

OFFICIAL RECORDS
DECLARATION OF COVENANTS AND
RESTRICTIONS FOR
PABLO WOODS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS is made as of the 22ND day of October, 1990, by C.E.D., INC., a Florida corporation, whose address is 2215 South Third Street, Suite 201, Jacksonville Beach, Florida 32250.

ARTICLE I

INTRODUCTION, DEFINITIONS AND CONSTRUCTION

Declarant is the owner of the Property which is located in Duval County, Florida, and is more particularly described on Exhibit A attached hereto. Declarant has caused the Property to be surveyed and platted as Pablo Woods in accordance with the Plat. Declarant hereby restricts the use of the Property and declares that the Property and all portions thereof (except to the extent specifically exempted herein) and all additions made in accordance with this Declaration, shall be held, occupied, sold and transferred subject to the easements, restrictions and covenants of this Declaration, which Declarant is imposing for the benefit of all Owners for the purpose of preserving the value and maintaining the desirability of the Property. The covenants, restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each Lot within the Property and are intended to create mutual equitable servitudes on each Lot in favor of the other Lots, to create reciprocal rights among the respective Owners, and to create privity of contract and estate between the Owners of the Lots their heirs, successors and assigns.

Unless the context requires otherwise, the words defined below whenever used in this Declaration and in the Legal Documents shall have the following meanings:

1.1 "Architectural Criteria" means the architectural standards set forth in paragraphs 3.2 through 3.12 hereof and the construction standards and other regulations from time to time adopted by the P.R.B. and approved by the Board of Directors for improvements constructed within the Property, as set forth in Article VIII hereof.

1.2 "Association" means Pablo Woods Homeowners Association, Inc., a Florida corporation not for profit, its successors and assigns.

1.3 "Board" or "Board of Directors" means the Association's Board of Directors.

1.4 "Common Areas" means all property from time to time owned by the Association or designated for ownership by the Association for the common use and enjoyment of all Owners, together with all improvements, fixtures, and tangible personal property now or hereafter situated thereon and all appurtenant easements.

1.5 "Declarant" means C.E.D., Inc., a Florida corporation, whose address is 2215 South Third Street, Suite 201, Jacksonville Beach, Florida 32250, its successors and assigns with respect to the entire Property, and all other Persons who acquire one or more Lots, provided that Declarant has specifically assigned in whole or in part its rights as Declarant under this Declaration, for the purpose of development.

1.6 "Legal Documents" collectively means this Declaration of Covenants and Restrictions, and any supplemental or

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amendatory declarations made in accordance herewith, as amended from time to time, and the Association's Articles of Incorporation (the "Articles") and the Association's By-Laws (the "By-Laws"), as the same may be amended from time to time.

1.7 "Lot" means any plot of land shown on the Plat or any subsequently recorded subdivision plat of the Property, which is designated thereon as a residential lot, excluding any areas intended as Common Areas or for ingress and egress, utilities, or drainage uses.

1.8 "Mortgage" means any mortgage, or other instrument validly creating a lien upon any Lot, as security for performance of an obligation. The term "Mortgage" does not include judgments, involuntary liens, or liens arising by operation of law. "First Mortgage" means any Mortgage constituting a lien prior in dignity to all other Mortgages encumbering the same property.

1.9 "Mortgagee" means the Person(s) named as the obligee under any Mortgage, or the successor in interest to any such Person.

1.10 "Owner" means the record Owner, whether one or more Persons, of the fee simple title to any Lot, including contract sellers, but excluding contract buyers and any person holding fee simple title merely as security for the performance of an obligation. Declarant is an Owner as to each Lot owned by the Declarant.

1.11 "P.R.B." means the Planning Review Board of the Association as set forth in Article VIII hereof.

1.12 "Person" means any natural person or artificial entity having legal capacity.

1.13 "Plat" means that subdivision plat of Pablo Woods recorded in Plat Book 46, pages 46 through 46D of the Public Records of Duval County, Florida, and the recorded plat of any lands made subject to the provisions of this Declaration pursuant to the provisions hereof, and any amendments thereto.

1.14 "Property" means the lands in Duval County, Florida, described on Exhibit A attached to this Declaration, together with all other lands that hereafter may be made subject to the provisions of this Declaration in the manner provided herein.

1.15 "Regulations" means any rules and regulations regarding the use of the Property duly adopted by the Association in accordance with the Legal Documents.

1.16 "The Work" means the initial development of all or any portion of the Property as a residential community by the construction and installation of streets, utility systems, drainage systems, common area landscaping, community facilities, buildings, and other improvements, and the sale, lease, or other disposition of the Property in parcels, but does not include the construction of individual residential Units by persons other than Declarant. This term is to be broadly construed to include any and all activities, uses, structures, and improvements necessary, convenient, or desirable to accomplish such construction and disposition.

1.17 "Unit" means a single family detached dwelling located on a Lot.

1.18 Interpretation. unless the context expressly requires otherwise, the use of the singular includes the plural and vice versa; the use of one gender includes all genders; the use of the terms "including" or "include" is without limitation.

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Wherever any time period is measured in days, if any such time period expires on a Saturday, Sunday, or legal holiday, it shall be extended to the next succeeding calendar day that is not a Saturday, Sunday, or legal holiday. The terms "Lot" and "Property" mean all or any portion applicable to the context and include all improvements, fixtures, trees, vegetation and other property from time to time situated thereon, and the benefit of all appurtenant easements. This Declaration shall be construed liberally in favor of the party seeking to enforce its provisions to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a common plan for the development and enjoyment thereof. Headings and other textual divisions are for indexing purposes only and are not to be used to interpret, construe, apply or enforce any substantive provisions. The provisions of this subparagraph apply to the interpretation, construction, application, and enforcement of all the Legal Documents and the Architectural Criteria.

ARTICLE 11

PROPERTY RIGHTS AND EASEMENTS

2.1 Title to Common Areas and Owner's Easements of Enjoyment. The Declarant will convey or cause to be conveyed to the Association, at such time as in its sole discretion it deems appropriate, the title to the Common Areas, subject to taxes for the year of conveyance, restrictions, conditions, and limitations of record, and easements for drainage and public utilities. Every Owner, his family members, guests, invitees and lessees has a non-exclusive right and easement of enjoyment in and to the Common areas that is appurtenant to, and passes with, the title to every Lot, subject to the provisions of the Legal Documents and to the following:

(a) Dedication. The Association's right to sell, convey, mortgage, dedicate or otherwise transfer all or any part of the common Areas to any person for such purpose and subject to such conditions as may be agreed to by the members of the Association. Any such mortgage or transfer must be approved by at least two-thirds (2/3) of each class of the members of the Association at a meeting duly convened for such purpose and shall be evidenced by a recorded certificate of the Association.

(b) Easements. The right of the Board of directors, without further consent from Owners or their Mortgagees, to grant permits, licenses and easements over all or any part of the Common Area to any public agency, authority or utility company for the purpose of providing utility or cable television service to the Property and the right of the Board to acquire, extend, terminate or abandon such easement. Easements are limited to using the Common Areas for their intended purposes in a reasonable manner, and with respect to any particular use or activity, it is limited to those portions of the Common Areas from time to time improved or otherwise suitable for such use or activity.

(c) Rules and Regulations. The Association's right to adopt, alter, amend, rescind, and enforce reasonable Regulations governing the use of the Common Areas, as provided herein.

(d) Suspension. The right of the Association to suspend the voting rights by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period, not to exceed sixty (60) days, for any infraction of its published rules and regulations.

(e) Legal Requirements. The provisions of applicable Laws and all construction, water quality, environmental

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protection and other permits issued in connection with the development of the Property.

2.2 General Easements. All Lots are subject to perpetual easements (a) to the Association for the exercise of any rights or the performance of any obligations permitted or required by the Legal Documents, including the maintenance, repair, removal, or reconstruction of portions of a Lot or the improvements thereon, as provided in this Declaration and (b) for the drainage of ground and surface waters in the manner established by Declarant as part of the Work, and along each side Lot line in the amount of three (3) feet for the installation, maintenance, and use of drainage ditches, pipes or other drainage facilities; and (c) for the construction, operation and maintenance of underground electric utility facilities, telephone and telecommunication receiving and distribution systems, and water and sewer facilities, to a depth of ten (10) feet from the Lot line of each Lot abutting a publicly dedicated right-of-way. The Declarant shall have the unrestricted right without the approval or joinder of any other Person to designate the use and to alienate, release or otherwise assign the foregoing easements unless such easements have been previously exclusively conveyed or dedicated. The easements may be used to construct, maintain and operate water mains, drainage ditches, sewer lines or for the installation, maintenance, transmission and use of electricity, gas, telephone, telecommunications systems, cable television, water and other utilities, or for the location of waste and trash storage and removal equipment, whether or not the easements are designated herein to be for drainage, utilities, or other purposes. The Owners of the Lots subject to these easements shall acquire no right, title or interest in any of the cables, conduits, pipes, trash containers, or other equipment or facilities placed on, over or under the easement area. The Owner of a Lot may construct (subject to the architectural approvals set forth in Article VIII hereof) improvements on the drainage easement areas described in subparagraph (b) above, including fences, hedges, trees or other landscape items. However, if such improvements interfere with the exercise of the easement rights, the Owner of the Lot shall remove the improvements or landscape items upon written request of Declarant, the Association or the grantee of the easement. Declarant reserves the right to impose further restrictions and to grant or dedicate additional easements and rights-of-way, and for so long as there is a Class B membership, on the Common Areas.

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

2.4 All Rights and Easements Appurtenant. The benefits and burdens of the rights and easements granted by this Article constitute a permanent appurtenance to, and pass with, the title to every Lot. Whenever any such right or easement is described as nonexclusive by this Article, its benefit nevertheless is exclusive to all Lots granted such benefit by this Article, unless this Article expressly grants such benefit to additional persons. In no event does the benefit of any such easement extend to the general public.

2.5 Delegation of Use. Any Owner may delegate his right of enjoyment and other rights in the common Areas to any and all Persons from time to time lawfully occupying such Owner's Lot.

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Any delegation is subject to the Association's Regulations.

2.6 Platting and Subdivision Restrictions. Declarant may from time to time plat or replat all or any part of the Property owned by Declarant, and may file subdivision restrictions and amendments thereto with respect to any such portion of the Property. No Lot shall be subdivided so as to reduce its size without approval of the Declarant, for so long as there is a Class B. membership.

ARTICLE III

USE RESTRICTIONS

3.1 Residential Use. Lots and Units shall be used for single family residential purposes only, and no trade, business, or profession of any kind may be conducted in, on, or from any Lot, subject to the rights herein reserved to Declarant to complete the work. The renting or leasing of Units for non-transient residential purposes shall not constitute a trade or business.

3.2 Construction Standards and Limitations. Lots may only be improved by the construction, repair or remodeling of a Unit in accordance with the then current Architectural Criteria and with plans and specifications for such Unit approved in writing by the P.R.B. in accordance with the procedures described in Article VIII hereof. No foundation for a building shall be poured, nor shall construction commence in any manner or respect, until the layout for the building is approved by the P.R.B. An Owner may not cause or permit any alteration, modification, renovating or reconstruction (including changes in paint or stain colors) to be made to the approved structural components, roof, exterior appearance, driveways or parking areas of his Unit, nor make any additions to the exterior of his Unit, without the prior written approval of the P.R.B., except that an Owner shall maintain, repair and replace the exterior of his Unit and Lot with materials of the same style and of equal or greater quality as originally constructed in accordance with approved plans and specifications.

3.3 Size Limitations. The Units constructed on each Lot shall not exceed the height of thirty-five (35) feet above grade level. Units shall have a minimum square footage of one thousand (1,000) square feet of interior living area. Interior living area means permanently enclosed and roofed living area, exclusive of garages, porches and patios.

3.4 Structures. No shed, shack, detached outbuilding, playground equipment, trailer, tent or other temporary or movable building or structure of any kind (whether similar or dissimilar to the foregoing) shall be erected or permitted to remain on any Lot without the approval of the P.R.B. Detached garages are a permissible use and shall be approved by the P.R.B. when otherwise in conformity with the architectural standards. All basketball backboards, tennis courts and play structures shall be located at the rear of the Unit, or on the inside portion of corner Lots within the set-back lines. No platform, doghouse, playhouse or structure of a similar kind or nature shall be constructed on any part of a Lot located in front of the rear line of the unit constructed thereon. However, this paragraph shall not prevent the use of temporary buildings in connection with and during the actual construction of the main residence and other buildings permitted hereunder, nor the use of temporary sanitary toilet facilities for workmen during construction.

3.5 Landscaping. In connection with the construction of improvements on any vacant Lot, complete landscaping plans must be submitted and approved with the plans and specifications for

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construction of the Unit in accordance with the procedures described in Article VIII hereof. The front and side yards of each Lot shall be sodded, and each Lot shall contain at least one (1) tree that is at least two (2) inches in diameter at two (2) feet above ground. In addition, each Lot shall contain at least ten (10) shrubs. Each Lot shall be landscaped so as to preserve as much natural vegetation as possible. No hedges or hedge-like grouping of plants exceeding four (4) feet in height shall be permitted without the written approval of the P.R.B. No artificial grass, plants or other artificial vegetation shall be placed or maintained on any Lot. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain on any Lot. Pebbles, stones or other like materials will not be used as a substitute for natural grass upon the exterior portion of any Lot unless approved by the P.R.B.

3.6 Fences. Shadow box fencing of natural (unpainted) cedar or cypress not more than six (6) feet high may be erected only on the rear lot line and along the side lot lines to a point aligned with the exterior front wall of the Unit, except that on corner lots no fence is allowed along the side lot line abutting the street. No other fences, hedges, walls or similar structures may be erected on a Lot, unless the location, quality, style, color and design have been first approved in writing by the P.R.B., which may withhold its approval in absolute discretion. No fence, wall or hedge may exceed six (6) feet in height. There shall be no chain link, barbed wire or other forms of wire or steel fences. All fences must be and must be maintained to preserve an attractive appearance from the exterior of each Lot as determined in the sole discretion of P.R.B.

