Reports and Records. Annual Financial reports and the membership records shall be maintained in the office of the Association and shall be available to Members for inspection during normal business hours with forty-eight (48) hours prior notice to the holder of the reports and records. Such annual financial reports shall be prepared within sixty (60) days after close of Association's fiscal year, pursuant to Section 720.303, Florida Statutes (2000).

7.3 Annual Budget. The Board shall adopt, for, and in advance of, each fiscal year, a budget showing the estimated cost of performing all of the functions of the Association for the year. Each budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the common expenses, which shall include without limitation, the cost of operating and maintaining the Common Elements, taxes on Association property, wages and salaries of Association Employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Lots, premiums for insurance carried by the Association and any reserve accounts and/or funds which may be established from time to time by the Board. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the Owner(s) of each Lot and due date(s) and amounts of installments thereof. Copies of the proposed budget and proposed assessments shall be transmitted to each Member at least thirty (30) days prior to the meeting of the Board of Directors at which the budgets will be considered, together with a notice of the time and place of said meeting, which shall be open to Lot Owners. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that nay budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

7.4 Notice of Adopted Budgets. Assessments shall be made against Members pursuant to procedures established by the Board of Directors, and in accordance with terms of the Declaration and Articles. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these By-Laws.

7.5 Financial Reports. The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The financial report shall comply with the applicable provisions of Florida Law.

7.6 Assessments. As more fully provided in Section 16 of the Declaration, each Member is obligated to pay to the Association certain Assessments which are secured by a continuing lien upon the property against which the Assessment is made. Unless otherwise determined by the Board of Directors, assessments shall be payable annually on the first day of each calendar year, but in no event shall amounts be payable less often than monthly. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency. Any Assessments which are not paid when due shall be delinquent. The Assessment shall bear interest from the date of delinquency at an interest rate equal to the highest rate allowed by law, or as otherwise determined by the Board of Directors. The Association may bring an action at law, or as otherwise determined by the Board of Directors. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Home, and interest, costs and reasonable attorney's fees of any Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Areas or abandonment of his Home.

7.7 The Depository. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized by the Directors, provided that any management agreement may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association.

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

8. NOTICE OF TRANSFER. Prior to conveyance of any Lot to an Owner, such Owner shall provide to the Association written notice of the party to whom the Lot is to be conveyed, together with an address for such new Owner for the Association records.

9. ASSOCIATION RECORDS. In accordance with the requirements of Section 617.303(4), Florida Statutes, the Official Records of the Association shall consist of:

9.1 General Records.

(a) A copy of any plans, permits, warranties, and other items related to improvements constructed on the Common Property or other property which the Association is obligated to maintain, repair or replace.

(b) A copy of the Bylaws of the Association and of each amendment to the Bylaws.

(c) A certified copy of the Articles of Incorporation of the Association, or other documents creating the Association, and of each amendment thereto.

(d) A copy of the Declaration of Covenants and of each amendment thereto.

(e) A copy of the current rules of the Association.

(f) A book or books that contain the minutes of all meetings of the Association, of the Board of Directors, and of Members, which minutes shall be retained for a period of not less than seven (7) years.

(g) A current roster of all Members and their mailing addresses, parcel identifications, and, if known, telephone numbers. The Association shall also maintain the electronic mailing addresses and the numbers designated by Members for receiving notice sent by electronic transmission of those Members consenting to receive notice by electronic transmission.

(h) All current insurance policies of the Association, or a copy thereof.

(i) A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Members have an obligation or responsibility.

(j) A copy of all bids received by the Association for work to be performed, which must be retained for one (1) year.

9.2 Financial Records. Accounting records for the Association and separate accounting records for each Home, according to generally accepted accounting principles. All accounting records shall be maintained for a period of not less than seven (7) years. The financial records shall include, but are not limited to:

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

(b) A current and a periodic statement of the account for each Member of the Association, designating the name and address of the Member, the due date and amount of each Assessment, the amount paid upon the account, and the balance due.

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

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

9.3 Inspection and Copying of Records. The foregoing official records shall be maintained within the State of Florida and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. The Association may adopt

reasonable rules and regulations governing the frequency, time, location, notice and manner of inspections and may impose fees to cover the costs of providing copies of official records.

10. PARLIAMENTARY RULES. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, Articles of Incorporation, or these By-Laws.

11. AMENDMENTS TO BY-LAWS. Amendments to these By-Laws shall be proposed and adopted in the following manner:

11.1 Proposal. Amendments to these By-Laws shall be proposed by the Board, acting upon a vote of a majority of the Directors, or by persons entitled to cast a majority of the votes of the membership whether meeting as Members or by instrument in writing signed by them.

11.2 Notices. Upon any amendment or amendments to these By-Laws being proposed, such proposed amendment or amendments shall be transmitted to the president of the Association, or acting chief executive officer in the absence of the president, who shall thereupon call a special meeting of the Members for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members is required as herein set forth; provided that proposed amendments to the By-Laws may be considered and voted upon at annual meetings of the Members.

11.3 Content of Amendment. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of bylaw. See bylaw . . . for present text." Nonmaterial errors or omissions in the bylaw process shall not invalidate an otherwise properly promulgated amendment.

11.4 Voting. In order for such amendment or amendments to become effective, as long as there is a Class B Membership, it shall only take an affirmative vote of the Class B Members. At such time as there is no Class B Membership, the same must be approved by an affirmative vote of a majority of the votes entitled to be cast at a regular or special meeting. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be filed in the records of the corporation.

11.5 Written Vote. At any meeting held to consider such amendment or amendments to these By-Laws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

11.6 Developer's Reservation. Notwithstanding the foregoing provisions of this Article 9, no amendment to these By-Laws which shall abridge, amend or alter the right of Developer to designate members of the Board of Directors of the Association, as provided in Article 5 hereof, or any other right of the Developer provided herein or in the Articles, or Declaration, may be adopted or become effective without the prior written consent of Developer. Anything herein to the contrary notwithstanding, for so long as there is a Class B Membership, Developer shall have the right to fill vacancies on the Board of Directors, an amendment shall require only the unanimous consent of the Board of Directors, and no meeting of the Members nor any approval thereof need be had.

11.7 Amendments. These By-laws may be amended as provided in the Articles of Incorporation or any amendment thereto.

The foregoing was adopted as the By-Laws of CANEY BRANCH HOMEOWNERS ASSOCIATION OF JACKSONVILLE, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors.