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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR
PANTHER CREEK SUBDIVISION**

THIS DECLARATION is made this 16 day of May, 2003, by **PANTHER CREEK GOLF CLUB, INC.**, a Florida Corporation, hereinafter referred to as "Developer," who recites and provides:

RECITALS:

- A. Developer is the owner of certain land located in Duval County, Florida, being all of that real property platted as Panther Creek in Plat Book **56**, pages **15 - 15H**, of the current public records of Duval County, Florida, which is commonly referred to as "PANTHER CREEK-PHASE 1" and being more particularly described on **Exhibit "A"** attached hereto (the "Property"). Developer desires to maintain the integrity, beauty of the Property to assure high quality standards for the enjoyment of the Property.
- B. Developer intends to develop the Property for the purpose of constructing single family dwellings thereon, which dwellings will share certain Common Property (as hereinafter defined) and which will be occupied and maintained as a residential development for the mutual and common advantage of all Owners and occupants thereof, who shall own and occupy the Property subject to the provisions of this Declaration and all other rules and regulations applicable to the Property.
- C. To provide for the preservation, enhancement and maintenance of the Property and the improvements thereon, Developer desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens of this Declaration, each and all of which are for the benefit of the Property and of each Owner of a portion thereof.
- D. To provide for the efficient management of the Property, Developer deems it desirable to create a non-profit corporation with the power and duty of administering and enforcing the protective covenants, conditions, restrictions and easements, charges and liens hereinafter set forth, including, without limitation, the maintenance and administration of the Common Property and the collection and disbursement of the Assessments hereinafter created, and to this end, Developer has created or will create Panther Creek Homeowners Association, Inc., a Florida not-

for-profit corporation, whose membership shall include all Owners of all or any part of the Property.

DECLARATION

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

I. DEFINITIONS

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

1. "Additional Property" shall mean any property added to the Property by Supplemental Declaration in accordance with Article XI hereof, which Additional Property shall then be included within the term "Property."
2. "ARB" means the Architectural Review Board of the Association.
3. "Articles" means the Articles of Incorporation for the Association, as amended from time to time, a copy of which is attached hereto and made a part hereof as **Exhibit "B"**.
4. "Assessment" means all types of charges to which a Lot is subject to, including, without limitation, Annual Assessments, Special Assessments and Damage/Repair Assessments (as hereinafter defined).
5. "Assessment Charge" means all Assessments currently owed by each Owner, together with any late fees, interest, and costs of collection (including reasonable attorney fees) when delinquent.
6. "Association" means Panther Creek Homeowner's Association, Inc., a Florida nonprofit corporation, its successors and assigns, which is responsible for the management and operation of the Property.
7. "Board of Directors" means the Board of Directors of the Association.
8. "Bylaws" means the Bylaws of the Association, as amended from time to time, a copy of which is attached hereto and made a part hereof as **Exhibit "C"**.
9. "Common Property" means all of the Property, except the Lots, together with any improvements thereon and all personal property, intended for the common use and enjoyment of the Owners and any areas within the Property serving the Property, which the

Association is obligated to maintain, notwithstanding that it may not own the underlying fee simple title to such areas (including, without limitation, the water within the lakes and retention areas, all drainage easements reserved herein and in any plat of the Property and all other portions of the Stormwater Management System, as hereinafter defined). The Common Property to be maintained by the Association shall specifically include, without limitation, rights of way of any publicly dedicated roads, all traffic related signs, including street signs, directional signs, stop signs, speed signs, fencing, landscaped entry features (including entry sign, lighting, irrigation, and landscaping), any landscaping not located within a Lot, recreational or open areas dedicated for use by Owners and the Stormwater Management System, including preserved wetlands and uplands. Provided that the forgoing list shall not be deemed to be a representation or warranty that any or the foregoing types of Common Property will be provided. Common Property may also include personal property owned or leased by the Association and intended for use by the Association or common use and enjoyment by the Owners. "Common Property" shall not include those areas included within the property defined herein as the Golf Course, including drainage retention areas, easements, walkways, buildings, parking areas, and paths located within the Golf Course. Developer will endeavor to specifically identify (by recorded legal description, signage, physical boundaries, site plans or other means) the Common Property, but such identification shall not be required in order for a portion of the Property to be deemed Common Property hereunder.

10. "County" means Duval County, Florida

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

12. "Developer" means Panther Creek Golf Club, Inc., a Florida Corporation, its successors and assigns, or any successor or assign of all or substantially all of its interests in the development of the Property. Reference in this Declaration to Panther Creek Golf Club, Inc. as the Developer under this Declaration is not intended and shall not be construed to impose upon Panther Creek Golf Club, Inc., any obligations, legal or otherwise, for the acts or omissions of third parties who purchase Lots within the Property from Panther Creek Golf Club, Inc., and develop and resell the same. Developer may also be an Owner, for so long as Developer shall be the record owner of any Lot.

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

14. "Lot" means any plot of land intended as a site for a Residence and shown upon any duly recorded subdivision plat of the Property or a parcel of land which is permitted to be improved with a Residence and subjected to this Declaration. References herein to "Lot" shall also include the Residence and all improvements constructed on a Lot, unless specifically set forth to the contrary. In the event that Developer conveys a Lot together with all or part of an adjacent Lot or additional unplatted lands (such combination of Lots and/or lands being hereafter referred to as a "Reconfigured Lot" to one Owner who constructs only

one single family dwelling unit thereon, such Reconfigured Lot shall be deemed to be a Lot subject to one Assessment and entitled to one vote, and except as specifically set forth herein, all references to Lots shall include Reconfigured Lots. Provided, however, if a Reconfigured Lot is subsequently developed with an additional Residence or Residences, it shall be deemed to constitute two or more Lots, shall be entitled to votes equal to the number of Residences located on such Reconfigured Lot, and shall be liable for payment of Assessments equal to the number of Residences located on such Reconfigured Lot.

15. "Member" means a person entitled to membership in the Association, as provided in this Declaration and the Articles.

16. "Mortgage" means any bona fide first mortgage encumbering a Lot as security for repayment of debt obligation.

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

18. "Permits" means all the permits, licenses, and approvals made by the St. Johns River Water Management District, Department of Environmental Protection, Army Corps of Engineers or any other governmental or quasi governmental agency which arise from or in connection with the development of the Property.

19. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including the buyer under a contract for deed. Owners shall not include those having such interest merely as security for the payment for repayment of a debt obligation.

20. "Property" means that certain real property described as such in the Recitals above and such additions thereto as may be added in accordance with the provisions of Article XI below.

21. "Golf Course" shall mean and refer to all the property identified on the plat of Panther Creek Golf Club at Plat Book ___, Page ___, public records of Duval County, Florida including, without limitation, drainage retention areas, easements, walkways, buildings, parking areas, and paths located within the Golf Course and any additional property which may otherwise be developed by Developer, and used by Developer, its guests and invitees, in conjunction with, or as a golf course.

22. "Residence" means any single family residential dwelling constructed or to be constructed on or within any Lot, together with any permitted appurtenant improvements, including without limitation, driveways, detached buildings, patios, sidewalks, and recreational facilities which have been approved by the ARB or Developer.

23. "Stormwater Management System" means a system which is designed, constructed, or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation and water pollution, or to otherwise affect the quality and quantity of discharge from the system, as permitted pursuant to Chapter 4OC-4, 4OC-40 or 4OC-42, Florida Administrative Code.

II. ASSOCIATION

A. Members. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to each Lot. Membership shall be transferred automatically by conveyance of the title to any Lot, whereupon the membership of the previous Owner shall automatically terminate. Persons or entities which have an interest in any Lot merely as security for the performance of an obligation shall not be Members of the Association, and in such case the beneficial Owner shall retain the membership in the Association. Provided that for so long as Developer owns any portion of the Property or any Additional Property, the Developer shall also be a member of the Association.

B. Voting Rights. The Association shall have two classes of voting Members:

1. Class A. Class A Members shall be all of the Owners, with the exception of Developer. While the Class B Membership exists, Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the one vote for such Lot shall be exercised as they shall determine among themselves, but in no event shall more than one vote be cast with respect to any Lot. Notwithstanding the foregoing, if title to any Lot is held by a husband and wife, either spouse may cast the vote for such Lot unless and until a written voting authorization is filed with the Association designating a voting co-owner. When title to a Lot is in a corporation, partnership, association, trust, or other entity (with the exception of Developer), such entity shall be subject to the applicable rules and regulations contained in the Articles and Bylaws. Provided, however, if an Owner owns a Reconfigured Lot, for so long as such Reconfigured Lot is used consistent with the definition of a Reconfigured Lot, the Owner thereof shall have only one vote in Association matters.

2. Class B. The Class B Member shall be Developer who shall be entitled to the sole right to vote in Association matters until the occurrence of the earlier of the following events ("Turnover"):

- a. Three (3) months after ninety percent (90%) of the Lots in the Property that will ultimately be operated by the Association have been conveyed to Class A members;
- b. Seven (7) years after recording the Declaration; or
- c. Such earlier date as Developer, in its sole discretion, may determine in writing.

After Turnover, the Class A Members may vote to elect the majority of the members of the Board. For the purposes of this Article, builders, contractors or others who purchase a Lot for the purpose of constructing improvements thereon for resale shall not be deemed to be Class A Members. After Turnover, for so long as the Developer owns at least five percent (5%) of the Lots within the Property, the Developer may appoint the minority of the Board members or not less than one (1) Director. After Turnover, the Developer will be a Class A Member with respect to Lots which it owns and shall have all rights and obligations of a Class A Member except that it may not cast its votes for the purposes of reacquiring control of the Association or selecting the majority of the Members of the Board.

C. Services. The Association may obtain and pay for the services of any person or entity to manage its affairs to the extent it deems advisable.

III. OWNERS RIGHTS AND DUTIES

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

1. The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure.
2. The right of Developer or the Association to grant easements and rights of way, as may be appropriate for the proper development and maintenance of the Property, including, without limitation, Developer's right to reserve easements for itself, its successors and assigns for ingress, egress, drainage, maintenance and utilities over all Common Property.
3. All provisions of this Declaration, any plat of any part of the Property, and the Articles and Bylaws of the Association.
4. The rules and regulations governing the use and enjoyment of the Common Property adopted by the Association.
5. All easements and restrictions of record affecting any part of the Common Property.

B. Delegation of Use. Each Owner may delegate, subject to the Articles, Bylaws, and the Declaration, his right of enjoyment of the Common Property and facilities to a member of the Owner's family, his tenants, his guests, invitees, licensees, domestic servants, or contract purchasers who occupy the Lot.

C. Damage or Destruction. In the event any Common Property, facilities, or personal property of the Association or Developer are damaged or destroyed by an Owner or any of his guests, tenants, invitees, agents, employees, or family members as a result of negligence or misuse, the Association shall repair the Common Property in a good and workman like manner, in

accordance with the original plans and specifications of the Common Property involved, or as the Common Property may have been modified or altered subsequently by the Association. The cost of such repairs shall be the responsibility of responsible Owner, which shall be the subject of a Damage/Repair Assessment (as described in Article VI below), payable by the responsible Owner immediately upon receipt of a written invoice or statement.

D. Maintenance. In addition to other specified maintenance required herein, each Owner shall keep all parts of his Lot, including the Residence, clean and free of debris, and in good order and repair at such Owner's cost and expense. Such duties shall include, without limitation, repair or replacement of the roof, windows and doors (including glass or screens), and exterior of the Residence. Each Owner shall also maintain all landscaping on his Lot and any portion of the Property bounded by his front Lot line, the continuation of his side Lot lines, and the paved portion of any road adjacent to his Lot and shall maintain the banks of any lake from the water level to such Owner's adjacent property line as more fully set forth in paragraph IV (D) (3) below.

The foregoing obligations shall include all maintenance, repair or replacement required because of the occurrence of any 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 the Lot and the Residence in an attractive condition and in substantially the same condition and appearance as existed at the time of completion of construction; subject to normal wear and tear that can not be avoided by normal maintenance. Each Owner shall promptly perform any maintenance or repair requested by the Association.

If an Owner fails to maintain his Lot, (including landscaping), his Residence, the adjacent road right-of-way or area between Lot and lake bank in good order and in a clean and attractive manner or to perform any other maintenance required hereunder, the Association, after ten (10) days written notice to the Owner and with the approval of a majority of the Board of Directors, shall have the right to enter upon such Lot to correct, repair, restore, paint, maintain, and landscape any part of such Lot or Residence, or the adjacent portion of the road right-of-way or area between Lot and pond. The cost of such repairs or maintenance shall be a Damage/Repair Assessment payable by the responsible Owner immediately upon receipt of a written invoice or statement thereof.

IV. COMMON PROPERTY AND EASEMENTS

A. Common Property

1. Title. It is the intention of the Developer to convey all Common Property to the Association. Provided however, the Developer shall retain title to the Common Property until such time as it has completed any improvements thereto, and Association by recorded instrument. Remaining Common Property not deeded to the Association shall be deemed conveyed to the Association, without further act or deed by Developer at such time as Developer no longer owns any of the Property. Notwithstanding the foregoing, no part of the Common Property may be conveyed to any party other than the Association, dedicated to the public (other than the roads and drainage easements as shown on the plat of the Property), mortgaged, or

otherwise encumbered without the written consent or vote of seventy-five percent (75%) of the Class A Members.

B. Maintenance. It shall be the duty of the Association to manage and maintain the Common Property in a clean, attractive, sanitary and serviceable condition, and in good order and repair subject to all governmental regulations, for the benefit of all Owners. The Association's duties shall commence upon the completion of any improvements upon the Common Property, irrespective of which entity holds title thereto, and shall include the management, operation, maintenance, repair, servicing, replacement, and renewal of all improvements, equipment, and tangible personal property installed by Developer as a part of the Common Property. The Association's maintenance, repair and replacement obligations set forth herein shall include the requirement that such maintenance, repair and replacement of any of the Common Property be accomplished with items and materials that are identical to or substantially identical to the items of, or materials used in, the Common Property being maintained repaired or replaced. The Association shall keep the improvements located on the Common Property, including fixtures and personal property of the Association, insured for the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors. The Association shall also maintain all landscaping on the Common Property, provided, however, that neither Developers nor the Association shall be deemed a guarantor of such landscaping. In addition, the Association shall be responsible for the maintenance, operation and repair of the Stormwater Management System. Without limiting the generality of the foregoing, the Association shall and does hereby assume all of the Developer's responsibilities to the County and the State and their respective governmental and quasi governmental subdivisions and similar entities with respect to the Common Property and shall indemnify and hold Developer harmless.

C. Utility Easements

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

2. Lot Easements. Developer reserves for itself, its successors and assigns, and grants to the Association and its designees, a fifteen foot (15') perpetual nonexclusive easement over, under, and across the front of each Lot for the installation, repair and maintenance of utilities, including without limitation water, sewer, electrical and irrigation lines. In the event that the Owner shall construct any Improvements within such easement area specifically reserved on a Lot, and if, in connection with the exercise of the Developer's or the Association's easement rights hereunder, the Developer or the Association is required to remove such Improvements, the

repair, replacement or restoration of such Improvement shall be at the cost and expense of the Owner.

3. Cable Television Easements. Developer reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, exclusive, alienable easement and right for the installation, maintenance, and supply of radio and television cables over, under and across the rights of way and easement area on any recorded plat of the Property.

D. Stormwater Management System.

1. Blanket Easement. The plan for the development of the Property includes the construction of a Stormwater Management System, which may include, without limitation, retention lakes, swales, conduits, weirs, pipes, pumps, and access easements to the Stormwater Management System as shown on the plat. Developer hereby reserves for itself, its successors and assigns and the Association and its designees, a perpetual, nonexclusive easement over and across all areas of the Stormwater Management System for the drainage of stormwater from the Property. Portions of the Stormwater Management System are located entirely within Lots. The Association is hereby granted an easement over any Lots which is necessary or convenient for the Association to perform its maintenance obligations hereunder, provided however, such easement shall be released with respect to any portion of the Lots on which an approved Improvement is constructed and located.

2. Maintenance Easement. The Association is granted a perpetual, nonexclusive easement for ingress and egress, at all reasonable times and in a reasonable manner, over and across the Stormwater Management System and over any portion of a Lot which is a part of the Stormwater Management System, or upon which a portion of the Stormwater Management System is located to operate, maintain, and repair the Stormwater Management System as required by the St. Johns River Water Management District ("District") permit. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any gradings of soil, construct or modify berms placed along the rear of any Lots as part of the Stormwater Management System, or take any other action reasonably necessary, following which Developer or the Association shall restore the affected property to its original condition as nearly as practicable; provided, however, that Developer or the Association shall not be required to replace or repair fences, walks, structures, landscaping, or other improvements which are removed or damaged. Developer or the Association shall give reasonable notice of its intent to take such action to all affected Owners, unless, in the opinion of Developer or the Association, an emergency exists which precludes such notice. The right granted herein may be exercised at the sole option of Developer or the Association and shall not be construed to obligate Developer or the Association to take any affirmative action in connection therewith. The Owners of Lots adjacent to or containing a portion of the retention areas are granted a perpetual, nonexclusive easement for ingress and egress over and across the Stormwater Management System for the purpose of providing maintenance including the periodic spraying of the waters edge to control aquatic growth and erosion control to the embankments of such retention areas.

3. Golf Course Easement. The Stormwater Management System is designed to provide for drainage for both the Property and the Golf Course. This includes the use by the Golf Course, without limitation, of all retention lakes, swales, conduits, weirs, pipes, pumps, and access easements to the Stormwater Management System and located on the Property as shown on the plat. Likewise, this includes the use by the Property, without limitation, of all retention lakes, swales, conduits, weirs, pipes, pumps, and access easements to the Stormwater Management System and located on the Golf Course.

Accordingly, the Developer, the Association and the Owners, and their successors and assigns, as the owners of the Property, hereby grant, covenant and convey to the Developer, and its successors and assigns, as the owner of the Golf Course, a perpetual easement for stormwater and surface water drainage over, on and across the Property and into those portions of the Stormwater Management System located on the Property. Further, the Association and the Owners acknowledge and agree that the obligation and expense for maintaining those components of the Stormwater Management System located on the Property shall be the responsibility of the Owners and the Association, and their successors and assigns.

The Developer, and its successors and assigns, as the owner of the Golf Course, hereby grants, covenants and conveys to the Developer, the Association and the Owners and their successors and assigns, as the owners of the Property, a perpetual easement for stormwater and surface water drainage over, on and across the Golf Course and into those portions of the Stormwater Management System located on the Golf Course. Further, the Developer acknowledges and agrees that the obligation and expense for maintaining those components of the Stormwater Management System located on the Golf Course shall be the responsibility of the Developer, as the owner of the Golf Course, and its successors and assigns.

The easements described above are appurtenant to and run with title to the Property and the Golf Course. Neither party shall in any way unreasonably obstruct or interfere with the other party's use of such easement for the purposes intended hereby.

4. Maintenance. Except as specifically set forth herein to the contrary, the Association shall be responsible for the maintenance, operation, and repair of the Stormwater Management System. Such maintenance shall include the drainage, water storage, conveyance, or other capabilities in accordance with all the permits, statutes, rules, and regulations pertaining to surface water management, drainage, and water quality promulgated by the District, Florida Department of Environmental Protection, and all other local, state, and federal authorities having jurisdiction. Maintenance of the Stormwater Management System shall mean the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance and other Stormwater management capabilities as permitted by the District.

The Association shall maintain and control the water level and quality of the Stormwater Management System; the bottoms of any retention lakes or drainage easements which retain or hold stormwater on a regular basis. The Association shall have the power, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish and fungi in and on any portion of the retention lakes or drainage easements. The Owners of Lots adjacent to or containing any portion of the Stormwater System, the Stormwater

Management System shall maintain all shoreline vegetation and the grade and contour of all embankments to the water's edge (as it may rise and fall from time to time) irrespective of ownership of such land, keep the grass, plantings, and other lateral support of the embankments in a clean and safe manner and to prevent erosion and shall remove trash and debris as it may accumulate in the System, from time to time. Maintenance of the Stormwater Management System shall mean the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance or other surface water capabilities as permitted by the District. Any repair or reconstruction of the Stormwater Management System shall be consistent with the Permit as originally issued or any modification that may be approved by the District. In order to provide adequate assurance that the Stormwater Management System will adequately function, the following maintenance procedures should be as followed:

- a. The Association shall inspect or cause to be inspected all inlets and control structures for vandalism, deterioration or accumulation of sand and debris.
- b. The Association shall assure that all debris or sand shall be removed from the inlets and control structures and any orifice system.
- c. The Association shall inspect and repair or cause to be inspected and repaired all skimmer boards around control structures as necessary.

5. Improvements. No docks, bulkheads, or other structures, permanent or temporary, shall be constructed on, over, or under any portion of the Stormwater Management System without prior written consent of the Association and the approval of the ARB or Developer, which consent or approval may be withheld for any reason. Any improvements to the Stormwater Management System permitted by the Association and installed by the Owner shall be maintained by such Owner in accordance with the maintenance provisions of this Declaration. All improvements to the Stormwater Management System may also require the prior written approval of the District. After receiving the approval of the ARB, Owner shall be solely liable for obtaining all governmental permits necessary or convenient to construct such Improvements.

6. Use and Access. Developer and the Association shall have the right to adopt reasonable rules and regulations from time to time in connection with the use of the surface waters or any portion of the Stormwater Management System, and shall have the right to deny such use to any person who, in the opinion of Developer or the Association, may create or participate in a disturbance or nuisance on any part of the Stormwater Management System. The use of such surface waters by the Owners shall be subject to and limited by the rules and regulations of Developer and the Association, all permits issued by governmental authorities, and any rights granted to other persons pursuant to the rules and regulations of Developer and the Association. Only Developer and the Association have the right to pump or otherwise remove any water from any part of the Stormwater Management System for purposes of irrigation or any other use. No gas or diesel driven watercraft shall be operated on any portion of the Stormwater Management System, including the retention lakes.

7. LIABILITY. NEITHER DEVELOPER NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN

CONNECTION WITH THE RETENTION LAKES AND DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DEVELOPER AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH.

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

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

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

8. Wetlands, Jurisdictional Land and Conservation Areas. This Declaration is subject to the rights of the State of Florida over any portion of the Property which may be considered wetlands, marshes, sovereignty or jurisdictional lands and Developer has obtained certain Permits to allow the development of the Property, and every Owner shall obtain any permit necessary prior to the undertaking any dredging, filling, mowing, improving, landscaping, or removal of plant life existing on his Lot. In the event that an Owner violates the terms and conditions of the Permit, the Association is authorized to enter onto the Lot and cure such violation and such Owner shall be liable for all costs and expenses or remedying any violation

and shall indemnify and hold the Association and Developer harmless from any such costs and expenses, all of which shall be deemed to be a Damage/Repair Assessment.

a. "Conservation Tract." Areas within the community designated as "Conservation Tract" on the recorded plats are areas governed by the terms and conditions of the permits issued by SJRWMD and Army Corp of Engineers. These permits prohibit any construction, filling, removal of earth, cutting of trees or other plants within these areas. It is the responsibility of the Owner, his agents and any entity performing any activity adjacent to these areas to ensure these areas are left undisturbed. Each Owner shall indemnify and hold harmless the Developer and Association from any cost or expense, including legal fees incurred due to any action brought by any governmental agency due to a violation of this provision by the Owner or his agents.

9. Natural Areas / Landscape Buffer. Areas within the community designated as "Natural Areas and/or Landscape Buffer" on the recorded plats are areas to be owned and maintained by the Association for the benefit of the community at large. Any alteration, cutting, under-brushing or any other modifications is prohibited without specific written permission from the ARB. Any Owner who alters these areas in any way shall be held to repair and restore the area to the satisfaction of the ARB at the Owners' sole cost and expense or may be fined by the ARB in an amount not to exceed \$25.00 per day. All fines shall be considered a Damage/Repair Assessment as further defined in Article VI.

10. Rights of the District. Notwithstanding any other provisions contained elsewhere in this Declaration, the District shall have the rights and powers enumerated in this paragraph. The District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration that relate to the maintenance, operation, and repair of the Stormwater Management System. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved by the District. No person shall alter the drainage flow of the Stormwater Management System, including any buffer areas, swales, treatment berms or swales, without the prior written approval of the District. Any amendment to this Declaration that alters the Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Property, must have prior written approval of the District. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the Stormwater Management System must be assigned to and accept by an entity approved by the District.

11. Indemnity Developer may be required to assume certain duties and liabilities for the maintenance of the Stormwater Management System or drainage system within the Property under the plat, permits, or certain agreements with governmental agencies. The Association further agrees that subsequent to the recording of this Declaration, it shall hold Developer harmless from all suits, actions, damages, liabilities, and expenses in connect with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Stormwater Management System occasioned in whole or in part by any action, omission of the Association or its agents, contractor, employees, servants, or licensees but not excluding any liability occasioned wholly or in part by the acts of the Developer, its successors or assigns. Upon completion of construction of the Stormwater Management System

or drainage system Developer shall assign all its rights, obligations and duties thereunder to the Association. The Association shall assume all such rights, duties and liabilities and shall indemnify and hold Developer harmless therefrom.

E. Permits. THIS PROPERTY WAS DEVELOPED IN ACCORDANCE WITH REQUIREMENTS OF PERMIT NUMBER 200003349 (IP-MMS) ISSUED BY THE ARMY CORPS OF ENGINEERS ("ACOE") AND PERMIT NUMBERS 4-031-67174-1 & 40-031-67174-3 ISSUED BY THE DISTRICT. ANY OWNER OWNING A LOT WHICH CONTAINS OR IS ADJACENT TO JURISDICTIONAL WETLANDS AS ESTABLISHED BY THE ACOE OR DISTRICT, SHALL, BY ACCEPTANCE OF TITLE TO THE LOT, BE DEEMED TO HAVE ASSUMED ALL OBLIGATIONS UNDER THE FOREGOING PERMITS AS SUCH RELATES TO ITS LOT AND SHALL AGREE TO MAINTAIN SUCH JURISDICTIONAL WETLANDS IN THE CONDITION REQUIRED UNDER THE PERMITS AND TO OTHERWISE COMPLY THEREWITH. IN THE EVENT THAT AN OWNER VIOLATES THE TERMS AND CONDITIONS OF SUCH PERMITS AND FOR ANY REASON THE DEVELOPER IS CITED THEREFOR, THE OWNER AGREES TO INDEMNIFY AND HOLD THE DEVELOPER HARMLESS FROM ALL COSTS ARISING IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION ALL COST AND ATTORNEYS' FEES AS WELL AS ALL COSTS OF CURING SUCH VIOLATION.

F. Developer's Rights. Developer, its successors and assigns shall have the unrestricted right, without approval or joinder of any other person or entity: (i) to designate the use of, alienate, release, or otherwise assign the easements shown in the plat of the Property or described herein, (ii) to plat or re-plat all or any part of the Property owned by Developer and (iii) to widen or extend any right of way shown on any plat of the Property or convert a Lot to use as a right of way, provided that Developer owns the lands affected by such change.

G. Restrictions on Uses Within Easements. Owners of Lots subject to easements shown on any plat of the Property shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under the easement area. The Owners of Lots subject to any easements shall not construct any improvements on the easement areas, alter the flow or drainage, or landscape such areas with hedges, trees, or other landscape items that might interfere with the exercise of the easement rights. Any Owner who constructs any improvements or landscaping on such easement areas shall remove the improvements or landscape items upon written request of Developer, the Association, or the grantee of the easement. In the event that any landscaping within the easements is damaged in connection with the performance of necessary maintenance by the Association or Developer, the Owner shall be solely liable for any cost or expense of replacement.

V. Rights in the Golf Course

A. Owner's Use of Golf Course. Rights to use the Golf Course and the improvements thereto will be on such terms and conditions as may be promulgated from time to time by the Developer. Neither ownership of a Lot, nor membership in the Association, confers any ownership, ownership rights, easement, easement rights, and license or use rights in the Golf Course or

improvements thereto. Developer reserves in and to itself the absolute right to identify guests, invitees, or permissive users of the Golf Course, to discontinue the operation of the Golf course and to otherwise control operation of, and use of, the Golf Course and improvements thereto.

B. Easement for Benefit of Golf Course. All permitted users, including paying guests, of the Golf Course shall have an easement, or easements, over and across the Common Areas (including, but not limited to, all streets located in the Common Areas) for the purpose of providing access to, and facilitating the use of, the Golf Course. In addition, an easement is hereby created as to all portions of the Property, including all Lots, in favor of the permitted users of the Golf Course and their permitted guests and invitees, and to the Developer, its officers, agents, and employees, and to any person or entity owning, managing, or operating the Golf Course and its officers, agents, and employees, and to any person or entity owning, managing, or operation the Golf Course and its officers, agents, and employees, to permit the doing of every act necessary and incident to the playing of golf on the Golf Course and to permit the doing of every act necessary and incident to maintaining the Golf Course. These acts shall include, but not be limited to, construction and maintenance of cart paths approximately twelve feet in width between Lots, the recovery of golf balls from any Lot, the flight of golf balls over and upon any Lot, the creation of the usual noise level associated with playing the game of golf, the creation of the usual noise level associated with maintenance of a golf course and pumping water to irrigation facilities, the driving of golf carts, machinery and equipment used in connection with the operation and maintenance of a golf course over and upon the Lots and the Golf Course, together with all such other common and normal activities associated with the game of golf and with all such other common and normal activities associated with the maintenance and operation of a golf course. Such noises and activities may occur on or off the Golf Course at all times of the day and night.

C. Golf Course Indemnification. The location, construction, and operation of a Golf Course confers a substantial benefit upon the Owners of any Lot therein, whether or not any such Owner uses or is permitted to use to the Golf Course and whether or not any such Lot is located near or adjacent to the Golf Course. By acceptance of a deed to a Lot, therefore, each Owner acknowledges that the Developer shall have no responsibility or liability to such Owner, members of his family, guest or invitees, because of noise associated with the use or maintenance of the Golf Course, or because of any damage or injury caused to Owner, his family, guests, invitees, licensees, employees, and agents, or to property of Owner, his family, guests, invitees, licensees, employees, and agents from the flight of errant golf balls, from persons recovering golf balls from Lots, or from other acts of persons arising out of, or associated with the use of the Golf Course. By acceptance of said deed each Owner waives any claims or causes of action which he, his family, guests, invitees, licensees, employees, or agents may have against Developer arising of said deed each Owner acknowledges that he knows and appreciates the nature of all risks both apparent and latent associated with living in a Golf Course community and expressly assumes the risks of personal injury or property damage that may occur in connection with such risks.

D. Title to Golf Course. Developer shall retain title to the Golf Course, subject to Developer's right to later sell, mortgage, or otherwise encumber its interests in all or a portion of the Golf

Course, along with the improvements thereon, and all other rights of Developer related thereto, including the right to charge and collect fees for use.

E. Effect of Transfer of Golf Course. The location, construction, and operation of a Golf Course confers a substantial benefit upon the Owner of any Lot therein, whether or not any such owner is permitted to use the Golf Course, and whether or not any such Lot is located near or adjacent to the Golf Course. The existence of the Golf Course increased the value of each Lot, and provides a location for drainage and retention areas, which would otherwise be located on Lots or the Common Areas. Should all or any portion of the Golf Course be transferred to a third party or parties (hereinafter "the Subsequent Owner"), said Subsequent Owner shall have the benefit of the easement rights set forth in Section V B above. In addition, Developer and said Subsequent Owner shall enter into a cross-easement agreement preserving the right of all Owners and the Developer to the use of, and benefit from, the drainage retention areas located within the Golf Course to the extent such use and benefit rights exists in favor of said Owners and the Developer on the date of transfer of the Golf Course, or portion thereof, to the Subsequent Owner. The cross-easement agreement shall confer on the Subsequent Owner the right to levy assessments, or to participate in the assessment levied by Developer pursuant to Article VI and to recover all costs and expenses associated with care and maintenance of the drainage retention areas located within the Golf Course, or other such costs and expenses covered by assessments made pursuant to said Article VI. Nothing contained herein is intended to limit, or shall limit, the right of Developer to transfer to any Subsequent Owner all property rights, including easement and use rights, associated with or benefiting the Golf course.

F. Golf Course Drainage Retention Areas. Developer and any Subsequent Owner of the Golf Course shall have the absolute right to reshape, relocate, and modify drainage retention areas located upon the Golf Course, provided, however, that such change cannot reduce the minimum storm water collection required by the County in order to plat the Property and any additions to the Property.

VI. COVENANTS FOR MAINTENANCE ASSESSMENTS

A. Annual Assessments. For each Lot within the Property, Developer covenants, and each Owner, by acceptance of a deed or other conveyance, agrees to pay Annual Assessments levied by the Association for the improvement, maintenance, and operation of the Common Property, including, without limitation, the maintenance, operation, and repair of the Stormwater Management System (including, but not limited to, work within retention areas, drainage structures, and drainage easements), the maintenance and operation of the fire protection system, the management and administration of the Association, and the furnishing of services as set forth in this Declaration. As further hereinafter described, the Board of Directors shall set the date or dates such Annual Assessments shall become due and may provide for collection of Assessments to be payable annually or in monthly, quarterly or semi-annual installments; provided, however, that upon default in the payment of any one or more installments, the entire balance of such Annual Assessment may be accelerated, at the option of the Board of Directors, and be declared due and payable in full. Reconfigured Lots, for so long as only one single family Residence is located thereon, shall be subject to a single Annual Assessment.

B. Special Assessments. In addition to the Annual Assessments the Association may levy, by majority vote of the Board of Directors; (a) Special Assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto, provided any such Special Assessment shall have the consent of Owners holding fifty-one percent (51%) of the votes in the Association, other than Developer, voting in person or by proxy at a regular meeting or a special meeting called for that purpose at which a quorum of each membership class is present; (b) Special Neighborhood Assessments against particular Lots and/or Owners for fines as hereinafter set forth and ; (c) Special Neighborhood Assessments for Reserves.

C. Damage/Repair Assessments. The Association, from time to time, may levy a Damage/Repair Assessment against a particular Lot and the Owner thereof by a majority vote of the Board of Directors, for the purpose of defraying, in whole or in part, the cost of any repair, maintenance or restoration as provided herein; for the construction, reconstruction, repair, or replacement of a capital improvement upon on serving the specific Lot, including any additional special services to such Lot, including fines levied by the ARB, the cost of which is not included in the Annual Assessment; or to reimburse the Association for any costs it incurs as a result of the Owner's failure to comply with this Declaration or any damage to the Common Property.

D. Commencement of and Nonpayment of Annual Assessments.

1. Date of Commencement. The Annual Assessments provided for herein shall commence with respect to each Lot on the date of conveyance of the Lot to an Owner who intends to dwell in the Residence other than Developer or a builder constructing the Initial Improvements. During the initial year of ownership, the Owner subject to Assessments shall be responsible for the pro rata share of the Annual or Special Assessment charged to each Lot, prorated to the day of closing on a per diem basis.

2. Non-Payment of Assessments: Remedies of the Association.

a. Non-Payment. If any Annual or Special Assessments (or installments thereof) are not paid on the date(s) when due, then the Assessments shall become delinquent and fully due and payable.

b. Creation of Lien. The Assessment Charge is a charge and continuing lien upon each Lot subject to this Declaration. The lien provided for in this Article shall be perfected by the filing of a notice of lien in the public records of the County, in favor of the Association.

c. Owner's Acceptance. The Assessment Charge is also the personal obligation of the person or entity, which was the Owner of such Lot at the time when the Assessment was levied and of each subsequent Owner thereof. Each Owner of a Lot, by acceptance of a deed or other transfer document therefor, whether or not it shall be so expressed in such deed or transfer document, is deemed to covenant and agree to pay the Association the Assessments established or described in this Article. Each Owner, by his

acceptance of title to a Lot, expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of such Assessment Charge as a debt and to enforce the aforesaid by all methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage lien on real property, and such Owner is deemed to have granted to the Association a power of sale in connection with such lien. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of his Lot.

d. Late Fees, Interest. Any Assessment not paid within thirty (30) days after the due date shall be subject to a late fee as determined from time to time by the Board of Directors, and may, upon resolution of the Board of Directors, bear interest at a percentage rate determined by Such Directors.

e. Remedies. The Association may bring an action at law against the Owner or Owners personally obligated to pay an Assessment Charge, or may foreclose the lien against the Lot upon which the Assessment Charge is made in the manner provided below. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Lot at such foreclosure sale and to acquire, hold, lease, mortgage and convey the same. In addition, the Board of Directors, by majority vote, shall have the right to assess fines against Owners.

3. Subordination of the Lien to Mortgages. The lien of the Assessment Charge shall be inferior and subordinate to the lien of any Mortgagee, but only to the extent of the Mortgage balance outstanding as the date of the notice of an Assessment Charge was first recorded against the Lot, plus interest and reasonable costs of collection accruing thereafter. The sale or transfer of any Lot shall not affect the Assessment Charge; however, the sale or transfer of any Lot pursuant to foreclosure of a Mortgage or deed in lieu thereof shall extinguish the lien of an Assessment Charge as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve the transferee of such Lot from liability for any Assessments thereafter becoming due or from the lien thereof, nor the Owner responsible for such payments from such Owner's personal liability as provided herein. Mortgagees shall in no event be responsible or liable for the collection of any Assessments. The failure to pay any Assessments shall in no event be deemed to constitute a default under any Mortgage by reason of anything contained in this Declaration, unless otherwise expressly provided in the Mortgage.

4. Budget

- a. Fiscal Year. The fiscal year of the Association shall consist of the twelve (12) month period commencing on January 1 of each year.
- b. Initial Budget. Developer shall establish the budget for the fiscal year in which a Lot is first conveyed to an Owner other than Developer or a Builder.

- c. Preparation and Approval of Annual Budget. Commencing December 1st of the year in which a Lot is first conveyed to an Owner other than Developer, and on or before December 1 of each year thereafter, the Board of Directors shall adopt a budget for the coming year containing an estimate of the total amount which it considers necessary to pay the cost of all expenses to be incurred by the Association to carry out its responsibilities and obligations, including, without limitation, the cost of wages, materials, insurance premiums, services, supplies, and other expenses for the rendering to the Owners of all services required or permitted hereunder. Such budget shall also include such reasonable amounts, as the Board of Directors considers necessary to provide working capital for the Association, and to provide for a general operating reserve and reserves for contingencies and replacements. The Board or Directors shall send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Annual Assessments payable by each Owner, on or before December 15 preceding the fiscal year to which the budget applies. Such budget shall constitute the basis for determining each Owner's Annual Assessment as provided above. The Assessments shall be determined by dividing the amount of the Budget by the number of Lots subject to the Declaration.

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

e. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt an annual budget or adjusted budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his Assessments, as herein provided, whenever the same shall be determined. In the absence of any annual Association budget or adjusted budget, each Owner shall continue

to pay the Assessments at the then existing rate established for the previous fiscal period, in the manner such payment was previously due, until notified otherwise.

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

5. Exempt Property. The following properties subject to this Declaration shall be exempted from the Assessments, Assessment Charges, and liens created herein: (a) all properties dedicated to and accepted by a governmental body, agency or authority; (b) all Common Property and (c) all Lots or Property owned by Developer (including, without limitation, any Lot used or leased by Developer, or by a builder construction facility, or other use) shall be exempt from payment of Assessments for so long as Developer funds any deficit in the annual budget, which deficit shall be the difference between the actual expenses incurred by the Association and the actual income to the Association from Assessments, capital contributions, and other fees. Developer shall fund such expenses only as they are actually incurred by the Association during the period that Developer is funding the deficit. Developer's obligation to fund any deficits shall terminate at such time as Developer, in its sole discretion, elects to pay the Assessment for each Lot owned by it, or after Turnover, whichever shall first occur. Developer may, but is not obligated to, assign this exemption right to any entity it may determine, including without limitation any builder owning Lots solely for the purpose of constructing Residences intended to be sold to ultimate purchasers. Any such assignment of Developer's exemption shall have no effect on Developer's exemption hereunder.

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

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

8. Working Capital Contribution. At Closing, each new Owner shall make a contribution to the working capital of the Association in the amount of two-hundred-fifty dollars (\$250). The working capital contribution will be placed in the general fund for the Association and may be used to fund deficits in the annual budget.

VII. ARCHITECTURAL CONTROL

A. Purpose. Except for the Initial Improvements, the Association through the ARB shall have the right to exercise architectural control over all improvements constructed, erected, or placed

upon any part of the Property, to assist in making the Property a community of high standards and aesthetic beauty. Such architectural control may include all architectural aspects of any such improvement including, without limitation, size, height, site planning, setbacks, exterior design, materials, colors, open space, landscaping, waterscaping, and aesthetic criteria. For so long as Developer owns any Lot, (and irrespective of whether Class B Membership has terminated or Turnover has occurred), Developer shall have the sole right to appoint the members of the ARB. Thereafter, the Board of Directors as designated in the Bylaws shall appoint the members of the ARB. If the Board of Directors fails to so appoint the ARB, then the Board of Directors shall constitute the ARB. The developer shall have the sole right to approve the Initial Improvements on the Property and the rights granted to the ARB hereunder shall only be in effect after the Residence has been completed.

The purpose of this review procedure is solely to promote the aesthetic development of the Property to assure that the Architectural Guidelines as established from time to time are complied with. This review was not intended to be a condition to the issuance of a building permit by the County and the review undertaken by the Developer or the ARB is not to be construed as any quasi-governmental action.

B. Construction Subject to Architectural Control

1. ARB Approval. Except for the Initial Improvements, no construction, modification, alteration, or improvement of any nature whatsoever, except for interior alterations not affecting the external structure or appearance of any Residence, shall be undertaken on any Lot unless and until a plan of such construction, modification, alteration, or improvement shall have been approved in writing by the ARB. Developer solely shall evaluate all plans and specifications for Initial Improvements submitted to it for conformance with the provision of this Declaration.

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

3. Procedures

a. Application. It shall be the responsibility of each Owner to supply two (2) sets of the documents described herein to the ARB, or to Developer for any improvement subject to ARB

Review. The ARB or Developer, as applicable, shall approve or disapprove the documents property submitted to it in writing within thirty (30) days of such submission. There may be a review fee levied. If a review fee is charged by the ARB, it shall be non refundable in any event, whether or not the application submitted by an Owner is approved. Any requests shall be deemed disapproved if the ARB or Developer, as applicable, fails to issue a written approval or disapproval with thirty (30) days of the proper submission of all required documentation. The documents, materials and items to be submitted for approval shall include two (2) sets of the following: (i) the construction plans and specifications, if any, including all proposed landscaping; (ii) an elevation or rendering of all Proposed Improvements, if any, (iii) samples of materials or paint colors and (iv) such other terms as the ARB or Developer may deem appropriate.

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

In connection with its approval or disapproval of an application, the ARB or Developer shall evaluate each application for total effect. The evaluation relates to matters of judgment and taste, which cannot be reduced to a simple list of measurable criteria. It is possible, therefore, than an application may meet individual criteria and still not receive approval, if in the sole judgment of the ARB or Developer, its overall aesthetic impact to the community and surrounding neighborhood is unacceptable. The approval of an application shall not be construed as creating any obligation on the part of the ARB or Developer to approve applications involving similar designs for different Lots. In addition, the Developer and ARB shall have the right to waive or modify the requirements as more fully set forth in subparagraph (e).

c. Uniform Procedures. The ARB may establish uniform procedure for the review of applicants, including the assessment of review costs and fees, if any, to be paid by the applicant, and the requirement of a security deposit, the time and place of meetings, and the posting of a compliance bond to ensure the full and timely compliance by the applicant with the conditions imposed by the ARB. No submission for approval shall be considered by the ARB unless and until such submission, in compliance with the provisions of this Article, has been accepted by the ARB. Developer may establish separate guidelines for the submission of the plans and specifications for Initial Improvements. Any architectural guidelines established by the Developer or ARB may be amended from time to time as the Developer or ARB may determine.

d. Notification. Approval or disapproval of applications to the ARB shall be given to the applicant in writing within thirty (30) days of receipt thereof, by its approval by stamping the plans with its seal and the date of approval or by written approval referencing the plans submitted. If the ARB disapproves the requested Proposed Improvement, it shall provide written notice of such disapproval to the Owner. Disapproval by the ARB may be appealed to the Board of Directors of the Association, and the determinations of the Board of Directors shall be

dispositive. If the ARB does not act within the thirty- (30) day period (unless an extension is agreed to) from the receipt of the plans and specifications in acceptable form, the plans and specifications for the Proposed Improvements shall be deemed to have been disapproved. No construction (other than Initial Improvements) on any Lot of within the Property shall be commenced, and no Residence shall be modified, except in accordance with such approved plans and specifications.

e. Variances The ARB or Developer, as applicable, may authorize a variance from compliance with any of the architectural provisions of this Declaration when circumstances such as topography, natural obstructions, hardships, or aesthetic or environmental consideration justifying such variances in opinion of the ARB or by Developer. A variance shall be evidenced by a document signed by the chairman of the ARB, if it involves a Proposed Improvement, or by Developer, if it involves Initial Improvements. If such a variance is granted, no violation of the covenants, conditions, and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions this Declaration for any purpose except as to the particular Lot and the particular provisions of this Declaration covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations, including, but not limited to, zoning ordinances and set back lines or requirements imposed by any governmental or municipal authority. Provided, however, in no event shall granting of a variance set a precedent with required the granting of another such variance.

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

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

a. Building Type. No building shall be erected, altered, place or permitted to remain on any Lot or Reconfigured Lot, other than one detached single family Residence which shall not exceed forty (40') feet in height and shall have a private and enclosed garage for not less than two (2) cars.

b. Roofs. Flat roofs and protrusions through roofs for power ventilators or other apparatus shall not be permitted unless approved by the Developer or ARB, in its sole discretion. Developer shall approve roofing and shingle material as to color and material. Any re-roofing or re-shingling of the Residence other than with the same materials and same color shall be approved in advance by the ARB.

c. Garages. All garages must have a garage for at least two cars unless otherwise approved by the Developer or the ARB. No carports will be permitted unless approved by Developer or the ARB, as applicable. All garage doors shall be kept closed except when entering or leaving the garage.

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

e. Fences. No fence or wall shall be built, placed or altered on any Lot without prior written approval of the Developer of ARB.

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

g. Antennae and Other Devices. All antennae, satellite dishes and other receptor devices to be installed on the Property shall be no larger than thirty (30") inches in diameter and twelve (12') feet in height. All such devices shall be placed to assure that the location of such devices is screened to the extent possible from the view of others which may include, at the discretion of the ARB, the addition of landscaping to screen its view from the street and adjacent to neighbors.

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

i. Lighting. No external lighting shall be installed without the prior approval of Developer or the ARB, as applicable. No lighting will be permitted which alters the residential character of the Property.

j. Recreational Structures. All basketball backboards, tennis courts, and play structures shall be located so as to minimize noise to adjoining Residences. No platform, doghouse, tennis court, playhouse, or play fort shall be constructed on any part of a Lot located in front of the front façade of the Residence, and any such structure shall have prior approval of Developer or the ARB, as applicable and may required additional landscaping to screen it from adjacent neighbors. Any portion of the Reconfigured Lot used for recreational purposes must be adequately screened in the front and sides by landscaping, fencing or walls, as approved by the ARB or Developer, as applicable, so that such uses shall not be visible from any road.

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

l. Window Coverings. Reflective window coverings and heat mats are expressly prohibited, and only neutral, solid covered window coverings shall be permitted on any Residence. The ARB or Developer, as applicable, may prohibit window treatments, which are not reasonable compatible with the aesthetic standards of the property.

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

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

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

5. Remedy for Violations. In the event any Proposed Improvement is constructed without first obtaining the approval of the ARB or Developer, as applicable, or is not constructed in strict compliance with any approval given or deemed given by the ARB or Developer, as applicable, or the provisions of this Article are otherwise violated, the ARB, as the authorized representative of the Association or the Developer, shall have the specific right to injunctive relief to require the Owner to stop, remove, and alter any improvements in order to comply with the requirements hereof, or the ARB or Developer may pursue any other remedy available to it. In connection with this enforcement paragraph, the ARB and Developer shall have the right to enter into any Lot or Residence and make any inspection necessary to determine that the provisions of this Declaration have been complied with. The failure of the ARB or Developer to object to any Proposed Improvement prior to its completion shall not constitute a waiver of the ARB's or Developer's right to enforce this Article. The foregoing rights shall be in addition to any other remedy set forth herein for violations of this Declaration.

6. Reservation of Right to Release Restrictions. In each instance where a structure has been erected, or construction thereof has substantially advanced, in such a manner that some portion of the structure encroaches on any Lot line, setback line, or easement area, Developer reserves for itself, its successors, assigns, and designees, the right to release such Lot from the encroachment and to grant a variance to permit the encroachment without the consent or joinder

of any person, irrespective of who owns the burdened Lot or easement areas, so long as Developer, in the exercise of its sole discretion, determines that the release or exception will not materially or adversely affect the value of the adjacent Lot and the overall appearance of the Property. This reserved right shall automatically pass to the Association when Developer no longer owns any portion of the Property. Upon granting of an exception to an Owner, the exception shall be binding upon all subsequent Owners of the affected Lots.

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

VIII. USE OF PROPERTY

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

B. Lot Re-subdivision. No Lot shall be further subdivided, replatted, or separated into smaller Lots by any Owner. Provided however, this restriction shall not prohibit corrective deeds or similar corrective instruments. Developer shall have the right to reconfigure Lots or modify subdivision plats of the Property if Developer owns all the Lots within the legal description of the Property to be subjected to the replat, or if all Owners of Lots which are included within the portion of the plat so modified consent to such modification, which consent shall not be unreasonable withheld or delayed.

C. Residential Use. Each Lot shall be used, improved and devoted exclusively to single family residential use, and for no commercial purpose. No time-share ownership of Lots shall be permitted without Developer's approval. Nothing herein shall be deemed to prevent any Owner from leasing a Residence, subject to all of the provision of the Declaration, Articles, and Bylaws, nor to prevent Developer from converting the use of a platted lot to a road for ingress and egress from an adjacent Lot or land. The foregoing restriction shall not operate to prevent Developer or its designees from using one or more Residences as model homes or sales centers during the development and sale of the Property nor from undertaking such activities as are necessary and convenient to develop the Property and Addition Property or construct Improvements thereof. No other business or commercial use may be made of any part of the Property. Provided,

however, an occupant of a Residence who maintains a personal or professional library, keeps personal or professional books or accounts, conducts a home business permitted by applicable zoning (provided that such use does not involve customers, clients, employees, licenses or invitees regularly visiting the Residence or deliveries on a regular basis), or makes professional telephone calls or correspondence in or from a Residence is engaging in a residential use and shall not be deemed to be in violation of this paragraph by any reason thereof.

D. Nuisances; Other Improper Use. No nuisance shall be permitted to exist on any Lot or Common Property so as to be determined a nuisance to any other Lot in the vicinity thereof or its occupants, or to the Common Property. Any activity on a Lot, which interferes with television, cable, or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. No immoral, offensive, or unlawful use shall be made of the Property or any part thereof. All laws, zoning ordinances, orders, rules, regulations, and requirements of any governmental agency having jurisdiction relating to any portion of the Property shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property. No waste will be committed upon the Common Property. Owners hereby acknowledge that construction and development activities on or about the Property during daylight hours shall not be deemed to be a nuisance. The determination of the Board of Directors as to what may be or become a nuisance shall be conclusive.

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

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

G. Pets. No animals, livestock, or poultry shall be raised, bred, or kept anywhere within the Property, except that dogs, cats, or other household pets in reasonable numbers may be kept, provided that they are not kept or maintained for any commercial purpose. Further no such permitted pets shall constitute a nuisance on the Property. The number of household pets, which may be maintained on a Lot, shall be in compliance with County Code unless a Conditional Use Permit is received. Prior to applying for a Conditional Use Permit, the plans for maintaining such pets on the Property shall be submitted to and approved by the ARB. All pets must be held or kept leashed or otherwise appropriately restrained at all times they are on the Common Property, and all owners of pets shall be held strictly responsible to immediately collect and properly dispose of the wastes and litter of their pets. The Association reserves the right to designate specific areas within the Common Property where pets may be walked on leashes by their Owners. The Association further reserves the right to demand that an Owner permanently remove from the Property all pets which create disturbances or annoyances that constitute

nuisances, in the sole determination of the Board of Directors. The decision of the Board of Directors in such matters is conclusive and shall be enforced by the Association.

H. Signs. No sign, advertisement or notice of any type or nature whatsoever including, without limitation, "For Sale" and "For Lease" signs, shall be erected or displayed upon any Lot, Residence, the Common Property, or from any window, unless express prior written approval of its size, shape, content, appearance and location has been obtained from the ARB, which approval may be withheld for any reason, and the ARB may, in its sole discretion, prohibit all signs. Notwithstanding the foregoing, Developer, and those persons or entities specifically designated by Developer, shall be permitted to post and display the advertising or directional signs on the Property for the marketing, sale, or rental of Lots.

I. Parking. Only automobiles bearing current license and registration tags, as required pursuant to state law, shall be permitted to be parked on any of the Property except wholly within a garage. All parking within the Property shall be in accordance with rules and regulations adopted by the Association. The Association may, from time to time, adopt rules and regulations regulating the storage and parking of non-standard size vehicles, including any recreational type vehicles, including architectural guidelines for the location of such storage areas and the required screening therefore.

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

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

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

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

N. Temporary Structures. No structure of a temporary character, including, without limitation, any trailer, tent, shack, bard, shed, or other outbuilding, shall be permitted on any Lot at any time, except temporary structures maintained for the purpose of construction of Residences. The foregoing restriction shall not preclude Developer from maintaining temporary structures for the purpose of construction of any improvements of Residences and the marketing and sales of Lots.

O. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any Lot. No derrick

or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or on the Property.

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

Q. Removal of Trees. In order to preserve the environment and migratory bird populations, no trees which remain on a Lot at the time of completion of the Initial Improvements thereon shall be felled, removed, or cut down unless such tree represents a hazard to the Residence or other improvements on the Lot, or to persons occupying or utilizing the Property with written prior approval from the ARB and/or City of Jacksonville, if required.

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

S. Soliciting. No soliciting will be allowed at any time within the Property.

T. Amendments and Modifications. The Board of Directors and the ARB may from time to time adopt and amend rules and regulations governing the details of the operation, use, maintenance and control of the Residences, Lots, Common Property and any facilities or services made available to the Owners. A copy of the rules and regulations adopted from time to time as herein provided shall be available to each Owner.

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

IX. INSURANCE

A. Types of Coverage.

1. Insurance of Common Property. The Board of Directors shall obtain liability insurance for the Common Property and, to the extent the Board of Directors deems reasonable or necessary, may obtain casualty insurance and increase the amounts of liability insurance, all as it consisted with prudent business judgment, including the following:

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

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

2. Insurance of the Lots. It shall be the responsibility of each Owner to obtain, at his own expense, liability insurance with respect to the ownership and use of his Lot, including his Residence, and the Association shall not be responsible for obtaining such insurance of having any liability whatsoever in connection therewith. It shall be the responsibility of each Owner to obtain and maintain hazard insurance and insurance against the perils customarily covered by an extended coverage endorsement in an amount equal to not less than the full replacement cost of the Residence.

3. Director and Officer Liability Insurance. The Board of Directors may obtain, as a matter of common expense payable from the Annual Assessments, liability insurance against personal loss for actions taken by members of the Board of Directors and officers of the Association in performance of their duties. Such insurance shall be of the type and amount determined by the Board of Directors, in its discretion.

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

B. Repair and Reconstruction After Casualty.

1. Common Property. In the event of damage to or destruction of all or any of the improvements on the Common Property as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of such improvement substantially in accordance with the plans and specifications under which the improvements were originally constructed, or any modification thereof approved by Developer of the ARB. The Board of Directors shall proceed towards reconstruction of such improvements as quickly as practicable under the circumstances, and shall obtain funds for such reconstruction from the

insurance proceeds and any Special Assessments that may be necessary after exhaustion of reserves for the repair and replacement of such improvements. Nothing contained herein shall impose absolute liability for damages to the Common Property on the Owners.

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

X. ASSOCIATION LIABILITY

A. Disclaimer of Liability. Notwithstanding anything contained in this Declaration, in the Articles or Bylaws, or in any other document governing or binding the Association (collectively, "Association Documents"), neither Developer nor the Association shall be liable or responsible for, or shall be deemed in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupants, tenants, and their families, guests, invitees, agents, servants, contractors or subcontractors, nor for any property of such persons.

B. Specific Provisions. Without limiting the generality of the foregoing:

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

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

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

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

XI. PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

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

1. By Developer. The Developer shall have the right, but not the obligation, for a period of thirty (30) years after the date of recording this Declaration, from time to time and within its sole discretion, to annex and include within this Declaration, Additional Property. Provided that the consent of Owners or Mortgagees shall not be required.

2. By Association. Alternatively, Additional Property owned by the Association, may be annexed to the Property, either upon a majority vote of Class A Members at a regular Association meeting or a special meeting called for the purpose, or the consent in writing of Owners of a majority of the Parcels. The consent of the Class B Member, if any, shall be required.

3. Residences. Residences constructed on the Additional Property may be different in appearance from existing Residences, and may be constructed in a style or other manner.

B. Supplemental Declaration. Any such additions authorized in Section XI A shall be made by the filing of record of one or more Supplemental Declarations with respect to the Additional Property. A Supplemental Declaration may contain any additions to or modifications of the provisions hereof applicable to the Additional Property as may be necessary, in Developer's judgment, to reflect the different character, if any, of the Additional Property that is the subject of the Supplemental Declaration, including, without limitation, any differences in the method or level of Assessments to be levied upon such Additional Property, taking into account the different nature or amount of services to be rendered to its Owners by the Association. A Supplemental Declaration shall become effective upon being recorded in the public records of the County.

D. Effect of Annexation. In the event that any Additional Property is annexed to the Property pursuant to the provisions of this Article XI upon recording of the Supplemental Declaration, (a) such Additional Property shall be considered within the definition of the term "Property" for all purposes of this Declaration, and (b) all voting of each class membership of the Association and all voting by the Owners hereunder shall be aggregated, it being intended that (i) any voting requirements need not be fulfilled separately for the Additional Property, and (ii) any Class B Member shall at all time have a majority of the votes of the Association until converted to Class A membership as described in Article II.

E. Withdrawal. Developer reserves the right to amend this Declaration unilaterally at any time without prior notice and without consent of any person or entity for the purpose of removing certain portions of the Property then owned by Developer or affected by the Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for the Property desired to be affected by the Developer; provided, however, that such withdrawals shall not unequivocally affect the overall, uniform scheme for the Property.

XII. GENERAL PROVISIONS

A. Duration. This Declaration, as amended and supplemented from time to time, shall run with and bind the Property, and shall inure to the benefit of and be binding upon Developer, the Association, the Owners, and their respective legal representatives, heirs, successors or assigns, for a term of forty (40) years from the date of this Declaration is recorded in the public records of the County, after which time all of said provisions shall be extended automatically for successive periods of ten (10) years each, unless an instrument or instruments signed by the then Owners of seventy five percent (75%) of the Lots subject to this Declaration is recorded in the public records of the County, agreeing to terminate all of said provisions as of a specified date. Unless this Declaration is terminated as provided above, the Association shall rerecord this Declaration or other notice of its terms at intervals necessary under Florida law to preserve its effect.

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

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

D. Enforcement of Covenants. If any person, firm, corporation, trust, or other entity shall violate or attempt to violate any of the covenants or restrictions set forth in this Declaration, it shall be lawful for the Developer, the Association, or any Owner: (a) to prosecute proceedings for the recovery of damages against those so violating or attempting to violate any such covenant or restriction; or (b) to maintain a proceeding in any court of competent jurisdiction against those so violating or attempting to violate any such covenant or restriction for the purpose of preventing or enjoining all or any such violations or attempted violations or for specific enforcement of the provision. In addition to all other remedies, the Board of Directors shall have the authority, in its sole discretion, to impose a fine or fines upon any Owner for failure of the Owner, his family, guests, invitees, tenants, or occupants, to comply with any covenant, restriction, rule, or regulation contained in this Declaration, the Articles, or the Bylaws, provide the following procedures are adhered to:

1. The Association shall notify the Owner or occupant of the infraction(s) and the date and time of a meeting which shall be at least fourteen (14) days from the date of notice. The Owner shall meet with a committee appointed by the Board which committee is composed of three (3) Owners who are not officers, directors or employees of the Association.

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

3. If approved by the committee, the Board of Directors may impose fines against the applicable Lot of up to the amounts permitted by State law per incident. The maximum permitted fine may be increased from time to time by the Board of Directors, as permitted by applicable statutes.

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

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

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

7. The imposition of a fine shall not be an exclusive remedy and shall exist in addition to all other rights and remedies to which the Association may otherwise be entitled, including without limitation the right to impose a Damage/Repair Assessment; however, any fine paid by the Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner or occupant. The limitations on fines in this paragraph does not apply to suspensions or fines arising from failure to pay Assessments.

8. The failure of Developer, the Association, or any Owner, of their respective successors or assigns, to enforce any covenant, restriction, obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall not be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any breach or violation occurring prior or subsequent thereto.

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

textual divisions are for convenience only and are not to be used to interpret, construe, apply, or enforce any substantive provisions. The provisions of this subparagraph apply also to the interpretation, construction, application, and enforcement of all the Association Documents.

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

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

H. Amendment. This Declaration may be amended at any time by an instrument signed by the President or Vice President and the Secretary or Assistant Secretary of the Association, certifying that such amendment has been adopted by the written consent of seventy five percent (75%) of the Class A Members or upon a seventy five percent (75%) vote of the Class A Members voting in person or by proxy at a regular Association meeting or a special meeting called for that purpose at which there is a quorum, which amendment shall become effective upon its filing in the public records of the County. Provided, however, that:

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

2. Developer specifically reserves the absolute and unconditional right (subject only to FHA or VA approval as set forth above, if required), so long as it owns any of the Property, to amend this Declaration without the consent or joinder of any party: (i) to conform to the requirements of any holder of a Mortgage; (ii) to conform to the requirements of title insurance companies; (iii) to conform to the requirements of any governmental entity having control or jurisdiction over the Property; (iv) to clarify the provisions of this Declaration; or (v) in such other manner as Developer may deem necessary or convenient.

3. Amendments to the Article and Bylaws shall be made in accordance with the requirements of the Articles and Bylaws and need not be recorded in the public records of the County.

I. Assignment of Developer Rights. Developer may assign all or only a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of the Property. In the event of such a partial assignment, the assignee shall not be deemed to be the Developer but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a nonexclusive basis. In addition, in the event that any person or entity obtains title to all of the Property owned by Developer as a result of foreclosure or deed in lieu thereof, such person or entity may elect to become the Developer by written election recorded in the public records of the County, and regardless of the exercise of such election, such

person or entity may appoint the Developer or assign any rights of Developer to any other party which acquires title to all or any portion of the Property by written appointment records in the public records of the County. In any event, no subsequent Developer shall be liable for any actions or defaults of, or obligations incurred by, any prior Developer, except as the same may be expressly assumed by the subsequent Developer.

J. Rights of Mortgagees. All Mortgagees shall have the following rights:

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

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

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

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

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

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

M. Tax Deeds and Foreclosure. All provisions of the Declaration relating to a Lot which has been sold for taxes or special assessments survive and are enforceable after the issuance of a tax deed or upon a foreclosure of an Assessment, a certificate or lien, a tax deed, tax certificate or tax lien, to the same extent that they would be enforceable against a voluntary grantee of title before such transfer.

N. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners designate hereby the Developer and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have created herein. Formal language of grant of reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provision.

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

P. NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DEVELOPER OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE NEIGHBORHOOD COMMON PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT (A) AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION OR IN DOCUMENTS WHICH MAY BE FILED BY DEVELOPER FROM TIME TO TIME WITH APPLICABLE REGULATORY AGENCIES, AND (B) AS OTHERWISE REQUIRED BY LAW. AS TO SUCH WARRANTIES WHICH CANNOT BE DISCLAIMED, AND TO OTHER CLAIMS, IF ANY, WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED. ALL OWNERS, BY VIRTUE OF ACCEPTANCE OF TITLE TO THEIR RESPECTIVE LOTS (WHETHER FROM THE DEVELOPER OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE

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

Signed, sealed and delivered
In the presence of:

William E. Boyd
Print Name: William E. Boyd

Holly J. Lucas
Print Name: Holly J. Lucas

Panther Creek Golf Club, Inc., a Florida
Corporation

By: R. Kent Curley
Print Name R. KENT CURLEY
Its President

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 16th day of May, 2003 by R. Kent Curley, as President of Panther Creek Golf Club, Inc., a Florida Corporation, on behalf of the corporation, who is personally known to me or has provided _____ as identification.

Holly J. Lucas
Notary Public, State of Florida
Print Name 5/15/04
My commission expires:
Commission No.:

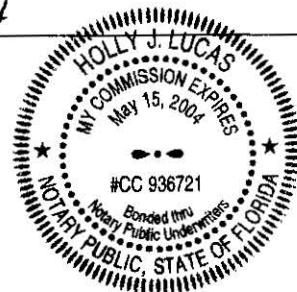


EXHIBIT A

A PORTION OF BLOCK 3, TRACTS 2, 15 AND 16, TOGETHER WITH A PORTION OF BLOCK 4, TRACTS 8 THROUGH 15 (INCLUSIVE), SECTION 25, TOWNSHIP 2 SOUTH, RANGE 24 EAST, TOGETHER WITH A PORTION OF BLOCK 1, TRACTS 1, 3, 4, 5 AND 6, SECTION 36, TOWNSHIP 2 SOUTH, RANGE 24 EAST, JACKSONVILLE HEIGHTS, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 5, AT PAGE 93 OF THE CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 2 SOUTH, RANGE 24 EAST, DUVAL COUNTY, FLORIDA; THENCE SOUTH $87^{\circ}50'09''$ WEST, A DISTANCE OF 315.10 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED; THENCE SOUTH $00^{\circ}38'49''$ WEST, A DISTANCE OF 662.34 FEET; THENCE SOUTH $88^{\circ}06'31''$ WEST, A DISTANCE OF 1587.39 FEET; THENCE NORTH $13^{\circ}18'50''$ WEST A DISTANCE OF 356.76 FEET; THENCE NORTH $30^{\circ}48'47''$ EAST A DISTANCE OF 561.37 FEET; THENCE SOUTH $75^{\circ}51'39''$ EAST A DISTANCE OF 136.87 FEET; THENCE NORTH $31^{\circ}51'56''$ EAST A DISTANCE OF 219.46 FEET; THENCE NORTH $15^{\circ}12'31''$ EAST A DISTANCE OF 76.74 FEET; THENCE NORTH $15^{\circ}24'01''$ WEST A DISTANCE OF 156.78 FEET; THENCE NORTH $33^{\circ}34'25''$ WEST A DISTANCE OF 237.16 FEET; THENCE NORTH $42^{\circ}59'49''$ WEST, A DISTANCE OF 219.54 FEET; THENCE SOUTH $66^{\circ}08'40''$ WEST A DISTANCE OF 1234.51 FEET; THENCE NORTH $64^{\circ}59'48''$ WEST A DISTANCE OF 156.44 FEET; THENCE NORTH $17^{\circ}05'39''$ WEST A DISTANCE OF 217.19 FEET; THENCE NORTH $29^{\circ}56'08''$ EAST A DISTANCE OF 136.36 FEET; THENCE NORTH $16^{\circ}45'36''$ WEST A DISTANCE OF 474.13 FEET; THENCE NORTH $11^{\circ}19'00''$ WEST A DISTANCE OF 290.41 FEET; THENCE NORTH $78^{\circ}41'00''$ EAST A DISTANCE OF 116.51 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY, WHOSE RADIUS POINT BEARS NORTH $63^{\circ}47'54''$ EAST, A DISTANCE OF 45.00 FEET THEREFROM; THENCE RUN EASTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 45.00 FEET, THROUGH A CENTRAL ANGLE OF $233^{\circ}05'54''$, FOR AN ARC DISTANCE OF 183.07 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH $89^{\circ}39'09''$ EAST, 80.51 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE, CONCAVE EASTERLY; THENCE RUN SOUTHERLY, ALONG THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF $38^{\circ}12'48''$, FOR AN ARC DISTANCE OF 16.67 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH $07^{\circ}41'24''$ WEST, 16.37 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH $11^{\circ}19'00''$ EAST A DISTANCE OF 28.99 FEET; THENCE NORTH $78^{\circ}41'00''$ EAST A DISTANCE OF 603.82 FEET; THENCE SOUTH $24^{\circ}23'23''$ EAST A DISTANCE OF 775.86 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, WHOSE RADIUS POINT BEARS NORTH $24^{\circ}34'42''$ WEST, A DISTANCE OF 7560.97 FEET THEREFROM; THENCE RUN NORTHEASTERLY, ALONG THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 7560.97 FEET, THROUGH A CENTRAL ANGLE OF $01^{\circ}31'09''$, FOR AN ARC DISTANCE OF 200.48 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH $64^{\circ}39'44''$ EAST, 200.47 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE, CONCAVE NORTHWESTERLY; THENCE RUN NORTHEASTERLY, ALONG THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 497.48 FEET THROUGH A CENTRAL ANGLE OF $17^{\circ}08'11''$, FOR AN ARC DISTANCE OF 148.79 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH $55^{\circ}20'04''$ EAST, 148.23 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY; THENCE RUN NORTHEASTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 260.00 FEET, THROUGH A CENTRAL ANGLE OF $20^{\circ}49'48''$, FOR AN ARC DISTANCE OF 94.52 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH $57^{\circ}10'53''$ EAST, 94.00 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE, CONCAVE SOUTHERLY; THENCE RUN EASTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 260.00 FEET, THROUGH A CENTRAL ANGLE OF $60^{\circ}51'17''$, FOR AN ARC DISTANCE OF 276.15 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH $81^{\circ}58'35''$ EAST, 263.35 FEET TO THE END OF SAID CURVE; THENCE NORTH $87^{\circ}51'13''$ EAST, A DISTANCE OF 452.22 FEET; THENCE NORTH $00^{\circ}21'12''$ WEST A DISTANCE OF 243.97 FEET; THENCE NORTH $88^{\circ}06'04''$ EAST A DISTANCE OF 941.42 FEET; THENCE SOUTH $00^{\circ}09'04''$ EAST A DISTANCE OF 241.22 FEET; THENCE SOUTH $87^{\circ}51'13''$ WEST A DISTANCE OF 605.88 FEET; THENCE SOUTH $00^{\circ}25'46''$ EAST A DISTANCE OF 1084.21 FEET; THENCE NORTH $87^{\circ}50'09''$ EAST A DISTANCE OF 335.58 FEET TO THE POINT OF BEGINNING. CONTAINING 3,319,042.440 SQUARE FEET OR 76.195 ACRES, MORE OR LESS.

EXHIBIT "B"

ARTICLES OF INCORPORATION OF PANTHER CREEK HOMEOWNERS ASSOCIATION, INC.

FILED
03 MAR 20 AM 11:37
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

We, the undersigned, hereby execute and deliver these Articles for the purpose of becoming a corporation not for profit under the laws of the State of Florida under and pursuant to the following Articles of Incorporation.

ARTICLE I.

The name and mailing address of the corporation shall be Panther Creek Homeowners Association, Inc., Post Office Box 23518, Jacksonville Florida 32241-3518, hereinafter called the Association.

ARTICLE II

Initial Registered Office and Agent

The initial registered office of the Association is 225 Water Street, Suite 900, Jacksonville, Florida 32202. The initial registered agent of the association is Frederick H. Kent. The principal business office of the Association is 5367 Ortega Blvd., Jacksonville, Florida 32210, and the office of the Association may thereafter be at such place as the Board of Directors of the Association (Board) may designate from time to time.

ARTICLE III

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof ("Members"). The specific purposes for which it is formed are to provide for maintenance,

preservation and architectural control of the Lots, Master Drainage System and Common Areas, to include entrance right-of-way, recreational areas, entrance way, signage, common area landscaping, and retention ponds, to promote the health, safety and welfare of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose. The Association shall have all the powers and duties reasonably necessary to operate and maintain the Association for the purposes for which it was formed including, but not limited to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants and Restrictions for Panther Creek, hereafter called the "Declaration," applicable to the Property and recorded in the Current Public Records of Duval County, Florida, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length with all definitions of terms set forth therein being applicable to such terms in these Articles;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association; to levy and collect adequate assessments against members of the Association for the costs of maintenance, repair and operation of all property owned or to be managed by the Association, including, without limitation, the surface water or stormwater management system.

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money and, with the assent of two-thirds (2/3) of each class of

members, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Areas, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and exercise any and all powers, rights and privileges which a corporation organized under the Corporations Not for Profit Law of the State of Florida by law may now or hereafter have or exercise and not in conflict with these Articles.

(h) maintain, repair, replace and operate the Common Areas;

(i) maintain and manage the surface water or stormwater management system(s) in a manner consistent with the St. Johns River Water Management District requirements and applicable District rules, and shall assist in the enforcement of the restrictions and covenants contained herein;

(j) purchase insurance upon the Common Areas and insurance for the protection of the Association and its Members;

(k) reconstruct improvements to the Common Areas after casualty and further improve the Common Areas;

(l) make and amend reasonable rules and regulations respecting the maintenance,

upkeep, and use of the Common Areas;

(m) employ personnel to perform the services required for the proper operation, maintenance and upkeep of the Common Areas and the operation of the Association; and

(n) contract for the management of the Association and the performance of its duties with a third party and delegate to said third party all of the powers and duties of the Association except those required by these Articles or the Declaration to have the approval of the Board or the Members.

ARTICLE IV

Qualification of Members

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Developer as identified and defined in the Declaration ("Developer") shall be a member.

ARTICLE V

Voting Rights

The Association shall have two classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Developer and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they, among themselves, shall determine, but in no event shall more than one vote be cast with respect to

any Lot.

Class B. Class B Members shall be the Developer, as defined herein, who shall be entitled to three (3) votes for each lot owned, as set forth in the Declaration. Class B Membership shall cease and be converted to Class A Memberships when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership.

ARTICLE VI

Board of Directors

The affairs of this Association shall be managed by a Board of Directors consisting of not less than three (3) nor more than nine (9) Directors who, for a period of five (5) years after the issuance of the Association's Certificate of Incorporation, need not be Members. The initial Board shall be composed of three (3) members and the succeeding Boards during said five (5) year period shall be comprised of three (3) Members. Directors shall be elected in accordance with the By-Laws at the annual members' meeting held on the second Tuesday of March of each year. The names and addresses of the persons who are to act in the capacity of Directors until the election of their successors are:

<u>Name</u>	<u>Address</u>
R. Kent Curley	5367 Ortega Boulevard Jacksonville, Florida 32210
William E. Boyd	5367 Ortega Boulevard Jacksonville, Florida 32210
Charles T. Boyd, III	5367 Ortega Boulevard Jacksonville, Florida 32210

If any vacancy shall occur in the first Board of Directors before the election and qualification of their successors, said vacancy shall be filled by the remaining Directors on such Board. Notwithstanding anything to the contrary, herein, however, not later than three (3) months after the Developer has conveyed ninety percent (90%) of the Lots included in the Property to persons other than the Developer, the members other than the Developer shall be entitled to elect a majority of the Board of Directors, provided, that the Developer shall be entitled to elect at least one (1) member of the Board of Directors for so long as the Developer owns at least five percent (5%) of the Lots included in the Property.

ARTICLE VII

Officers

The Association shall be administered by the Officers designated in the By-Laws. The Officers shall be elected by the Board at its first meeting following the annual meeting of the Members and shall serve at the pleasure of the Board. The names and addresses of the Officers who shall serve until their successors are designated by the Board as follows:

<u>Name</u>	<u>Address</u>
R. Kent Curley	5367 Ortega Boulevard Jacksonville, Florida 32210
William E. Boyd	5367 Ortega Boulevard Jacksonville, Florida 32210
Charles T. Boyd, III	5367 Ortega Boulevard Jacksonville, Florida 32210

ARTICLE VIII

By-Laws

The first By-Laws of the Association shall be adopted by the Board and may be altered, amended or rescinded by the Board in the manner provided by the By-Laws.

ARTICLE IX

Indemnification

Every Director and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by, or imposed upon him or her, in connection with any proceeding or settlement of any proceeding to which such Director or Officer may be a party or in which he or she may become involved by reason of his being or having been a Director or Officer of the Association, whether or not he or she is a Director or Officer of the Association at the time such expenses are incurred, but the provisions of this Article shall not apply if a Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification provided herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such Director or Officer may be entitled.

ARTICLE X

Dissolution

The Association may be dissolved in the manner provided by the laws of Florida. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance,

such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

In the event of termination, dissolution, or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE XI

Term

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

ARTICLE XII

Amendments

Amendments to these Articles shall be proposed and adopted in the following manner:

(a) A notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

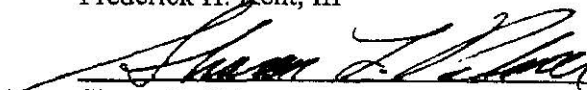
(b) A resolution for the adoption of the proposed amendment may be proposed by either the Board or the Members. Directors and Members not present in person or by proxy at a meeting considering an amendment may express their approval in writing provided that such approval is delivered to the Secretary of the Association at or prior to the meeting. Amendment of

these Articles shall require the assent of a majority of each class of members. When the Class B membership ceases and is converted to Class A membership, amendment of these Articles shall require the assent of a majority of the entire membership.

(c) A copy of each amendment shall be filed with the Secretary of State and recorded among the public records of Duval County, Florida.

IN WITNESS WHEREOF, we, the undersigned subscribing incorporators, have hereunto set our hands and seals for the purpose of forming this corporation under the laws of the State of Florida, and we hereby make, subscribe, acknowledge and file in the office of the Secretary of State of the State of Florida these Articles of Incorporation and certify that the facts herein stated are true, all on this 18 day of March, 2003.


Frederick H. Kent, III (SEAL)


Sharon L. Palmer (SEAL)

STATE OF FLORIDA

COUNTY OF DUVAL

Before me personally appeared this day, Frederick H. Kent, III, and Sharon L. Palmer, the parties to the foregoing Articles of Incorporation, who are personally known to me and to me known to be the individuals described in and who executed the foregoing Articles of Incorporation, and who acknowledged before me that they made, subscribed and acknowledged the foregoing Articles of Incorporation as their voluntary act and deed and that the facts set forth therein are true and correct.

WITNESS my hand and official seal on this ____ day of March, 2003.

Signature of Notary Public
Notary Public, State and County aforesaid
My commission expires: _____
(Notarial Seal)

BOOK NUMBER 11096 PAGE 2242

ACCEPTANCE BY REGISTERED AGENT

Having been named to accept service of process for Panther Creek Homeowners' Association, Inc., a Florida corporation not for profit, at the place designated in the Articles of Incorporation of said corporation, I hereby accept such appointment and agree to act in this capacity, and agree to comply with the provisions of law relating to keeping said office open. I further acknowledge that I am familiar with, and accept, the obligations imposed upon registered agents, including the obligations imposed by section 607.0505, Florida Statutes.

Frederick H. Kent, III
Frederick H. Kent, III, Registered Agent

FILED
03 MAR 20 AM 11:37
STATE
SECRETARY OF
TALLAHASSEE, FLORIDA

EXHIBIT "C"

BYLAWS OF PANTHER CREEK HOMEOWNERS ASSOCIATIONS, INC. A FLORIDA CORPORATION NOT FOR PROFIT

ARTICLE I. OFFICES

Section 1. Principal Office. The principal office of this corporation in the State of Florida shall be located at 5367 Ortega Boulevard, in the City of Jacksonville, County of Duval, Florida.

Section 2. Other Offices. The corporation may have such other offices, either within or without the State of Florida, as the Board of Directors may from time to time determine.

ARTICLE II. MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Developer as identified and defined in the Declaration ("Developer") shall be a member.

ARTICLE III. DIRECTORS

Section 1. Number. The number of members of the Board of Directors of this corporation shall be not less than three (3) nor more than nine (9) Directors who, for a period of five (5) years after the issuance of the Association's Certificate of Incorporation, need not be Members. The initial Board shall be composed of three (3) members and the succeeding Boards during said five (5) year period shall be comprised of three (3) Members.

Section 2. Powers. The Board of Directors shall be responsible for the election and day-to-day supervision of the officers, and for the general management of the corporation. The Board of Directors may, however, delegate the performance of any duties or the exercise of any powers to such officers, agents and committees as the board may from time to time, by resolution, designate.

Section 3. Qualifications of Directors. Directors of the corporation must be persons who are competent to contract, and may not be related directly or indirectly to anyone receiving services or grants from the corporation.

Section 4. Term of Office. The directors named in the articles of incorporation as the first Board of Directors, and all subsequently-elected directors, shall hold office until their death or resignation, or until removed as provided herein.

Section 5. Replacement of Directors. Whenever a vacancy exists on the Board of Directors, whether by death, resignation, or otherwise, the vacancy shall be filled by election by a majority of the voting members, if any or, if voting membership shall not have been provided, by a majority of the other members of the Board of Directors. Any person appointed or elected to fill the vacancy of a director shall have the same qualifications as were required of the director whose office was vacated. Any person elected to fill a vacancy in the Board of Directors shall hold office until his or her death or resignation, or until removed by a majority of the Board of Directors present at any meeting of the Board of Directors called for that purpose.

Section 6. Compensation. No member of the Board of Directors shall receive any compensation from the corporation for acting as a director, but nothing herein shall prevent a director from receiving reasonable compensation for other services performed on behalf of the corporation. Directors may be reimbursed for reasonable expenses incurred on behalf of the corporation.

Section 7. Meetings. Meetings shall be held at such place or places as the Board of Directors may from time to time by resolution designate; or, in the absence of such designation, at the principal office of the corporation. All meetings of the board must be open to all members. Regular meetings shall be held quarterly on such date as shall be fixed by the Board of Directors. Notices of all board meetings must be posted in a conspicuous place in the community at least forty-eight (48) hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the community, notice of each board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. The president may, as the president deems necessary, and the secretary shall, if so requested in writing by ten percent (10%) of the total voting interests of the association, call a special meeting of the board. In such event, seven (7) days oral or written notice to each director shall be deemed sufficient. An assessment may not be levied at a meeting of the Board of Directors unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments.

Section 8. Quorum and Voting. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board. However, if less than a majority of the directors are present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Except as may otherwise be provided in these bylaws, or in the articles of incorporation of this corporation, or by law, the act of a majority of directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Action Without Meeting. No meeting need be held by the board to take any action required or permitted to be taken by law, provided all members of the board shall individually or collectively consent in writing to such action, and such written consent or consents is filed with the minutes of the proceedings of the board. Action by written consent shall have the same force and effect as action by unanimous vote of the directors. Any certificate or other document filed

under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting, and that the bylaws authorize the directors to so act. Such a statement shall be prima facie evidence of such authority.

Section 10. The directors of this corporation shall not be personally liable for its debts, liabilities, or other obligations.

Section 11. Notwithstanding anything to the contrary herein, the developer of the Panther Creek community shall be entitled to elect at least one member of the Board of Directors as long as the developer holds for sale in the ordinary course of business at least five (5) percent of the parcels in all phases of the community. At all times, the developer may exercise the right to vote any developer-owner voting interests in the same manner as any other member, except for purposes of reacquiring control of the homeowners' association or selecting a majority of the members of the Board of Directors

ARTICLE IV. OFFICERS

Section 1. Designation of Officers. The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may elect or appoint such other officers, including one or more assistant secretaries, and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of this corporation shall be elected annually by a majority vote of the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon as may be convenient. New offices may be created and filled at any meeting of the board. Each officer shall hold office until removal or until his successor shall have been duly elected and shall have been qualified.

Section 3. Removal of Officers. Any officer or agent of this Corporation elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served by that removal.

Section 4. Vacancies. A vacancy in any office, whether due to death, resignation, removal, disqualification, or otherwise, may be filled by a majority vote of the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the corporation, and shall exercise general supervision and control over all activities of the corporation. The President:

(a) Shall preside at all meetings of members and shall in general provide leadership, direction, and guidance in conducting day-to-day functions and in carrying out the corporation's mission as defined by the Board of Directors;

(b) Shall have the responsibility of ensuring the integrity of all operations, including the timely reporting of operational and financial activities to the Board of Directors, shall formulate, recommend, and administers policies and procedures required to meet goals and objectives as established by the Board of Directors, and shall assure compliance of the corporation with all applicable laws, regulations, licensures, and accreditation standards;

(c) May sign, with the secretary or other officer duly authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments, the execution of which has been authorized by the Board of Directors, except in cases where the signing and execution of such instruments has been expressly delegated by the Board of Directors by these bylaws, or to some other officer or agent of the corporation by law; and

(d) Shall appoint and discharge all subordinate agents and employees and fix their salaries, subject to review by the Board of Directors, and shall designate the duties they are to perform; and

(e) Shall perform all other duties generally incident to the office of president of a corporation and such other duties as may be prescribed by the Board of Directors.

Section 6. Treasurer. The treasurer shall:

(a) If so required by the Board of Directors, give a bond for the faithful discharge of the treasurer's duties in such sum and with such surety or sureties as the Board of Directors may deem appropriate;

(b) Have charge and custody of, and be responsible for, all funds and securities of the corporation;

(c) Receive and give receipts for moneys due and payable to the corporation from any source and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; and

(d) Perform all duties generally incidental to the office of treasurer and such other duties as may from time to time be assigned to the treasurer by the president or by the Board of Directors.

Section 8. Secretary. The secretary shall:

- (a) Keep the minutes of meetings of members and of the Board of Directors in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these bylaws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the corporation;
- (d) Keep a membership book containing the names and addresses of all members and of the members of the Board of Directors of the corporation, and with respect to any membership which has been terminated, record that fact together with the date of termination; and
- (e) Exhibit to any member or director of the corporation, or to a director's agent, or to any person or agency authorized by law to inspect them, at all reasonable times and on demand, these bylaws, the articles of incorporation, the membership book, the minutes of any meeting, and the other records of the corporation.

Section 9. Other Officers. The assistant treasurers, assistant secretaries, or assistant to the president, if any such shall be elected, shall perform such duties as may be assigned to them by the Board of Directors or the President of the corporation.

ARTICLE V. COMMITTEES

Section 1. Committees in General. The Board of Directors may establish such committees of the Board of Directors as it determines to be needed from time to time. Not all committees need be active or activated at one time, but shall be established at such time as the Board of Directors determines the need for the same has arisen.

Section 2. Executive Committee. The Executive Committee of the Board of Directors, if appointed, shall be empowered to act for the full Board in matters that require immediate action or do not involve major questions of policy or funding. The Executive Committee will consist of the President and such other officers of the corporation and members of the Board of Directors as the Board may from time to time appoint, however, its appointees should be composed of individuals who will be able to come to meetings on short notice.

Section 3. Finance Committee. The Finance Committee of the Board of Directors, if appointed, shall be chaired by the corporation's treasurer. It is empowered to study and make recommendations regarding all financial procedures and controls, assist in the preparation and presentation of budgets, and review all financial statements. This committee reviews audit results and recommends the retention of an auditor.

ARTICLE VI. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 1. Contracts. The Board of Directors may, by resolution duly adopted, authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general, or confined to specific instances.

Section 2. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 3. Checks, Drafts, Orders for Payment. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as the Board of Directors shall time to time by resolution determine. In the absence of such determination, such instruments shall be signed by the treasurer and countersigned by the president of the corporation.

Section 4. Budgets. The corporation shall prepare an annual budget. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the corporation, the developer, or another person. The corporation shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The copy must be provided to the member within ten (10) business days after receipt of the written request for access.

Section 5. Financial Reporting. The corporation shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The corporation shall, within ten (10) business days, provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member.

ARTICLE VII. INDEMNIFICATION

Section 1. Definitions. For purposes of this Article, the following terms shall have the meanings hereafter ascribed to them:

(a) "Agent" includes a volunteer;

(b) References to this "corporation" includes, as the context may require, Panther Creek Homeowners Association, Inc., any resulting corporation and any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger, so that any person who is or was a director, officer, employee, or Agent of a constituent corporation, or is or was serving at the request of a constituent corporation as a director, officer, employee, or Agent of

another corporation, partnership, joint venture, trust or other enterprise, is in the same position with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(c) "Expenses" include, without limitation, all costs, expenses, attorneys' fees, and paralegal expenses incurred by the director or officer in, for or related to the Proceeding or in connection with investigating, preparing to defend, defending, being a witness in or participating in the Proceeding, including such costs, expenses, attorneys' fees and paralegal expenses incurred on appeal. Such attorneys' fees shall include without limitation, (a) attorneys' fees incurred by the director or officer in any and all judicial or administrative proceedings, including appellate proceedings, arising out of or related to the Proceedings; (b) attorneys' fees incurred in order to interpret, analyze or evaluate that person's rights and remedies in the Proceedings or under any contracts or obligations which are the subject of such Proceeding; and (c) attorneys' fees to negotiate with counsel for any claimants, regardless of whether formal legal action is taken against him.

(d) "Liability" includes obligations to pay a judgment, settlement, penalty, fine (including an excise tax assessed to any employee benefit plan), and Expenses actually and reasonably incurred with respect to a Proceeding.

(e) "Not Opposed to the Best Interest of the Corporation" describes the actions of a person who acts in good faith and in a manner he or she reasonably believes to be in the best interests of the corporation.

(f) "Proceeding" includes any threatened, pending, or completed action, suit or other type of proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal to which the person is a party by reason of the fact that he or she is or was a director or officer of the Corporation or is now or was Serving at the Request of the Corporation as a director, officer, employee, or Agent of another Corporation, partnership, joint venture, trust or other enterprise;

(g) "Serving at the Request of the Corporation" includes any service as a director, officer, employee or Agent of the corporation that imposes duties on such persons, including duties relating to an employee benefit plan, its participants or beneficiaries;

Section 2. Indemnification. The Corporation shall indemnify to the fullest extent permitted by law, and shall advance Expenses therefor, to any director or officer who was or is a party to any proceeding, against Liability incurred in connection with such Proceeding, including any appeal thereof; provided, however, that no indemnification under this Section shall be made:

(a) If a judgment or other final adjudication establishes that the person's actions or omissions to act were material to the cause of action adjudicated and such actions or omissions constitute:

(1) A violation of the criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful;

(2) A transaction from which the director or officer derived an improper personal benefit; or

(3) In the case of a director, a circumstance under which the Liability provisions of Section 617.0834, Florida Statutes are applicable.

(b) Unless authorized in the specific case:

(1) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such Proceeding;

(2) If such a quorum is not obtainable or, even if obtainable, by majority vote of a committee duly designed by the Board of Directors (in which directors who are parties may participate) consisting solely of two or more directors not at the time parties to the Proceeding; or

(3) By independent legal counsel selected by the Board of Directors prescribed in paragraph (b)(1) or the committee prescribed in paragraph (b)(2) or, if a quorum of the directors cannot be obtained pursuant to paragraph (b)(1) and the committee cannot be designated under paragraph (b)(2) selected by majority vote of the full Board (in which directors who are parties may participate).

(c) Upon a judicial determination that the person acted in good faith and in a manner he or she reasonably believed to be in, or Not Opposed to, the Best interests of the Corporation and, with respect to any criminal action or Proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 3. Mandatory Indemnification. In all events, and notwithstanding the conditions and qualifications set forth in Section 2 above, the corporation shall indemnify a director or officer who has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue, or matter therein, against Expenses actually and reasonably incurred by him in connection therewith.

Section 4. Court Ordered Indemnification. Notwithstanding the failure of the corporation to provide indemnification due to a failure to satisfy the conditions of section 2, and despite any contrary determination of the applicable board in the specific case, a director or officer of the corporation who is or was a party to a Proceeding may apply for indemnification or advancement of Expenses, or both, to the court conducting the Proceeding, to the circuit court, or to another court of competent jurisdiction, and such court may order indemnification and

advancement of Expenses, including Expenses incurred in seeking court-ordered indemnification or advancement of Expenses, if it determines that:

(a) The director or officer is entitled to mandatory indemnification under section 3, in which case the court shall also order the corporation to pay such person reasonable Expenses incurred in obtaining court-ordered indemnification or advancement of Expenses;

(b) The director or officer is entitled to indemnification or advancement of Expenses, or both, under section 2; or

(c) The director or officer is fairly and reasonably entitled to indemnification or advancement of Expenses, or both, in view of all the relevant circumstances, regardless of whether such person met the standards of conduct set forth in Section 2(a) or Section 2(b).

Section 5. Meetings on Indemnification. If a judgment or other final adjudication establishes that the person's actions or omissions to act were material to the cause of action adjudicated and such actions or omissions constitute a violation of the standards set forth in Section 2(a), then the corporation shall cause one or more the meetings described in section 2 (b) to be held for the purpose of determining and authorizing indemnification.

Section 6. Advancement of Expenses. The corporation shall, within 30 days of request by an officer or director, advance him or her an amount equal to the expenses actually and reasonably incurred by him or her in defending in civil or criminal Proceeding. Prior to advancing any expenses hereunder, the corporation shall have received from the officer or director, or some person on his behalf, an undertaking to repay such amount if he or she is ultimately found not to be entitled to indemnification by the corporation pursuant to this Article.

Section 7. Binding Effect. Indemnification and advancement of Expenses as provided in this Article shall continue as, unless otherwise provided when such indemnification and advancement of Expenses was authorized or ratified, to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 8. Insurance. The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or Agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or Agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

Section 9. Employee and Agent Indemnification. The Board of Directors may authorize indemnification or advancement of expenses in favor of other employees and Agents upon such terms or conditions as the Board may deem appropriate under the circumstances, and may enter into

agreements therefore with such employees and Agents provided that they are within the limitations set forth in this Article and applicable law.

Section 10. Interpretation. The rights of an officer or director hereunder shall be in addition to any other rights such person may have under the Florida Not for Profit Corporation Act or otherwise, and nothing herein shall be deemed to diminish or otherwise restrict such person's right to indemnification under any such other provision. It is the intent of this Bylaw to provide the maximum indemnification possible under the applicable law. To the extent applicable law as in effect on the date hereof or at any time in the future, permits greater indemnification than is provided for in this Bylaw, the parties hereto agree that Indemnatee shall enjoy by this Agreement the greater benefits so afforded by such law, and this Bylaw and the exceptions to indemnification set forth herein, to the extent applicable, shall be deemed amended without any further action by the corporation to grant such greater benefits.

ARTICLE VIII. MISCELLANEOUS

Section 1. Books and Records. The corporation shall prepare and maintain correct and complete books and records of account and shall also keep minutes of the meetings of its members, its Boards and committees, and shall keep at the registered or principal office a membership book giving the names and addresses of members entitled to vote. All books and records of the corporation may be inspected by any director or member, or the agent or attorney of either, or any proper person, at any reasonable time.

Section 2. Fiscal Year. The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

Section 3. Corporate Seal. The Board of Directors shall provide a corporate seal described as follows: circular in form and inscribed thereon the name of the corporation and the state of incorporation and the words "corporate seal".

Section 4. Waiver of Notice. Whenever any notice is required to be given under the provisions of the Florida Not For Profit Corporation Act or under the provisions of the articles of incorporation or the bylaws of this corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 5. Telephone Conference Meeting. Members of the Board of Directors may participate in a meeting of their Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participating by such means shall constitute presence in person at such meeting.

Section 6. Presumption of Assent. A director of the corporation who is present at a meeting of his or her Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he or she votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

ARTICLE IX. AMENDMENTS

Subject to the limitations of the articles of incorporation, these bylaws, and the Florida Not For Profit Corporation Act, once adopted by the Board of Directors of the corporation named in the articles of incorporation, the bylaws of this corporation may thereafter be amended, repealed, or added to, or new bylaws may be adopted, only by an affirmative vote of two-thirds (2/3) of the voting interests of the association. An amendment may not affect vested rights unless the record owner of the affected parcel and all record owners of liens on the affected parcels join in the execution of the amendment.