3.7 Setback Lines. To assure that location of dwellings will be in their most advantageous position for the Property as a whole, and that the structures will be located with regard to the topography and existing trees of each Lot, the P.R.B. shall have the right to control the precise site and location of any dwelling or other structure upon all Lots, subject to compliance with zoning regulations. No foundation for a building shall be poured, nor shall construction commence in any manner or respect, until the layout for the building is approved by the P.R.B. In general, the P.R.B. shall maintain setback lines of twenty (20) feet from the front and rear lot lines, ten (10) feet from any side street lines, and five (5) feet from side lot lines. Eaves and cornices of any such building may project no more than two (2) feet within such setback lines. The P.R.B. may modify these setback restrictions for individual Lots where in its absolute discretion it determines that such modification is necessary or appropriate to permit the location of patios, screen porches, balconies or decks in the rear yard setback area, or to preserve trees or maintain the overall aesthetics of the Property, or to permit a better utilization of a Lot with peculiar topography or shape.

3.8 Garages and Driveways.

(a) Garages. All Units must be constructed with a garage which shall contain at least one parking place appropriate for the parking of a passenger vehicle. Detached garages must have a minimum setback of five (5) feet on rear and side lot lines. No garage shall be permanently enclosed or converted to another use without the written approval of the P.R.B. No carports shall be permitted.

(b) Driveways. All improved Lots shall have a paved driveway constructed of a material approved by the P.R.B. as part of the plans and specifications.

3.9 Exteriors. The exteriors of all homes must be wood, brick, stucco or other materials approved by the P.R.B. in the

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Architectural Criteria. No exposed concrete block will be permitted. No bright or vivid colors will be permitted on exterior of homes. No flat roofs are allowed, except as an architectural component of a roof design which is primarily not a flat roof. No television or radio masts, towers, poles, antennae, aerials, satellite dishes, or appurtenances shall be erected or maintained on the exterior of any Lot unless the location, size and design thereof have been approved by the P.R.B. In general, the P.R.B. shall not approve any such items if reasonably adequate interior antenna locations are available or a master television and radio antenna system or cable system is available to such Lot. No mailbox or paperbox or other receptacle of any kind for use in the delivery of mail or newspapers or magazines or similar material shall be erected on any Lot. Instead, a central mailbox will be installed by the Post Office for use by Owners.

3.10 Window Coverings. All window coverings shall be lined or faced in such manner that the window coverings appear white, off-white, or a neutral color from the outside. Without the prior written approval of the P.R.B., no aluminum foil, tinted or reflective glass or other tinted or reflective material shall be installed or maintained on any windows of a Unit. Window shutters must be sized to match window openings.

3.11 Storage of Fuel Tanks, Firewood, Garbage and Trash Receptacles. All above-ground tanks, cylinders or containers for the storage of liquified petroleum, gas or other fuel, garbage or trash, shall be screened from view from adjacent Lots and any street. All firewood shall be stored in a screened service area; screening shall consist only of approved materials such as stained woods, stucco or accent brick. Except during periods of regular collection and disposal, no trash, garbage, or other waste materials or accumulations shall be kept, stored, or permitted anywhere within the Property, except inside the Unit, or in refuse containers concealed from view, and in accordance with the association's Regulations. No fires for burning of trash, leaves, clippings, or other debris shall be permitted on any part of the Property, including street rights-of-way.

3.12 Utilities. Building connections for all utilities, including, but not limited to, water, sewer, electricity, telephone and cable television shall be run underground from the proper connecting points of the utility company. Water-to-air heat pumps will not be allowed. All water and sewage facilities and service to the Property shall be supplied by means of the central water supply and sewage system constructed as part of the Work. No well of any kind shall be dug or drilled on the Property except to provide landscape irrigation. No septic tank may be constructed on any Lot. No sewage may be discharged on the open ground or into lakes or other bodies of water.

3.13 Signs. No sign of any kind shall be displayed to public view within the Property except customary address signs and standard lawn signs advertising a Lot for sale or rent. All signs permitted by this subsection are subject to the P.R.B.'s Regulations.

3.14 Outdoor Drying of Laundry. Outdoor drying of laundry or other items must be done in areas that are completely screened from view from adjacent Lots and any street. All clothes lines or drying racks must be retractable or of the umbrella type.

3.15 Animals. No domesticated animals, livestock, or poultry shall be raised, bred, or kept anywhere within the Property, except that caged birds and other common household pets may be kept by the occupants of each Unit subject to the Association's Regulations, provided such pets are not kept, bred or maintained for any commercial purpose, and provided further

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that such pets are neither dangerous nor a nuisance to the residents of the Property. Dogs must be leashed or kept within enclosed areas at all times.

3.16 Parking. Unless and until the Association promulgates rules and regulations expressly authorizing the parking, storage, or repair of boats, trailers, recreational vehicles, or other vehicles, no vehicle, boat, or trailer may be parked, stored, or repaired anywhere within the Property, except that functional passenger automobiles, vans, motorcycles, and trucks of one-half ton capacity or less (collectively, "Permitted Vehicles") may be parked in those areas described in this paragraph. Boats, trailers and other vehicles that are not permitted Vehicles may only be parked in the garage of a Unit. Permitted Vehicles may be parked only within a garage of a Unit or in the driveway. No parking of any vehicles is allowed in the street except for temporary guest use. No parking places may be constructed on any Lot, except as constructed in accordance with approved plans and specifications. No part of the Common Areas shall be used for parking. The Association may enforce the foregoing restrictions in any lawful manner, including the imposition of reasonable, uniform fines for willful or repeated violations. Nothing in this paragraph prohibits the emergency repair or servicing of permitted Vehicles, so long as such repair or servicing is completed within 48 hours, nor the temporary parking by guests, invitees, agents or contractors of owners.

3.17 Wetlands.

(a) General. Only the Declarant or the Association shall have the right to pump or otherwise remove any water from any lake, stream, pond, lagoon, marsh or other wetlands situated in whole or in part upon the Property for the purpose of irrigation or other use, notwithstanding that all or a portion of such wetlands may be located within a Lot. Subject to drainage easements to the City of Jacksonville Beach, Florida, the Association shall have the sole and absolute right to control the water level of such lakes and to control the growth and eradication of plants, animals, fish and fungi in any such lakes. The height, grade and contour of any lake embankment shall not be changed without the prior written consent of the Association. No decks, docks, moorings, pilings, bulkheads or other structures shall be constructed on such embankments or within lakes unless and until same shall have been approved by the P.R.B.

(b) Recreational Use. Except with the prior written consent of the Association, or in accordance with the Association's Regulations, no swimming, bathing, fishing, canoeing, boating, or other recreational activity of any nature is permitted in, about, or on the lakes within the Common Areas.

3.18 General Prohibitions and Indemnity. No activity is permitted, nor shall any object or substance be kept, stored, or emitted, within the Property in violation of Law. No noxious, destructive, or offensive activity is permitted within the Property, nor shall anything be done within the Property that may constitute a nuisance to any other Person lawfully occupying any Lot.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

4.1 Membership. Every Owner of a Lot is a member of the Association and is entitled to one membership for each Lot owned. Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title to that Lot, whereupon the membership of the previous Owner automatically terminates. No Person other than an Owner may be a member of the

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Association, and a membership in the Association may not be transferred or encumbered except by the transfer of title to a Lot; provided, however, the foregoing does not prohibit the assignment of membership and voting rights by an Owner who is a contract seller to his vendee in possession.

4.2 Classification. The Association has two classes of voting membership:

(a) Class A. So long as there is Class B membership, Class A members are all owners, except Declarant. Class A members are entitled to one vote for each Lot owned. Upon termination of Class B membership, Class A members will be all Owners, including C.E.D., Inc., a Florida corporation ("Declarant"), so long as Declarant is an Owner.

(b) Class B. The Class B member is C.E.D., Inc., a Florida corporation, or its designee, successor or assignee, as developer of the Property. The Class B membership will cease and convert automatically to Class A membership on the first to occur of the following events: (i) when the then Class B member so designates in writing delivered to the Association; or (ii) four (4) years from the recording date of the Declaration of Covenants and Restrictions for Pablo Woods; or (iii) when seventy-five percent (75%) of the Lots in the subdivision are owned by persons other than the developer.

Upon the conversion of Class B membership, all provisions of the Declaration, Articles of Incorporation and By-Laws referring to classes of membership will be of no further force and effect.

4.3 Class B to Have Sole Voting Privileges. Until such time as the Class B membership terminates, the Class B member shall be vested with the sole voting rights in the Association, and the Class A members shall have no voting rights except on such matters as to which the Declaration, the Articles of Incorporation, or the By-Laws of the Association specifically require a vote of the Class A members.

4.4 Co-Ownership. If more than one Person holds the record title to any Lot, all such Persons are members, but only one vote may be cast with respect to such Lot, and no fractional votes are permitted. Each co-owner must file the name of the voting co-owner with the Secretary of the Association to be entitled to vote at any meeting, unless such co-owners have filed a general voting authority with the Secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held by husband and wife, either co-owner is entitled to cast the vote for such Lot unless and until a written voting authorization is filed with the Association designating the voting co-owner. If title is held by a corporation, the Secretary of the corporation shall file with the Association a certificate designating the authorized voting representative of the corporation, which shall be effective until rescinded by the corporation.

4.5 Extraordinary Action. The Association's Articles of incorporation provide that certain actions of the Association as described in the Articles require the approval of a super-majority of the members. In addition, any such action shall require the written approval of the Declarant for so long as the Declarant is a member of the Association.

4.6 Inspection of Records. All books, records and papers of the Association will be open to inspection and copying during reasonable business hours by any Owner and by Declarant, so long as Declarant is a member of the Association. Such right of inspection may be exercised personally or by one or more

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representatives. Upon request, the Association also will furnish to any such Person copies (certified, if requested) of any of its books, records, and other papers, although the Association may make a reasonable, uniform charge for such copies and certification. The Declaration, Articles, and By-Laws must be available for inspection by any Owner or the Declarant at the Association's principal office, where copies also may be purchased at a charge to cover reproduction costs.

4.7 Amplification. The members of the Association shall elect the Board of Directors of the Association, who shall manage the affairs of the Association. The Board of Directors shall elect officers of the Association to administer the operation of the Association. The provisions of this Article are amplified by the Association's Articles and By-Laws, but no such amplification shall alter or amend substantially any of the rights or obligations of the Owners set forth in this Article. Declarant intends that the provisions of this Declaration and the Articles and By-Laws be interpreted and enforced to avoid inconsistencies or conflicting results. If any such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles or By-Laws to the contrary.

ARTICLE V

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

5.1 The Common Area.

(a) General. Subject to the rights of the Declarant and the Owners, as set forth in this Declaration, the Association has exclusive management and control of the Common Areas, and all of its improvements, fixtures, furnishings, equipment, and other related personal property. The Association shall keep the foregoing in a safe, clean, attractive, sanitary, and serviceable condition, and in good order and repair. The Association's duties with respect to the Common Areas and other property of the Association include the management, operation, maintenance, repair, replacement, and renewal of all improvements, equipment, and tangible personal property installed by Declarant as part of the Work, and any replacements or additions thereto made in accordance with the provisions of the Legal Documents.

(b) Insurance. To the extent insurance is reasonably available, the Association shall keep any improvements located on the Common Areas and fixtures and personal property of the Association insured to the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors. The insurance shall provide coverage against loss or damage by fire or other hazards covered by a standard extended coverage endorsement and such other risks as from time to time are customarily covered with respect to similar improvements, including vandalism and malicious mischief, and flood and water damage, if the improvements are at any time located in a federally designated flood area. The Association shall carry public liability insurance in amounts and with coverage as determined by the Board of Directors. To the extent from time to time available, the Association's insurance must provide for waiver of subrogation by the Association's insurer against any owner because of unintentional acts or omissions.

5.2 Other Maintenance.

(a) Signage and Landscaping. The Association shall maintain the signs identifying the Property and the landscaping and berms installed with the consent of governmental authorities in the publicly dedicated rights-of-way within the Property and adjacent to the Property.

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(b) Unit Exterior and Lot Maintenance. If an Owner of any Lot shall fail to maintain, repair, or restore the exterior of his Lot and Unit, including the landscaping located thereon, in the manner required by the Legal Documents within thirty (30) days following notice by the Association specifying the maintenance or repair item, then the Association, after approval by not less than seventy-five percent (75%) of the members of the Board of Directors, shall have the right, through its agents and employees, to enter upon the Lot and to perform such repair, maintenance, or restoration. The cost of such exterior maintenance shall be assessed to the Owner of the Lot and shall become due and payable in all respects, together with interest and fees and costs of collection, as provided for other assessments of the Association. Additionally, the Association shall have a lien for all unpaid costs and interest against the Lot, and such costs and interest shall be the personal obligation of the Person who owned the Lot at the time the notice was given by the Association, in the same manner as herein provided for other assessments of the Association.

(c) Lake Maintenance. The Association shall maintain the lakes within the Property, notwithstanding that a portion of any lake may be located within one or more Lots. Subject to the rights of the Declarant and the City of Jacksonville, Florida, and other governmental authorities, the Association shall have the exclusive right to determine and control water levels and water quality, and to control the growth and removal of plants, fungi, waterfowl, and animals within the lakes. The provisions of this subparagraph do not supercede the provisions of Article VII hereof that require lakefront Lot Owners to maintain the lake shoreline located adjacent to their Lots.

(d) Surfacewater Management. The Association shall operate and maintain the surfacewater management system that has been installed as part of the Work pursuant to the permits issued by the Florida Department of Environmental Regulation, the St. Johns River Water Management District, including all lakes, littoral areas, retention areas, underdrains, culverts and filtration systems. If the Association is dissolved, the property consisting of the surfacewater management system that is located on the Common Areas shall be conveyed to an appropriate agency of local government, and those portions of Lots on which are located parts of the surfacewater management system shall be subject to easements to such agency of local government to operate and maintain the surfacewater management system. If the conveyance is not accepted by the local government agency, then the surfacewater management system must be conveyed to a non-profit corporation similar to the Association. Any modification of the Common Areas or amendment of the Declaration that would adversely affect the surfacewater management system must have the prior approval of the St. Johns River Water Management District.

5.3 Rules and Regulations. The Association from time to time may adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Lots and the Common Areas so long as such rules and regulations are consistent with the rights and duties established by the Legal Documents. The validity of the Association's rules and regulations, and their enforcement, shall be determined by a standard of reasonableness for the purpose of protecting the value and desirability of the Property as a residential community. The rules and regulations initially shall be promulgated by the Board of Directors and may be amended by a majority vote of the Board of Directors, or may be amended or rescinded by a majority of both classes of membership present and voting at any regular or special meeting convened for such purpose. No regulation, decision, amendment or other action that reasonably may have the

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effect of waiving, lessening, or otherwise interfering with the scope or enforcement of any restriction imposed on the Property by this Declaration will be valid without the written approval of the Declarant for so long as Declarant is a member of the Association. The Association's procedures for enforcing its rules and regulations at all times shall provide the affected Owner with reasonable prior notice and opportunity to be heard, in person or through representatives of the Owner's choosing. Wherever any provisions of this Declaration prohibit any activity, condition, or structure within the property, except as permitted by the Association's Regulations, such restriction or prohibition is self-executing unless and until the Association issues regulations expressly permitting the same.

5.4 Implied Rights. The Association may exercise any right, power, or privilege given to it expressly by the Legal Documents and every other right, power, or privilege reasonably necessary, convenient, or desirable to the exercise of any right, power, or privilege so granted.

5.5 Access by Association. The Association has a right of entry onto each Lot to the extent reasonably necessary to exercise any right granted or to discharge any duty imposed by the Legal Documents, or for any other purpose reasonably related to the Association's performance of any duty imposed, or exercise of any right granted, by the Legal Documents. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable times and upon reasonable notice whenever circumstances permit, except in the event of an emergency, and only then to the extent necessary to prevent personal injury or property damage. No Owner shall withhold consent arbitrarily to entry by the Association for the purpose of discharging any duty or right if such entry is upon reasonable notice, at a reasonable time, and in a peaceful and reasonable manner. The Association's right of entry may be exercised by its agents, employees, contractors, and managers.

5.6 Restriction on Capital Improvements. All capital improvements to the Common Areas, except for replacement or repair of those items installed by Declarant as part of the Work, and except for personal property related to the Common Areas, must be approved by two-thirds (2/3) of each class of those members present in person or by proxy and voting at a meeting duly convened for such purpose.

5.7 Reserves. The Association shall establish and maintain an adequate reserve fund for the repair and replacement of improvements and personal property that the Association is obligated to maintain under the provisions of the Legal documents, including the surfacewater management system. Reserves, as determined from time to time by the Board of Directors, shall be funded from the annual maintenance assessment described in Article VI hereof.

ARTICLE VI

COVENANTS FOR ASSESSMENTS

6.1 Assessments Established. For each Lot within the Property, Declarant covenants, and each Owner by acceptance of a deed or other conveyance of record title to a Lot, whether or not it is so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association:

(a) An annual maintenance assessment, as defined in paragraph 6.2; and

(b) Special assessments, as defined in paragraph 6.3; and

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(c) Special assessments for property taxes levied and assessed against the Common Areas or the Association's property, as defined in paragraph 6.4; and

(d) Specific assessments against a particular Lot that are established pursuant to any provisions of the Legal Documents, as provided in paragraph 6.5; and

(e) All excise taxes, if any, that from time to time may be imposed upon all or any portion of the assessments established by this Article.

6.2 Annual Maintenance Assessments.

(a) General. The annual maintenance assessments levied by the Association must be used exclusively to promote the recreation, health, safety, and welfare of the residents and occupants within the Property, and for the operation, management, maintenance, repair, renewal and replacement of the Common Areas and the Association's property, including the payment of taxes and insurance, and for the performance of the Association's duties under the Legal Documents. The annual assessment shall be used to pay all expenses of the Association incurred in the administration of the powers and duties granted under the Legal Documents and pursuant to law, including the maintenance of adequate reserve accounts.

(b) Amount.

(i) Until January 1 of the year immediately following the commencement of annual assessments as set forth in subparagraph 6.2(c), the maximum annual maintenance assessment shall be Seventy-Eight Dollars (\$78.00) for each fully assessable Lot. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(ii) Commencing with the fiscal year beginning January 1 of the year immediately following the commencement of annual assessments as set forth in subparagraph 6.2(c), and each year thereafter, the Board of Directors, at its annual meeting next preceding such date, and each respective January 1 thereafter, shall set the amount of the maximum annual maintenance assessment for the following year for each Lot, provided that the maximum annual maintenance assessment may not be increased more than fifteen percent (15%) above the maximum annual maintenance assessment for the previous year unless approved by two-thirds (2/3) of each class of those members present in person or by proxy at a duly convened meeting. The amount of the annual maintenance assessment shall be fixed by the Board of Directors at least 30 days before the beginning of each fiscal year and shall be payable in one or more installments as determined by the Board of Directors without interest so long as not more than thirty (30) days delinquent. Written notice of such assessment shall be given to every Owner, but the failure to give such notice will not invalidate an otherwise proper assessment. In the absence of Board action, the annual maintenance assessment then in effect will continue for the next fiscal year.

(c) Commencement of Annual Assessment. The annual assessment begins as to all Lots within the Property on the first day of the month following the recording in the public records of the first transfer of title of any Lot upon which a Unit has been constructed to a Unit Owner. For purposes of the preceding sentence, a "Unit Owner" means any Owner other than Declarant or a Person in the business of constructing residences who acquires a Lot with the intent to construct thereon a Unit for resale purposes. The first annual assessment against any Lot shall be prorated according to the number of months then remaining in the fiscal year.

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(d) Working Capital Fund. The Association shall establish a working capital fund to provide for unforeseen expenditures, which will be funded as set forth in this subparagraph. Upon the initial transfer of title of a Lot to an Owner other than the Declarant or a Person who acquires the Lot for purposes of constructing a Unit for resale purposes, the transferee shall pay to the Association a working capital contribution of Twenty-five Dollars (\$25.00). This capital contribution shall not be considered as an advance payment of the annual maintenance assessment. Each Person who acquires the Lot for purposes of constructing a Unit for resale purposes agrees to collect the working capital contribution at the closing of the sale of the improved Lot to an Owner other than Declarant and to promptly pay the same to the Association.

6.3 Special Assessments. The Association may levy special assessments payable in one or more installments applicable to that year only for the purpose of defraying, in whole or in part, any expense that is not reasonably expected to be incurred on a regular basis, including the expense of performing for any delinquent Owner the obligations of such Owner as provided in Paragraph 5.2 hereof, or the cost of any purchase of additional real property for the use and benefit of Owners, or construction, reconstruction, renewal, repair, or replacement of a capital improvement upon the Common Areas; provided that such assessment is approved by two-thirds (2/3) of each class of those members present in person or by proxy and voting at a meeting duly convened for such purpose.

6.4 Property Taxes: The Association shall timely pay all ad valorem real estate taxes, special assessments and other taxes, if any, levied on the Common Areas, and shall assess each Owner for the cost thereof. The amount of the assessment shall be determined by dividing the amount of such taxes by the number of Lots within the Property. At the Board's discretion, such assessment may be payable in a lump sum within thirty (30) days after notice or all or any portion thereof may be assessed as a part of the annual maintenance assessment described above. Each year the Board shall determine, within forty-five (45) days after receiving notice of the amount of taxes due, whether such assessment shall be levied, and its amount.

6.5 Specific Assessments. Any indebtedness of an owner to the Association arising under any provision of the Legal Documents, including any indemnity, or by contract express or implied, or because of any act or omission of the Owner or any occupant of such Owner's Lot, or arising by reason of any Owner's failure to properly maintain those portions of the exterior of his Lot as herein provided, also may be assessed by the Association against the Owner's Lot after the Owner fails to pay it when due and the default continues for thirty (30) days after written notice.

6.6 Uniformity of Assessments. The annual maintenance assessment and any special assessments for the common Areas must be uniform throughout the Property, except that the annual maintenance assessment against any Lot in which Declarant owns any interest, or which is owned by a person to whom Declarant has assigned in whole or in part its rights and obligations under this paragraph 6.6, and which is not being occupied as a residence may be fixed by the Board of Directors in an amount equal to twenty-five percent (25%) of the amount of the annual maintenance assessment against Lots owned by the Class A members of the Association then in effect; provided that Declarant, and any such person to whom Declarant may have assigned its rights under this paragraph, shall have agreed to fund the deficits, if any, between the aggregate amount assessed all Owners, and the total expenses of the Association during the applicable period.

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Declarant and such assignees shall be obligated to fund such deficits only as they are actually incurred by the Association. The Declarant shall cease to pay any portion of the deficit of the annual operating expenses of the Association under the provisions of this paragraph when Declarant and such assignees are no longer entitled to elect a majority of the Board of Directors of the Association, or whenever they elect to pay the full assessment against their Lots, whichever first occurs. This provision is not and shall not be construed as a guaranty or representation as to the level of assessment imposed under the provisions of this Article.

6.7 Certificate of Payment. The Association shall furnish to any interested Person a certificate signed by an officer of the Association setting forth whether assessments against a specific Lot have been paid, and if not, its unpaid balance. To defray its costs, the Association may impose a reasonable, uniform charge for issuing such certificates. A properly executed certificate of the Association as to the status of assessments on a Lot is binding on the Association as of the date of issuance.

6.8 Lien For Assessments. All sums assessed to any Lot, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, are secured by a continuing lien on such Lot in favor of the Association. Each such assessment, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, also is the personal obligation of the Person who was the Owner of such Lot when such assessment fell due. The personal obligation for delinquent assessments does not pass an Owner's successors in title, however, unless assumed expressly in writing. Except as provided in paragraph 6.11 hereof, all lienors acquiring liens on any Lot after this Declaration is recorded are deemed to consent that their liens are inferior to the lien established by this Declaration, whether or not such consent is specifically set forth in the instrument creating the lien. The Association may record a notice of lien as to any Lot against which any assessment is more than 30 days delinquent.

6.9 Remedies of the Association.

(a) Personal Obligation. Any assessment not paid within 30 days after its due date bears interest from the due date at the rate established from time to time by the Board of Directors, not to exceed the maximum lawful rate from time to time permitted under the laws of the State of Florida, nor to be less than ten percent (10%) per annum. The Association may bring an action at law against any Owner personally obligated to pay such assessment or foreclose its lien against the Lot. No Owner may waive or otherwise escape liability for the Association's assessments by nonuse of the Common areas or by abandonment of such Owner's Lot, or for any other reason except as determined by a court of competent jurisdiction. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the Association's lien, or its priority.

(b) Foreclosure. The Association's lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Owner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees, and any assessments against the Lot that become due during the period of foreclosure. All such costs and expenses and assessments are secured by the lien foreclosed. The Association has the right to bid at the legal sale to acquire the Lot foreclosed, or to acquire such Lot by deed or other proceeding or conveyance in lieu of foreclosure,

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and thereafter to hold, convey, lease, encumber, and otherwise deal with such Lot as an Owner, but for purposes of resale only.

6.10 Homesteads. By acceptance of a deed or other conveyance of title to any Lot, the Owner is deemed to acknowledge that the assessments established by this Article are for the improvement and maintenance of any homestead thereon, and that the Association's lien has priority over any homestead right.

6.11 Subordination of Lien. The lien for the assessments provided in this Article is subordinate to the lien of any first mortgage. Sale or transfer of any Lot does not affect the assessment lien, except that the sale or transfer pursuant to a first mortgage foreclosure or any proceeding or conveyance in lieu thereof extinguishes the assessment lien as to payment that became due before such sale or transfer, unless such assessment was secured by a claim of lien for assessments that is recorded prior to recording of said first mortgage. Any assessment extinguished by the foreclosure of a first mortgage or conveyance in lieu thereof shall be deemed to be an expense of the Association collectible from all Owners (including the foreclosing first mortgagee) in accordance with the Association's normal assessment procedures. No such sale or transfer relieves such Lot from liability for assessments thereafter becoming due, or from the Association's lien. The Association shall report to any first mortgagee of a Lot any assessments remaining unpaid for more than 30 days, and shall give such first mortgagee 30 days in which to cure such delinquency before instituting foreclosure proceedings against such Lot, provided the first mortgagee has given the Association written notice of its mortgage, designating by a proper legal description the Lot encumbered and stating the address to which notices shall be given.

ARTICLE VII

OBLIGATIONS OF OWNERS

7.1 Maintenance. Each Owner shall, at his expense, maintain, repair and replace all portions of the exterior of his Lot, to include to the water line on the retention ponds, and the Unit located thereon, including, without limitation, the roof, gutter, downspouts, and exterior building surfaces and their replacements, all portions of privacy fences within the Lot, all glass surfaces and screening, doors, air conditioner and heating units, driveways and any other exterior equipment, structures, improvements, additions, or attachments, located on the Lot. Each Owner shall maintain the lawn and other landscaped portions of his Lot in an attractive condition, and shall landscape and maintain that portion of the street right-of-way located between the front Lot line and the paved portion of the street in an attractive condition. Landscape maintenance shall include regular lawn mowing, fertilizing, irrigation and edging. Vacant Lots must be mowed regularly and kept free of litter, debris and nuisances. The foregoing obligations include any maintenance, repair, or replacement required by fire, wind, vandalism, theft, or other casualty. All maintenance and repair shall be performed by each Owner at regular intervals as shall be necessary to keep his Lot in a attractive condition and in substantially the same condition and appearance as existed at the time of completion of construction of his Unit in accordance with the approved plans and specifications, subject to normal wear and tear that cannot be avoided by normal maintenance. Each Owner shall promptly perform any exterior maintenance or repair specified by the Association by written notice, and shall be liable for all expense or damage sustained by the Association by reason of his failure to promptly perform such maintenance and repair. Owners shall use materials approved by the P.R.B. when performing exterior repair and maintenance. Failure to properly maintain a Lot or Units shall permit the Association to perform such

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maintenance as provided in paragraph 5.2 hereof, and to levy assessments to recover the cost thereof.

7.2 Casualty Damage. In the event of casualty damage to the improvements on any Lot, unless the improvements are completely destroyed, the Owner shall repair or rebuild the damaged improvements in a good workmanlike manner, within a reasonable time not to exceed one year and in accordance with the provisions of this Declaration. In any event, all debris must be removed and the Lot restored to an orderly condition as soon as possible, but not to exceed sixty (60) days after such damage or destruction. Owners shall comply with the provisions of Article VIII hereof whenever repairing or rebuilding damaged improvements.

ARTICLE VIII

ARCHITECTURAL CONTROL

8.1 Planning Review Board. It is the intent of the Declarant to preserve and enhance the unique natural environment of the Property. The Declarant shall initially appoint, and thereafter the Association shall maintain, a standing committee identified as the Planning Review Board (the "P.R.B.") composed of three or more persons who need not be Owners. A majority of the P.R.B. shall constitute a quorum to transact business at any meeting of the P.R.B. and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the P.R.B. The Declarant may retain the right to appoint the P.R.B. members until ten (10) years from the date this Declaration is recorded. Thereafter, the Board of Directors of the Association shall appoint the P.R.B. members. Any references in the Legal Documents to architectural approval by the Association shall be deemed to require the approval of the P.R.B. No member of the committee shall be entitled to compensation for services performed except actual expenses incurred in the performance of their duties.

8.2 P.R.B. Authority.

(a) General. As set forth in Article III hereof, prior approval is required for all construction, landscaping, alterations (including color changes), additions, reconstruction, improvements, or attachments of any nature whatsoever to the exterior of any Lot or Unit, unless any structure, materials, items, or use is expressly permitted by the P.R.B.'s promulgated rules and regulations. Unless the Declarant is designated by this Declaration to regulate a particular item, the P.R.B. has full authority to exercise the architectural controls established by the Declaration to: (i) assure harmony of external design and location in relation to surrounding buildings and topography; (ii) protect and conserve the value and desirability of the Property as a residential community; and (iii) maintain, to the extent reasonably practical, the exterior design, appearance and landscaping of the improvements located on the Property in substantially the same appearance and condition as existed at the completion of construction of the approved Units, subject to normal wear and tear that cannot be avoided by normal maintenance. The power to regulate includes the power to prohibit, and to require the removal of, those exterior appearances, uses, or activities inconsistent with the provisions of this Declaration or contrary to the provisions of best interests of other Owners in maintaining the value and desirability of the Property as a residential community. Violations of the committee's rules and regulations shall be enforced the Board of Directors in the name of the Association.

(b) Architectural Criteria. The P.R.B. may adopt, and thereafter may amend, reasonable rules and regulations in connection with the exercise of its rights and the performance

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of its duties. The regulations may include procedures for review and approval and construction standards enforced by the P.R.B., including by way of example, approved colors, materials lists, construction items required or prohibited by the P.R.B. or by applicable permits issued by governmental authorities, and such other construction or architectural standards as shall be adopted by the P.R.B. to implement the provisions of the Legal Documents. Any regulations adopted by the P.R.B., or any amendments thereto: (i) shall be consistent with the architectural standards set forth in paragraphs 3.2 through 3.12 hereof and the provisions of this Article VIII; and (ii) shall be approved by the Board of Directors before taking effect. The provisions of Sections 3.2 through 3.12 hereof, together with any such regulations adopted from time to time by the P.R.B., are herein referred to as the "Architectural Criteria."

8.3 Applications. All applications to the P.R.B. must be in writing, signed by the Lot Owner and accompanied by detailed and complete plans and specifications. If the committee does not approve or disapprove any application within 30 days after receipt, the P.R.B.'s approval will be deemed given as to all Persons without knowledge of any violation of the Legal Documents, except the Owner creating such violation. In all other events, the P.R.B.'s approval must be in writing.

(a) a suggested layout of the Unit on the Lot at 1" = 20', showing the proposed drainage plan, landscape plan, location of all decks, pools, patios, driveways, utility routing, and other improvements;

(b) a dimensioned floor plan at a scale of 1/4" = 1', one section through main living area of the Unit at 1/4" = 1', and an indication of materials and colors to be specified for exterior walls, roofs, window trims and exterior trim;

(c) elevations from all sides of the Unit;

(d) actual samples of exterior material with specified paint colors applied to those materials;

(e) landscape plan showing location, quantity and species of all plants, trees, shrubs, and ground cover to be used;

(f) identification of contractor who will be employed by the Owner in performing the required work.

8.5 Inspection. The P.R.B. may inspect the construction during and after completion to assure compliance with the approved plans and specifications and shall issue a certificate of compliance in recordable form upon request by the Owner if the improvements substantially comply with the approved plans and specifications and any non-compliance does not materially violate the provisions of the Architectural Criteria. The P.R.B. shall consider any matters of non-compliance and shall afford the affected Owner or his representative an opportunity to be heard regarding such matters following reasonable notice of the meeting at which these matters will be considered. The P.R.B. shall thereafter issue a directive excusing the non-compliance or requiring the Owner to correct the non-compliant items.

8.6 Limited Liability. In connection with all reviews, acceptances, inspections, permissions, consents or required approvals by or from the Declarant, the P.R.B., or the Association, neither the Declarant, the P.R.B. members, nor the Association or any of its members, directors, or officers shall be liable to an Owner or to any other Person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or such other Person and arising out of or in any way

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related to the subject matter of any such reviews, inspections, consents or required approvals, whether given, granted or withheld. Approval of any plans by the P.R.B. does not in any way warrant that the improvements are structurally sound or in compliance with applicable codes.

ARTICLE IX

GENERAL PROVISIONS

9.1 Enforcement. The Declarant, the Association, or any Owner has the right to enforce by any appropriate proceeding all restrictions, covenants, and easements now or hereafter imposed by, or pursuant to, the provisions of the Legal Documents. In the event of any dispute arising under this Declaration requiring interpretation, the issue shall be submitted to the Board of Directors of the Association. The Board of Directors shall give all persons having an interest in the issue an opportunity to be heard after reasonable notice, and the Board shall, when appropriate, render its decision in writing, mailing copies thereof to all parties who have noticed their interest. If the Association or the Declarant is the prevailing party in any litigation involving the Legal Documents or any of the Association's or the P.R.B.'s regulations, or if any Owner obtains the enforcement of any provision of the Legal Documents against any Owner, other than Declarant or the Association, then such party may recover all costs and expenses, including reasonable attorneys' fees incurred in trial and appellate proceedings from such nonprevailing Owner. In no event may such costs and expenses be recovered against the Association or Declarant, unless otherwise provided by law. If the Association is the prevailing party against any Owner, such costs and expenses, including reasonable attorneys' fees, may be assessed against the Owner's Lot, as provided in the Article entitled "Covenant for Assessments". Failure by the Declarant, the Association, or by any owner, to enforce any covenant, restriction, or Regulation will not constitute a waiver of the right to do so as any time, nor shall such failure to enforce create any liability for the Declarant or the Association to any owner or any other Person, unless such failure to enforce is intentionally discriminatory.

9.2 Term and Renewal. The provisions of this Declaration shall run with and bind the Property and shall be binding on all persons having any right, title, or interest therein, their respective heirs, successors, and assigns and shall inure to the benefit of and be enforceable by the Declarant, the Association or any Owner, their respective heirs, successors, and assigns, for a period of forty (40) years from the date this Declaration is recorded, whereupon these provisions shall be extended automatically for successive renewal periods of ten years each, unless sixty-seven percent (67%) of the then Owners elect not to reimpose them as evidenced by an instrument executed by such Owners and recorded during the six-month period immediately preceding the beginning of any renewal period.

9.3 Amendment.

(a) Declarant. The Declarant reserves and shall have the sole right without the joinder or consent of any Owner, the Association, the holder of any mortgage, lien or other encumbrance affecting the Property, or any other Person, to amend this Declaration and the other Legal Documents: (i) for so long as Declarant owns ten (10) or more Lots; or (ii) to comply with any requirements of a governmental agency, institutional first mortgagee, or other Person willing to make, insure, guarantee or purchase mortgage loans secured by a Lot; or (iii) to cure any ambiguity or scrivener's error or any inconsistency between these provisions and the other Legal Documents or the Plat.

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(b) Owners. Subject to specific provisions of this Declaration which shall supersede the provisions of this paragraph, this Declaration may be amended: (i) on or before forty (40) years from the date it is recorded by an instrument executed by the Association with the formalities from time to time required of a deed under the laws of the State of Florida and signed by not less than sixty-seven percent (67%) of all Owners; and (ii) thereafter by such instrument signed by not less than sixty percent (60%) of all Owners. No amendment shall be effective until recorded, but the Association's proper execution shall entitle it to public record, notwithstanding the informal execution by the requisite percentage of Owners.

9.4 Other Approvals. All of the following actions require the prior approval of the Declarant (for so long as Declarant holds one [1] or more Lots for sale in the ordinary course of business) and the holders of sixty-seven percent (67%) of the first mortgages within the Property: (a) amendment of this Declaration; and (b) alienation or encumbrancing of all or any portion of the Common Areas, except as permitted under Article II of this Declaration; and (iii) the merger, consolidation, or dissolution of the Association.

9.5 Rights of First Mortgagees. Any first mortgagee and insurers or guarantors of first mortgages have the following rights:

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

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

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

(d) Notices. By written notice to the Secretary of the Association, and upon payment to the Association of any reasonable, uniform annual fee that the Association from time to time may establish for the purpose of defraying its costs, any first mortgagee, insurer, or guarantor of a first mortgage shall be entitled to receive any notice that is required to be given to the Class A members of this Association under any provision of the Legal Documents. Additionally, any such first mortgagee, insurer, or guarantor of a first mortgage giving notice to the Association shall be entitled to written notice of: (i) any condemnation or casualty loss affecting a material portion of the Property or any lot encumbered by its first mortgage; (ii) any 60-day delinquency in the payment of assessments or charges owed by the owner of any Lot encumbered by its first mortgage; (iii) lapse, cancellation or material modification of any insurance coverage or fidelity bond maintained by the Association; and (iv) any proposed action requiring the consent of a specified percentage of mortgage holders.

9.6 Rights of FHA/VA. So long as there is a Class B membership, the following actions require the prior approval of FHA/VA: Annexation of additional property; dedication of common areas; and amendment of the Articles of Incorporation and By-Laws.

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9.7 Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration shall be interpreted or enforced to prevent Declarant, or its contractors, sub-contractors, agents, employees, successors or assigns from doing or performing on all or any part of the Property owned or controlled by Declarant whatever it or they determine to be necessary, convenient, or desirable to complete the Work. The foregoing includes the right to construct and use signs, construction trailers, or buildings and offices for sales and resales of Lots.

9.8 Severability. Invalidity of any provision of the Legal Documents by judgment or court order will not affect any other provision, all of which will remain in full force and effect; provided, however, any court of competent jurisdiction is hereby empowered, to the extent practicable, to reform any otherwise invalid provision contained in the legal Documents when necessary to avoid a finding of invalidity while effectuating Developer's intent of providing a comprehensive plan for the use, development, sale, and beneficial enjoyment of the Property.

9.9 Notices Any notice required to be sent to any Owner or the Declarant under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as the Owner on either the records of the Association or the public records of Duval County, Florida, at the time of such mailing. Notices to the Association shall be sent in the manner described above to the registered office of the Association.

9.10 Assignment. Declarant may assign to any person all or some of the rights, privileges and exemptions granted herein to Declarant in connection with the ownership, use, or development of a portion of the Property, including by way of example, the rights, privileges, and exemptions described in paragraph 6.6 and 9.6 hereof. any such assignment shall be non-exclusive unless otherwise noted, and shall be effective only for so long as such right, privilege or exemption would inure to the benefit of Declarant.

IN WITNESS WHEREOF, Declarant has executed this Declaration the date first stated above.

Signed, sealed and delivered
in the presence of:

Lynne Gardner
Rebecca Johnson

C.E.D., INC.

By Charles E. Dixon, Jr.
Its President

STATE OF FLORIDA
COUNTY OF DUVAL

I certify that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, CHARLES E. DIXON, JR., as President of C.E.D., INC., a Florida corporation, to me well known and known to be the person described in and who executed the foregoing Declaration, and he acknowledged to and before me that he signed the same freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid, this 27 day of October, 1990.

Rebecca Johnson
Notary Public
State of Florida at Large
My commission expires: 10/3/92

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EXHIBIT "A"

Lots 1 - 104, PABLO WOODS, according to plat thereof
as recorded in Plat Book 46, pages 46, 46A, 46B, 46C,
and 46D, of the current public records of Duval County,
Florida.

90-0115988
FILED AND RECORDED
IN PUBLIC RECORDS
OF DUVAL COUNTY FLA

30 OCT 30 PM 12:52
RECORD VERIFIED
James J. [Signature]
CLERK OF CIRCUIT COURT